



Dear Association Member,

The following letter is designed to help you understand some of the changes occurring with your accounts effective **December 3rd, 2011**. To thank you in advance for your patience and cooperation throughout this transition, all customers will be placed in a drawing to be held on December 16th. Prizes with a total value of \$3,000, including a 42" HDTV will be awarded. **If your name is drawn, you must produce this letter in order to claim a prize.** A replacement letter can be obtained in person, up to the date of the drawing.

Since December of 2008 the combined Board of Directors and Senior Management of First Federal Savings & Loan Association of Central Illinois (1st Fed CI) have been working to complete the technology side of our merger in order to fully integrate Shelbyville, Charleston and Windsor, into one efficiently run financial institution supporting multiple branches. Our goal is to provide a strong financial institution that focuses on our customers' needs and provides support within the communities we serve.

This letter contains three sections. The **Change Matrix Guide (page 2)** is a quick reference to help you identify changes based on your branch location. The **Fee Disclosure (page 3)** lists the fees that may have change based on accounts and branches being merged. Finally, the **Administrative Changes and Service Enhancements Guide (pages 4-7)** explains the administrative changes affecting your accounts and enhancements to our services. These changes may differ from your original account opening disclosure documents, as well as any subsequent change in terms communication(s) we have sent you.

Recently Bank of America, Wells Fargo and other large banks felt it was necessary to begin imposing fees for Debit Card use. We are not following their example and **will not be charging for our Debit Card services.**

On Friday December 2nd, all Internet Banking, Bill Pay and Telephone Banking (Charleston Members) will be suspended until Monday, December 5th. **All branches will be closed on Saturday, December 3rd**, in order to transition to the new system. We will resume operations on Monday, December 5th. Senior Management and the Board of Directors wish to express our appreciation to our members, and believe this technology change will more than serve your needs for the foreseeable future.

Sincerely,

Tadd Brachbill
Chief Executive Officer

Richard Firnhaber
President, Board of Directors

Change Matrix Guide

Administrative Changes	Branch Locations	
	Shelbyville/Windsor	Charleston
Fee Schedule	5	5
Interest Calculation Methods	5	1
Dormancy Fees	5	1
Passbooks (Savings & Loan)	5	5
Service Enhancements		
Website (www.1stfedci.com)	3	3
Internet Banking	2 & 3	2 & 3
Bill Pay	2	2
Telephone Banking	4	2 & 3
Debit Card (Re-issue)	5	1
Debit Card (Limits)	1	5
Debit Card (Utility)	1	4
Online ATM Balance	4	1
Mobile Banking	4	4

Footnotes

- 1** = No Change
- 2** = Re-enroll
- 3** = Enhancement
- 4** = New Service
- 5** = Change / Administrative

Fee Schedule

TYPE OF FEE	FEE	HOW ASSESSED	EXPLANATION OR ACCOUNTS AFFECTED
STOP PAY FEE	\$ 25.00	PER REQUEST	
STOP PAY RENEWAL	\$ 20.00	PER REQUEST	
WIRE TRANSFERS WITHIN THE U.S.	\$ 25.00	PER TRANSACTION	
WIRE TRANSFERS OUTSIDE THE U.S.	\$ 75.00	PER TRANSACTION	
TEMPORARY CHECKS IF ORDERING CHECKS WITH US	\$ -		
TEMPORARY CHECKS & NOT ORDERING CHECKS WITH US	\$ 0.10	PER CHECK	
CHARGE BACKS (RETURNED DEPOSITED CHECK)	\$ 5.00	PER CHECK	
INSTITUTION CHECK (BANK DRAFT) MADE OUT TO CUSTOMER	\$ -	PER CHECK	
INSTITUTION CHECK (BANK DRAFT) NOT MADE OUT TO CUSTOMER	\$ 3.00	PER CHECK	
BANK CHECK	\$ 3.00	PER CHECK	
GARNISHMENTS/LEVIES	\$ 25.00		
ACCOUNT RESEARCH (STATEMENT BALANCE)	\$ 20.00	PER HOUR	
SERVICE FEE ON PASSBOOK SAVINGS	\$ 1.00	PER MONTH	IF BALANCE FALLS BELOW \$100.00. WE DO NOT CHARGE MINOR'S ACCOUNTS.
DORMANCY FEE FOR INACTIVE ACCOUNTS (DEMAND DEPOSIT, CHECKING AND SAVINGS)	\$ 3.00	PER MONTH	AFTER INACTIVE FOR 6 MONTHS AND A BALANCE LESS THAN \$100.00. WE DO NOT CHARGE MINOR'S ACCOUNTS.
NSF CHARGE (OVERDRAFT)	\$ 25.00	PER TRANSACTION	
CONTINUOUS OVERDRAFT CHARGE (NSF)	\$ 3.00	PER DAY	AFTER NEGATIVE FOR 3 DAYS
SPECIAL STATEMENT (ACCT TRANSFER HISTORY)	\$ 2.00	PER STATEMENT	
COPY OF CHECK	\$ 5.00	PER CHECK	
ELECTRONIC TRANSACTION INFO REQUEST	\$ 5.00	PER TRANSACTION	
DEBIT CARD REPLACEMENT	\$ 5.00	PER CARD	FOR LOST OR DAMAGED CARDS
DEBIT CARD WITHDRAWAL AT ATM OTHER THAN THE ONES WE OWN OR OPERATE	\$ 1.00	PER TRANSACTION	
REPLACEMENT OF DEBIT CARD PERSONAL IDENTIFICATION NUMBER	\$ 5.00	PER REQUEST	FORGOTTEN PIN
EXPEDITED BILL PAYMENT SERVICE			
Electronic payment	\$ 7.25	PER PAYMENT	
Check payment	\$ 25.00	PER PAYMENT	
EFT OVER LIMIT FEE ON PASSBOOK SAVINGS & MONEY MARKET (CASH POWER) ACCOUNTS	\$ 5.00	PER TRANSACTION, WHEN LIMIT HAS BEEN EXCEEDED	6 Electronic transfers per 4 week period (EFT). Transfers, withdrawals made in person, by messenger, by mail or at an ATM are unlimited.

Administrative Changes & Service Enhancement Guide

Administrative Changes

Interest Calculation Methods

On Saturday, December 3rd, our method for calculating interest on all Demand Deposits [**PASSBOOK SAVINGS, CHRISTMAS CLUB, FREE CHECKING WITH INTEREST (NOW), PLUS NOW, SUPER NOW, MONEY MARKET (CASH POWER) COMMERCIAL CHECKING, SMALL BUSINESS CHECKING, COMMERCIAL LARGE VOLUME CHECKING**] will be based on 365/365. This administrative change has no material effect on members who have these types of accounts. The following table details the Demand Deposit that were merged and what changes have occurred.

	NEW MERGED ACCOUNT
PASSBOOK SAVINGS	<ul style="list-style-type: none"> - \$100.00 to open. 3 - Pay Interest from \$.01 up - Interest calculation: compound daily, on a 365/365 basis, credited to the account on the last day of each quarter. -Can be linked to a Debit Card but not used as the Primary Account. - \$1.00 fee if balance falls below \$100.00 if the account is not a minor's account. - Dormancy Fee \$3.00 1 - 6 Electronic transfers per 4 week period (EFT) 2
CHRISTMAS CLUB	<ul style="list-style-type: none"> - \$1.00 to open - Allow one withdrawal by customer. The second withdrawal will cause the account to be closed t or converted to a Passbook Savings account.. - Interest calculation: compound daily, on a 365/365 basis, credited to the account on the last day of each quarter.
FREE CHECKING WITH INTEREST (NOW)	<ul style="list-style-type: none"> - \$250.00 to open. 3 - Interest will be paid on a balance of \$250.00 and over - Interest calculation: compound daily 365/365 basis, credited to the account on the last day of the cycle - Dormancy Fee \$3.00 1
MONEY MARKET (CASH POWER)	<ul style="list-style-type: none"> - \$1,000.00 to open - Interest calculation: compound daily 365/365 basis, credited to the account on the last day of the cycle. - Interest will be paid on \$.01 and over. - Can be linked to a Debit Card but not used as the Primary Account. - Service fee of \$6.00 if balance falls below \$1,000.00 - The first box of checks is free - Dormancy Fee \$3.00 1 - 6 Electronic transfers per 4 week period (EFT) 2

Footnotes

1 Dormancy Fee - \$3.00 per month for lack of activity for a 6 month period and a balance of less than \$100.00 if the account is not a minor's account.

2 Electronic Transfers - 6 Electronic transfers per 4 week period (EFT). Transfers, withdrawals made in person, by messenger, by mail or ATM are unlimited. \$5.00 fee per transaction if limit exceeded.

3 Opening Balances – Accounts opened prior to December 3rd will not be affected.

Administrative Changes & Service Enhancement Guide

Dormancy Fees

When a Demand Deposit (Savings and Checking) account has had no activity for 5 years, the account is considered dormant at which time the account has to be closed and those funds are to be remitted to the State. We are trying to minimize the reporting and remittance of small balance accounts that have been abandoned. You will only be charged a Dormancy Fee if your Demand Deposit account has a balance less than \$100.00 and six consecutive months have gone by on that account with no activity.

Certificate of Deposit accounts will not be assessed any Dormancy Fees.

Passbooks

Members may need to be issued a new passbook for transactions initiated after Monday, December 5th. If you require a new passbook it can be picked up at any of our 3 locations, when available. We encourage all members to ensure their passbooks have been brought up to date prior to Friday, December 2nd, since it is doubtful history will carry over to the new system. Your balances will be correct in our new system and we will have the supporting documentation from our old systems to prove it, if needed. However, for your own records please update your passbook(s) if this is a concern for you.

Loan Passbooks

We regret that our new system will not be able to breakdown loan payments separating the interest and principal amounts reflected in the loan passbook giving you an updated balance. The total amount you paid and the date it was made will post in your loan passbook.

Passbook Savings Accounts

All members should see very little change regarding how transactions are annotated within their Passbook Savings. **Effective immediately, the Charleston branch will no longer require presentment of the Savings Passbook as criteria for withdrawing from that account.** If we have enough interest, we will begin offering a Statement Savings product in early 2012 for those members looking for an alternative to our traditional Passbook Savings account. The statements would be sent out quarterly and only available to users of Internet Banking.

Service Enhancements

Website

Our websites www.charlestonfederal.com and www.1stfedshelby.com will be unavailable starting Friday, December 2nd, until Monday, December 5th. Both web addresses mentioned above will be re-routed to our new web address www.1stfedci.com. If you experience problems trying to access our new site, try typing in our new web address in your web browser. Other than the website address change, the site is being enhanced and should look a little different reflecting some additional pages such as a community page, a current deposit rates page, and a fraud tips page. We will be adding some calculators and other tools, along with some employee recommended links.

Administrative Changes & Service Enhancement Guide

Website (continued)

Our website will also have more detailed information to help with re-enrollment to Internet Banking, Telephone Banking and Bill Pay. We will be able to describe in more detail some of the new features associated with the enhancements to these services.

Internet or Online Banking (also referred to as Online Access)

Online banking will be temporarily suspended Friday, December 2nd, but will resume on Monday, December 5th. All Internet Banking users; please note strong passwords will be enforced and the frequency for changing passwords will increase in order to maintain secure access to your accounts. We will be rolling out e-statements in early 2012 on checking accounts to start, so please let us know if you would be interested.

Shelbyville and Windsor members will need to re-enroll for Internet/Online Banking; with this new service you will be able to see your check images online as they clear.

Charleston members will not have to re-enroll for this enhanced service.

Bill Pay

All Bill Pay members will be receiving a separate communication regarding steps you should take to ensure you can transition to our new Bill Pay service. However, please don't hesitate in calling our offices so we can help you with this transition. Prior to Friday December 2nd, you should review and copy down important information regarding businesses you pay using your current Bill Pay service. We strongly suggest you stop utilizing the Bill Pay service before November 20th and pay by other traditional methods (check, ACH by phone, and Debit Card) to ensure your bills are paid on time.

Telephone Banking

Telephone Banking will be temporarily suspended Friday, December 2nd, but will resume on Monday, December 5th.

Charleston members previously enrolled in Telephone Banking will need to re-enroll.

Shelbyville and Windsor members will have the option to enroll in Telephone Banking; previously not offered. For those individuals not currently using Telephone Banking, but want or need updated information on your checking or savings account this is a great option for you that is provided at no additional cost.

The number to call to enroll is 1-800-436-5114. Just dial the number and follow the instructions to gain access to this useful service.

Administrative Changes & Service Enhancement Guide

Debit Cards (Re-issue)

Shelbyville and Windsor members will be receiving new Debit Cards with a picture of Lady Liberty on the card. The new cards can be activated at any time by phone. They can also be activated by ATM on or after December 5th. **Shelbyville and Windsor members** you will not be able to use your new card until Monday, December 5th. **Shelbyville and Windsor members, you will have full use of your existing cards with a picture of the flag over the weekend of the 3rd and 4th. These old cards will stop functioning early Monday morning, December 5th.**

Charleston members, if you receive a new Debit Card you can activate your card immediately by phone or by ATM and begin using your new card. The majority of Charleston customers will be receiving new Debit Cards by the end of March 2012.

Debit Card Limits

Shelbyville and Windsor members, your limits will not change.

Charleston members, your existing Debit Card limits will remain in effect until Monday, December 5th, at which time they will be increased. Your new daily limit for ATM cash withdrawals will increase to \$300.00 daily. Your new daily combined limit for point of sale transactions (POS), pin based or signature based transactions and ATM cash withdrawals will increase to \$1,000.00 per day. Some of you have personalized your limits based on your needs by formal requests; those limits will not change unless you contact us. If you do not want these default limits described above (\$300 ATM cash daily/\$1,000 combined limit for POS and ATM cash limit daily) please let us know, and we will change these new default limits based on your request.

Online ATM Balance

Shelbyville and Windsor members, once you make a deposit or withdrawal from your Demand Deposit account that is linked to your Debit Card, your ATM balance will update immediately.

Charleston members, this does not change for you since you already have this service.

Debit Card Utility

Upon request, your Passbook Savings or Money Market (cash power) account can be associated with your Debit Card. By doing this, you would be able to transfer funds between your Checking account and your Passbook Savings or Money Market at the ATM. You will also be able to make withdrawals at any ATM from your Passbook Savings or Money Market as well as the primary Checking account linked to the Debit Card. Debit Cards will not be issued or linked to a Passbook Savings or Money Market account alone. Point of sale transaction cannot be initiated with a Passbook Savings or Money Market account.

Mobile Banking (cell phones, smart phone and iPhones)

This service will be linked to a special account rolled out in early 2012. If you are interested in Mobile Banking, please contact one of our branch locations so we can let you know when this service becomes available.