



"Your Hometown Convenience Bank"

Dear Valued Customer:

I'm writing to inform you of new regulatory changes regarding New Windsor State Bank's Overdraft Privilege (ODP)* program taking effect on August 15, 2010. These changes require you to take action and "opt in" (agree) to continue with ODP access on ATM and everyday or one-time point of sale debit card transactions (such as at the supermarket and gas pump). If you have more than one personal checking account with us, you may receive multiple notifications as you are required to "opt in" for each account you wish to be covered under the program.

If you currently have ODP coverage on your checking account and have used it, I'm sure you know just how valuable it can be. Whether you've drawn on it inadvertently or by choice, you know that it can help you avoid additional returned check charges from merchants and the potential embarrassment of having debit card purchases or ATM withdrawals declined. The benefit of ODP is simply peace of mind from knowing you have an additional \$500 in overdraft coverage that would allow your payment/withdrawal to be authorized and processed. It is important to understand however, that any transaction that would draw against your ODP limit would still incur our standard charge for insufficient funds (current NSF charge is \$35 per item) but will undoubtedly save you from any additional fees from the merchant, as well as complications that can arise from having an important payment be rejected and/or returned.

To "opt in" to Overdraft Privilege or to learn more about the changes effecting our standard overdraft practices for everyday debit card transactions and ATM withdrawals effective August 15, 2010 please use any of the following convenient options (*Note – Consent is not required for continued access to Overdraft privilege for checks, in person withdrawals, ACH preauthorized items, internet banking and telephone banking*):



- Call (410) 549-1414 and speak directly to Judy Brillhart or ask to be transferred to your personal banker
- Complete the form at the bottom of the enclosed disclosure and mail back to us in the enclosed envelope
- Visit www.NewWindsorBank.com and click on the button titled "Overdraft Changes"
- Stop by or call your local NWSB Branch

In addition to ODP we also offer other overdraft services which may be better suited for your needs. Your personal banker or any bank employee can provide you with details about the options available, such as linking your checking account to a NWSB savings account or applying for an overdraft line of credit known as Check Protect. We also provide a variety of tools to help you monitor your spending and avoid overdrafts, such as free online banking, free electronic bill pay with account alerts, free mobile banking and free voice banking (410-635-2512 or toll free 1-866-276-4979).

To help answer any immediate questions you may have please review the back of this letter, as well as the enclosed disclosure, which provides further information about our standard overdraft practices for ATM withdrawals and everyday debit card transactions.

Remember, unless you respond your current overdraft coverage on everyday ATM and debit card transactions will end on August 15, 2010. Just imagine if you needed the help that ODP provides and couldn't access the program during a financial shortfall or at a critical time. Even if you never need to use ODP, it may be advantageous to "opt-in" now so you will always have that peace of mind.

Thank you for your immediate response to this matter and for choosing NWSB as your bank! If you'd like to speak with me directly, please feel free to contact me at (410) 751-3861.

Sincerely,

Lisa A. Monthley
Senior Vice President
Chief Deposit Officer

Enclosure

*The eligibility requirements for maintaining Overdraft Privilege (ODP) are listed in our Overdraft Privilege Disclosure. With ODP, we will generally pay your overdraft items up to \$500. Whether your overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, or you have too many overdrafts. You will be charged our normal overdraft or return item fee of \$35 for each item that is presented, and you must bring your account to a positive balance within 30 days. In the event that you would not like to have this valuable service on your account, simply contact us.

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ACTION REQUIRED BY AUGUST 15, 2010