Funds Availability Policy Change Notice

We have changed our funds availability policy. This notice describes the changes to that policy. The changes are beneficial to you and will become effective on **July 1, 2011**.

Our previous policy provided that in some circumstances when we would not make all of the funds you deposits from checks available to you when they normally would be available, we would make the first $100 of your deposits available the first business day after the date of your deposit. Our new policy makes the first $200 dollars available to you on the first business day after the date of you deposit when those same circumstances could delay the availability of your deposit.

The following is a more complete description of the changes to our policy and the circumstances when we might apply longer delays. For your convenience, we have highlighted the changes in ***bold italic type***.

Longer Delays May Apply

In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first ***$200*** of your deposit will be available to you on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the first business day after we received your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than $5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

This policy change applies to all accounts.

PREFERRED BANK