

# Disclosures for Share Certificate Accounts

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## **RATE INFORMATION:**

The Annual Percentage Yield is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. For Share Certificate accounts, the Dividend Rate and Annual Percentage Yield are fixed and will be in effect for the term of the account. The Annual Percentage Yield is based on an assumption that dividends will remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

## **NATURE OF DIVIDENDS:**

Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period.

## **DIVIDENDS COMPOUNDING AND CREDITING:**

The compounding and crediting of dividends applicable to each account is set forth in the Rate Schedule. The Dividend Period begins on the first calendar day of the Dividend Period and ends on the last calendar day of the Dividend Period.

## **BALANCE INFORMATION:**

The minimum balance requirements applicable to each account are set forth in the Rate Schedule. For Share Certificate accounts, dividends are calculated by the Daily Balance method which applies a daily periodic rate to the principal in the account each day.

## **ACCRUAL OF DIVIDENDS:**

For Share Certificate accounts, dividends will begin to accrue on noncash deposits (e.g. checks) on the business day you make the deposit to your account. For Share Certificate accounts, if you close your account before accrued dividends are credited, accrued dividends will not be paid.

## **TRANSACTION LIMITATIONS:**

After your account is opened, your ability to make additional deposits to your account or withdrawals of dividends and any limitations on such transactions are set forth in the Rate Schedule.

## **MATURITY:**

Your account will mature as indicated on the Rate Schedule or on your Account Receipt or Renewal Notice.

**EARLY WITHDRAWAL PENALTY:**

We may impose a penalty if you withdraw any of the principal before the maturity date.

**AMOUNT OF PENALTY:**

For Share Certificate accounts, the amount of the early withdrawal penalty for your accounts is 30 days dividends.

**HOW THE PENALTY WORKS:**

The penalty is calculated as a forfeiture of part of the dividends that have been or would be earned on the account. It applies whether or not the dividends have been earned. In other words, if the account has not yet earned enough dividends or if the dividend has already been paid, the penalty will be deducted from the principal.

**EXCEPTIONS TO EARLY WITHDRAWAL PENALTIES:**

At our option, we may pay the account before maturity without imposing an early withdrawal penalty.

**RENEWAL POLICY:**

For Share Certificate accounts, your account will not automatically renew, but you may renew the account at your option. The balance will be transferred to another account of yours.

**NONTRANSFERABLE/NONNEGOTIABLE:**

Your account is nontransferable and nonnegotiable. The funds in your account may not be pledged to secure any obligation of an owner, except obligations with the Credit Union.