

Explanation of Rates & Service Charges

As explained in the MSA, “Our Rates & Service Charges” applies to all the accounts we offer. Except as specifically described, the following terms apply to all of the accounts you have with us.

1. Rate Information

The Dividend Rate and Annual Percentage Yield on your accounts are set forth above. For all accounts except certificates, the Dividend Rate and Annual Percentage Yield may change monthly as determined by the Board of Directors. The Dividend Rates and Annual Percentage Yields are the prospective rates as of the effective date shown above. For Certificate Accounts, the Dividend Rate and Annual Percentage Yield are fixed and will be in effect for the term of the account. For Certificate accounts, the Annual Percentage Yield is based on an assumption that dividends will remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

High Yield Savings accounts are Tiered Rate Accounts. For these accounts, if the account balance is within the range of a specific tier, the dividend rate and annual percentage yield for that tier will apply to the entire balance in the account.

2. Nature of Dividends

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

3. Compounding and Crediting

Dividends will be compounded and credited as set forth above. For dividend bearing accounts, the Dividend Period begins on the first calendar day of the period and ends on the last calendar day of the period.

4. Accrual of Dividends

Dividends will begin to accrue on noncash deposits (e.g., checks) on the business day you make the deposit to an account you have with us. If you terminate the account before accrued dividends are credited, accrued dividends will not be paid.

5. Balance Information

The minimum balance(s) required to start each account, earn the stated Annual Percentage Yield, and avoid a service charge are set forth above. If you do not maintain the minimum balance, you will not earn the stated Annual Percentage Yield. For all accounts except Certificate accounts, dividends are calculated using the Average Daily Balance method, in which dividends are calculated by applying a periodic rate to the average daily balance in the account for the dividend period. The average daily balance is determined by adding the full amount of principal in the account for each day of the period, and dividing that figure by the number of days in the period. For all Certificate accounts, dividends are calculated by using the Daily Balance method, which applies a periodic rate to the balance in the account for each day in the period.

6. Account Limitations

For a Christmas Club account, the entire balance will be paid to you by check or transferred to another account of yours on or after November 1 and the account will remain open. You may not make withdrawals from your account at any other time. If you wish to access your funds in your Christmas Club account, you will close the account.

7. Certificate Account Features

a. Account Limitations

After you start the account, you may not make additional deposits to a Certificate Account, except for the IRA Share Certificate account. You may make additional deposits in increments of \$500 or more to the IRA Share Account you have with us.

b. Maturity

The Certificate Account you have with us will mature on the maturity date identified on your Account Receipt or Renewal Notice.

c. Early Withdrawal Penalty

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

1) Amount of Penalty. The amount of the early withdrawal penalty is 90 days' dividends calculated on the amount withdrawn.

2) 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 amount withdrawn at the dividend rate 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 dividends have already been paid, the penalty will be deducted from principal.

3) Exceptions to Early Withdrawal Penalties. At our option, we may pay the account before maturity without imposing an early withdrawal penalty under the following circumstances: when an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction. Where the account is an Individual Retirement Account (IRA) and any portion is paid within seven (7) days after establishment or where the account is an IRA and the owner attains age 59½ or becomes disabled and begins making periodic withdrawals.

d. Renewal Policy

Automatically renewable certificates will renew for another term upon maturity. You have a grace period of ten (10) days after maturity in which to withdraw funds in the account without being charged an early withdrawal penalty.

When certificates that do not automatically renew reach maturity, the certificate account will be terminated and the funds will be deposited to the Savings Account you have with.

e. Nontransferable/Nonnegotiable

The account(s) you have with us is/are nontransferable and nonnegotiable. This means that an account and the funds in the account may not be pledged to secure any obligation of an owner, except obligations with the Credit Union.