



Dear Valued Customer:

In order to provide you with improved banking service, F&M Trust has invested in an upgrade of our core processing system. We will complete this system upgrade on July 11, 2011. I want to inform you how this will affect deposit and line of credit statements for the month of July, as well as debit cards, online banking and telephone banking. If you are an Online Banking and/or Online Bill Pay customer, you will receive additional instructions in a separate letter.

Deposit Account Statements

During the month of July 2011, you will receive two statements on any checking, Money Management, or savings accounts you have with F&M Trust: one as of your normal statement date and an interim statement for July 8, 2011. After our system has been upgraded, your normal statement cycle will resume. Your new banking statement will look slightly different from your current statement so please be sure to read them carefully.

Line of Credit Statements

You will receive a new loan/line of credit statement after July 11, for any lines of credit you have with F&M Trust. While there will be no change in your account number, your payment date may vary each month by a day or two.

Telephone Banking System – Freedom Access Center

We will also be improving our Telephone Banking System. When you enter the new telephone banking system, you will be required to change your Personal Identification Number (PIN) – please use the last four digits of the Tax ID/Social Security Number of the primary account holder when you first enter the new system. You will need to select a new PIN the first time you use the new system starting July 11, 2011. Just follow the instructions on the system when you call - - - the Telephone Banking number is 261-3662 or 888-261-3662.

Debit Cards – Freedom Cards

We will also be upgrading our ATMs and debit card processing system as well, which may cause some minor considerations in service between July 7 and 11. For example, while Freedom Cards can be used to make purchases and withdrawals, balance information at ATMs will not be available from July 8-10.

This upgrade to our core processing system is just one example of our commitment to serving you better. We appreciate your patience as we make this transition. Please call, or stop by any F&M Trust community office location if you have any questions or concerns regarding your statements or accounts. As always, thank you for your trust and your business as we continue to deliver the best service possible to our customers.

Sincerely,

A handwritten signature in black ink that reads 'Ronald L. Cekovich'.

Ronald L. Cekovich
Senior Vice President – Technology Services

General Questions

Q: Will my account numbers change?

A: No. Account numbers will remain the same.

Q: Can I continue to use my checks and deposit slips?

A: Yes. You may continue to use your current checks and pre-printed deposit slips.

Q: Will my direct deposits, automatic transfers, or automatic payments from my checking account continue without interruption?

A: Yes. We have taken special care to ensure that these services continue as always.

Deposit Account Questions

Q: Will my account statement change?

A: You will receive a "new look" paper statement for your deposit accounts. Beginning July 15, you will be able to choose to receive an electronic statement, or eStatement, instead of the paper one that is mailed to you.

Q: Will my statement date change?

A: All customers will receive an interim statement after processing on July 8. Service fees and balance requirements will be waived for these statements, and interest will be paid out on interest bearing checking accounts as well as savings and Money Management accounts. Normal statement processing will resume July 11.

Q: Will my combined statement change?

A: No. You will continue to get your statement based on the statement cycle of the primary account and it will include activity and summary information for all the combined accounts. Service charging and interest payment will also be based on the statement cycle on the primary account.

Q: Will interest credited to my account change?

A: All savings accounts including Investor Savings, Young Savers, IRA Savings, and IRA Statement Savings will have interest compounded and credited monthly. Previously these accounts had interest compounded monthly with interest credited quarterly.

Q: Will my Club Account change?

A: Club accounts with automatic transfer distribution will not change. Accounts with check distribution will have interest credited to the account at time of check disbursement.

Loan/Line of Credit Questions

Q: Will my loan or line of credit payment due date change?

A: Loan payment due dates will remain the same. Line of credit payment due dates will vary slightly each month, depending upon weekend and holidays, by several days.

Q: Will my line of credit billing statement change?

A: During the month of July 2011, you will receive two statements on your line of credit: one as of your normal statement date and an interim statement for July 8, 2011. After our system has been upgraded, your normal statement cycle will resume. Your new line of credit billing notice/statement will look slightly different from your current billing notice/statement so please be sure to read it carefully.

Q: Will the amount of my loan payment change?

A: There will not be any changes to payment amounts.

Freedom Card (Debit Card) Questions

Q: Can I continue to use my current Freedom Card (Debit MasterCard)?

A: There will be no changes to your Freedom Card - you may continue to use your current debit card and personal identification number (PIN).

Q: Do I need to change automatic payments made with Freedom Card?

A: No. Your card number, PIN, and expiration date remain the same.

Q: Will my Freedom Card PIN number change?

A: No. Your card number, PIN number, and expiration date remain the same. However, you may change your Freedom Card PIN by using the Freedom Access Center (Telephone Banking) or any F&M Trust ATM after July 11.

Q: Will my Freedom Card work the weekend of July 8-10?

A: Yes. There may be some minor service interruptions during the weekend. For example, balance information for F&M Trust debit cardholders will not be available for much of the weekend. However, your Freedom Card will continue to work for ATM withdrawals and debit card purchases as it has in the past.

Telephone Banking (Freedom Access Center)

Q: I currently use Telephone Banking to check my balance. Will I still have access?

A: Yes. Telephone Banking will be available for your continued use after the upgrade. For service interruption dates, please consult the timeline listed in this letter or visit our Upgrade System web page at: www.FMTrustOnline.com/systemupgrade.aspx

Q: Will my PIN remain the same?

A: On July 11, your password will temporarily change to the last four digits of the Social Security Number/Tax Identification Number of the primary account holder. You will be prompted to select a new PIN the first time you log in.

Q: Will I have access to account information posted before July 11?

A: No. You will not have access to transactions posted before July 11. F&M Trust staff will have access to the information, if you need assistance.

Consumer Online Banking/Online Bill Pay Questions

Q: I use Online Banking and Online Bill Pay. Will I still have access to these services?

A: Yes. You will have access to your accounts through our Online Banking services. Most of the functionality currently in our Online Banking will remain the same. The Bill Pay system will also be upgraded. Please see the timeline listed in this letter for service interruptions the weekend of July 8-10.

Q: Will my ID/password change?

A: At 8 AM on July 11, the new Online Banking System will be available. Your ID will remain the same and your password will be in all lower case letters for your initial log in. However, when you log in you will be asked to change your password and your security graphic. You will also be prompted to select and answer new identity authentication/security questions.

Q: Why will my password change?

A: The upgraded system offers enhanced security allowing for more complex passwords that are case sensitive. You will be able to select a new password using a combination of upper and lower case letters as well as numbers after you log in the first time – please use your current ID and password (in all lower case letters) during your initial log in. You will also be prompted to select a new security graphic and new identity authentication.

Q: What will change in Online Banking?

A: The log in address will change - you may need to set up a new bookmark in your Internet browser. If you established account nicknames and set up alerts in Online Banking, you will need to re-establish those after July 11. Online Banking history from the current system will not be available after 4 PM on July 7. F&M Trust will have your online banking history available if you need it, but you may choose to keep copies for yourself. Going forward, Online Banking history on the upgraded system will be available for 18 months. You may view a demo of the updated Online Banking system on our web site at: www.FMTrustOnline.com/systemupgrade.aspx

Q: What will change in Online Bill Pay?

A: After the upgrade on Monday, July 11, you will be able to pay bills as usual. We recommend that you verify that your payee information is accurate. Online Bill Pay history from the current system will not be available after July 7.

Q: Will my payees, recurring and scheduled payments in Online Bill Pay transition to the enhanced system?

A: F&M Trust is working diligently to transfer all payees, recurring payments and pending payments information to the upgraded system. However, as an additional precaution we ask that you print a current list of payees, pending and recurring payments prior to 4 PM on July 7, and compare that list to what is in the upgraded Online Bill Pay system on July 11.

Q: How can I prepare?

A: Your history in Online Banking and Online Bill Pay from our current system will not be available on the upgraded platform. We encourage you to print any screens that you may find helpful. F&M Trust will have your history available if you need it.

Q: Will my scheduled internal transfers such as loan payments be on the upgraded system?

A: Yes. All recurring transfers in Online Banking will be available on the upgraded system. The last day on which a one-time transfer can be selected for payment in Online Banking is July 8. You may resume making single-scheduled transfers after July 11.

Q: Will I still be able to use Quicken or QuickBooks?

A: Yes, these services are available with the upgraded Online Banking system, however, you may need to re-enroll in the respective services. Additional information can be found at: <http://fi.intuit.com/support/conversionguides/>

Q: What if I have questions?

A: Please call, or stop by any F&M Trust community office location if you have any questions or concerns regarding your statements or accounts. You can also find more information by visiting our Upgrade System web page at www.FMTrustOnline.com/systemupgrade.aspx

TRUTH-IN-SAVINGS DISCLOSURE CHANGES

IMPORTANT NOTICE

The following changes impact our "Understanding Your Deposit Account" (Truth-in-Savings disclosure) brochure. Please keep this notice for your records.

- 1) **Investor Savings Account** – Interest will be compounded and credited to your account monthly (previously interest was compounded monthly and credited quarterly).
- 2) **Young Savers Account** - Interest will be compounded and credited to your account monthly (previously interest was compounded monthly and credited quarterly).
- 3) **IRA Savings Account** - Interest will be compounded and credited to your account monthly (previously interest was compounded monthly and credited quarterly).
- 4) **IRA Statement Savings Account** - Interest will be compounded and credited to your account monthly (previously interest was compounded monthly and credited quarterly).
- 5) **Club Account with Transfer Distribution** - Interest will be compounded and credited to your account monthly (previously interest was compounded monthly and credited quarterly).
- 6) **Club Account with Check Distribution** - Interest will accrue and be credited at time of check disbursement (previously interest was compounded monthly and credited quarterly).
- 7) **Relationship Checking, Freedom First, and Freedom Premier Accounts** – the minimum balance to avoid imposition of fees is based upon your outstanding balance of qualified consumer loans and/or your average collected balance of personal deposits measured as of three business days prior to the statement cycle of your primary checking account (previously measured as of the cycle date).

Service Interruptions and Considerations

F&M Trust has made every possible attempt to reduce the direct impact to customers during this system upgrade. Given the nature of core processing system improvements however, we expect some minor delays and interruptions in service. Please consult the following timeline for service interruption dates. We apologize for any inconvenience.

For up to the minute changes and notifications please visit:

www.FMTrustOnline.com/systemupgrade.aspx

Online Banking / Online Bill Pay

Important Date/Time	Description
July 7 – 4 PM	Online Bill Pay system will be unavailable after this time
July 8 – 4 PM	Online Banking system will be placed in standby mode for inquiries only. You will be able to view history, transactions and accounts but no transactions or new activities can be performed
July 11 – 8 AM	Updated Online Banking and Online Bill Pay systems will be live. Review all bill payment accounts to insure proper transfer of payees, pending and recurring bill payment information.

Telephone Banking (Freedom Access Center)

Important Date/Time	Description
July 8 – 4 PM	Telephone Banking system will be placed in standby mode for inquiries only. You will be able to access transaction history and account information but no transactions or new activities can be performed
July 11 – 8 AM	Updated Telephone Banking system will be live.

ATMs

Important Date/Time	Description
June 9 – July 11	We will upgrade ATMs beginning June 13. For an updated list of ATM availability visit www.FMTrustOnline.com/systemupgrade.aspx
July 7 – 3:00 AM	Balance information will be unavailable.
July 11 – 8:00 AM	Balance information will be restored.