HOW TO SAY YES! To Continuing Your 
ATM/Debit Card Overdraft Coverage at the little bank, Inc.

Dear little bank Customer,

Thank you for choosing the little bank, Inc. Your banking relationship is important to us and we want to keep you informed of regulatory changes that may impact your ATM and everyday debit card transactions.

► Your little bank checking account has an overdraft coverage feature. After August 15, 2010, we will no longer be allowed to provide automatic overdraft coverage unless you authorize us to do so.

► With your authorization, your debit card will continue to work as it does now. That means if a transaction takes your account into a negative balance, the little bank, Inc. has permission to pay overdrafts on those transactions and a fee may be charged. However, you have a choice, so before deciding, you should know how this decision will affect your checking account.

How it helps you
If you are running short of cash or an error has left your account with a negative balance, your authorization gives the Bank permission to cover that transaction. You'll avoid the inconvenience and embarrassment of having a transaction declined at your local grocery store or favorite neighborhood restaurant. Authorization does not guarantee that the little bank, Inc. will pay every transaction that takes your account into a negative balance, but we will honor those transactions whenever possible.

What happens if my account isn’t authorized?
Beginning August 15, 2010, if you do not authorize us to pay overdrafts on your ATM and debit card, we will decline any ATM 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 refused. To complete these transactions, you will need another form of payment, such as cash or credit card, or you may cancel the transaction. Everything else about your account will remain the same.

► You may revoke your consent to overdraft coverage at any time, but after August 15, 2010, every ATM and debit card transaction on an account without overdraft protection that creates a negative balance will be denied.

► If you want to keep this convenient coverage and authorize the little bank, Inc. to pay overdrafts on ATM and everyday debit card transactions, please complete the enclosed form and present it at one of our branches or mail it to: the little bank, Inc., Attn: Opt-in, 1011 Red Banks Road, Greenville, NC 27858 before July 1, 2010. You may also opt-in to our standard overdraft program by contacting your local branch or by calling 866-638-0552.

Thank you for your time and business!

the little bank, Inc.