



IMPORTANT REGULATORY INFORMATION REGARDING YOUR CHECKING ACCOUNT

As a valued Mt. Washington Bank customer, your banking relationship is important to us, therefore we want to keep you informed of any changes that may impact your accounts.

Recently a regulatory change has occurred that now requires banks to obtain customer's permission *before* allowing overdrafts to be paid on ATM withdrawals and everyday debit card transactions. This means, that **you** decide whether you wish to authorize the bank to pay these overdrafts or have them declined. *But before you decide, you need to know how your decision will affect your checking account and the way your ATM/Debit Card transactions will be processed:*

What happens when I choose to OPT-IN and authorize overdrafts on my ATM/Debit Card transactions?

Nothing...your account will function ***exactly as it does today***. If you initiate an ATM withdrawal or debit card transaction that could cause your account to reach a negative balance, we have your permission to pay that transaction and an overdraft fee may be charged. **Your authorization provides important protections.** If you are running short of cash, or simply make a mistake in your checking account, your authorization gives us permission to cover that transaction so you can avoid the embarrassment of having your transaction declined at the grocery store or at your neighborhood restaurant.

Once again, opting-in authorizes the bank to pay overdrafts on your ATM/Debit Card transactions as we currently do today – business as usual. While your authorization does not guarantee that the bank will cover every transaction that may take your account negative, we will, as we always have, continue to honor these transactions whenever possible.

If we do not receive your authorization, please be aware that the way your account works today will change. ***Beginning August 15, 2010, we will not be able to pay an ATM withdrawal or debit card transaction that causes your account to reach a negative balance.*** If there are insufficient funds in your account, the transaction will be declined. To complete the transaction, you will need another form of payment such as a check, cash, or credit card or you may cancel the transaction.

To OPT-IN and authorize us to pay these transactions, you can either call our Ultimate Service Center at 617-268.8880, stop by any branch location to give us your authorization form, or print the form supplied on our website and mail it to Mt. Washington Bank, P.O. Box 101, South Boston, MA 02127.

Thank you for banking with us!

Sincerely,

James A. Morgan
Senior Vice President, Retail Banking