

# Truth in Savings Account Disclosure

The Truth in Savings Account Disclosure and Truth in Savings Fee Schedule set forth certain conditions, rates, fees, and charges applicable to your Accounts at Randolph-Brooks Federal Credit Union and are incorporated into your Account Agreement with us.

## Definitions

**Annual Percentage Yield (APY).** The Annual Percentage Yield is a percentage rate reflecting the total amount of dividends paid on an Account, based on the dividend rate and the frequency of compounding for a 365-day period.

**Dividend Declaration Date.** Dividend declaration date means the date the Credit Union's Board of Directors declares a dividend for the preceding period.

**Dividend Period.** Dividend period means the span of time established by the Credit Union's Board of Directors by the end of which shares in an Account earn dividend credit.

**Dividend Rate.** The dividend rate is the declared annual dividend rate paid on an Account, which does not reflect compounding.

## Rate Information

The rates contained on our website ([www.rbfcu.org/rates](http://www.rbfcu.org/rates)) are accurate as of today's date. Rates are subject to change at any time.

For Non-Certificate Accounts, the dividend rate and APY may change each dividend period. The Non-Certificate Account dividend rates and APYs disclosed on our website reflect the dividend rates and APYs as of the last dividend declaration date. For Certificate Accounts, the dividend rates and APYs disclosed on our website were offered within the most recent seven calendar days and are accurate as of today's date.

## Nature of Dividends

Except for Certificate Accounts, dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

## Compounding and Crediting

For dividend-bearing accounts, dividends will be compounded and credited monthly. The dividend period is monthly, beginning on the first of a month and ending on the last day of the month. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example is February 1.

## Effect of Closing

If you close your Account before dividends are paid, you will receive the accrued dividends to the date of closure.

## Balance Information

### Accrual of Dividends or Interest

Dividends will begin to accrue on the business day you deposit funds.

### Minimum Balance Requirements

Primary Savings Accounts – A minimum balance of \$1 for Primary Savings Accounts is required to be maintained at all times to keep the Account open, maintain your RBFCU membership and receive Credit Union services.

IRA Savings Accounts – A minimum balance of \$1 for IRA Savings accounts is required to be maintained at all times to keep the Account open and to obtain the APY. The dividend rate corresponding to the daily balance of the Account for the period will be paid on the entire balance of the Account.

**Money Market Accounts** – A minimum balance of \$2,500 is required to open a Classic or Choice Money Market account. You must maintain the minimum opening balance at all times to continue earning the current Money Market products dividend rate. If at any time your daily balance for the period falls below \$2,500, your account will automatically revert to the current Savings account dividend rate. For Choice Money Market accounts, earn the first tier on the entire balance up to \$10,000 when the minimum balance is maintained. Each tier of your total RBFCU Choice Money Market balance adds up to a blended APY. RBFCU Choice Money Market accounts are limited to one per member as the primary owner. A member may be joint on multiple RBFCU Choice Money Market accounts. If your balance falls below \$2500, certain transaction limits may apply.

**Certificate Accounts** – A minimum balance of \$1,000 for Certificate accounts (including Traditional and Roth IRA Certificates) is required to be maintained at all times to keep the Account open and to obtain the APY. The dividend rate corresponding to the daily balance of the Account for the period will be paid on the entire balance of the account.

### **Balance Computation Method**

For all dividend-bearing accounts, dividends are calculated by the daily balance method, which applies a daily periodic rate to the balance in the Account each day. For tiered-rate Accounts, we use the daily balance method to determine the applicable tier and rate for your Account during the period. The daily balance is calculated by adding the balance in the Account for each day of the period and dividing that figure by the number of days in the period. The dividend rate corresponding to the daily balance of the Account for the period will be paid on the entire balance of your Account.

For RBFCU Choice Money Market accounts, dividends are calculated using a pure tiered method in which the credit union pays the stated dividend rate only on the portion of the balance within the specified tier. Each tier of your total balance adds up to a blended APY.

### **Fees and Charges**

Fees and charges that may be assessed against your Accounts are disclosed in the Truth in Savings Fee Schedule. You authorize us to charge any Account in which you have an ownership interest for any such fees or charges assessed without notice to you.

### **Transaction Limitations**

The Credit Union reserves the right to require a member intending to make a withdrawal from any Account (except a Checking Account) to give written notice of such intent not fewer than seven days and up to 60 days before such withdrawal. We currently do not exercise this right and we have not exercised it in the past. The \$1 membership share in your Primary Savings Account may not be withdrawn unless your Credit Union membership is terminated. Transaction limits as well as corresponding fees and penalties are enforced and charged, respectively, at our discretion, which means we may make exceptions. However, in the event we waive transaction limits, fees or penalties, we do not waive the right to enforce the limitation or charge the fee or penalty for future transactions. Please see the below products (Money Market Accounts, Traditional IRA and ROTH IRA Savings and Certificate Accounts) for our transaction limitations.

**Money Market Accounts** - During any calendar month, you may not make more than six withdrawals or transfers to another Credit Union account of yours or to a third party by means of a preauthorized transfer, automatic transfer, or a telephonic order or instruction. Automatic transfers include audio response and home banking transfers to other Accounts of yours. If a transaction, payment order or transfer presented electronically or over the phone to an external beneficiary or merchant causes your Available Balance to fall below the minimum requirement of \$2500, the transaction will be rejected and returned unpaid. Unlimited withdrawals and transfers may be completed from your Savings and Money Market Accounts each month at our branch locations or by mail, and through ATMs where permitted. Withdrawals or transfers that exceed the maximum number permitted may be declined or subject to fees.

**Traditional IRA and Roth IRA Savings and Certificate Accounts** - Annual contributions to Traditional and Roth IRA Accounts are limited to the maximum amount allowed by federal law. Early distributions

from Traditional and Roth IRA Accounts may be subject to additional taxes imposed by the Internal Revenue Service. Please consult a qualified tax professional for more information.

**Certificate Accounts** – Additions to the principal may not be made during the term of a Certificate Account. Additions to Certificate principal are allowable at maturity or during the 10-day grace period. Partial withdrawals of principal or dividends are not permitted during the term of a Share Certificate Account. For Traditional IRA Certificates, partial distributions of principal or dividends are permitted for Required Minimum Distributions (RMD). The depositor generally does not have a right to make withdrawals from a Certificate Account within six (6) days after the date of deposit. Please refer to the Certificate Issuance Disclosures, received at account opening or in the Features of Share Certificates section below for more information.

## Features of Certificate Accounts

*(Information is applicable to both Share Certificate and IRA Certificate Accounts).*

**Maturity Date** - The date your certificate matures and can withdraw funds without penalty.

**Term** – The amount of time your Certificate is active. This is measured in months beginning the date of initial purchase or renewal date.

**Early Withdrawal Penalties** – We will impose a penalty if you close your Share Certificate/IRA Certificate Account before maturity. The penalty will be equal to the earnings on the amount withdrawn from the Share Certificate/IRA Certificate for the number days listed below, whether earned or not. In some cases, we may waive the early withdrawal penalty such as for the death or incompetency of an Account Owner or, for IRA Certificates, when the IRA owner is of Required Minimum Distribution (RMD) age and is satisfying their RMD from a Traditional IRA Certificate.

Certificate Term	Days of Earnings
6 to 11 months	30 days
12 to 23 months	60 days
24 to 35 months	120 days
36 to 47 months	180 days
48 to 59 months	240 days
60 to 71 months	300 days
72 to 83 months	360 days
84 months	420 days

**Dividends** – At Account opening, you may choose to have Certificate Account dividends credited to your Savings, Checking, or Money Market Account or credited to your Certificate Account. Once you elect a dividend-payment option, it may not be changed until the Certificate matures. The Annual Percentage Yields disclosed for Certificate Accounts are based on an assumption that the dividends will be credited to and remain in the Certificate Account until maturity. A withdrawal will reduce earnings.

**Renewal Policy** – Certificate Accounts will automatically renew at maturity. Following the Certificate's maturity, you will have a 10 calendar day grace period to add or withdraw funds or to change the term of the Certificate without being charged an early withdrawal penalty. The dividend rate and APY are subject to change if you add or withdraw funds or change the term during the grace period. If no changes are made during the grace period, the Certificate rate will be the rate effective on the current maturity date. If your Certificate is pledged as loan collateral and, unless you make arrangements prior to maturity, the balance of your Certificate will be applied to your loan at maturity and any remaining amount will be deposited to your Savings Account.

**Account Restrictions**

Accounts are non-transferable and non-negotiable. Funds in your Accounts may not be pledged to secure any obligation of yours, except for those obligations owed to Randolph-Brooks Federal Credit Union.

**Bylaw Requirements**

You must complete payment of a membership share in order to maintain accounts at the Credit Union. The par value of a regular share in the Randolph-Brooks Federal Credit Union is \$1.

A member who fails to complete payment of one share within one month of his admission to membership, or within one month from the increase in the par value of shares, or a member who reduces his share balance below the par value of one share and does not increase the balance to at least the par value of one share within one month of the reduction may be terminated from membership.

**Note:** There is a \$1 minimum balance requirement in your primary savings accounts to be maintained as long as the account remains open.

**National Credit Union Share Insurance Fund**

Member accounts in the Randolph-Brooks Federal Credit Union are federally insured by the National Credit Union Share Insurance Fund.