

# TRUTH-IN-SAVINGS DISCLOSURE

**1. 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 variable accounts, the Dividend Rate and Annual Percentage Yield may change at any time as determined by the Board of Directors. The Dividend Rate and Annual Percentage Yield are prospective rates and yields that the Credit Union anticipates paying for the applicable dividend period. **Regular shares, IRA and ESA shares, and Money Market Accounts** are tiered rate accounts and may earn a different rate of dividend depending on the balance maintained in the account. If your daily balance is less than \$2,500.00 the first Dividend Rate and Annual Percentage Yield listed for this account in the Rate Schedule will apply. If your daily balance is from \$2,500.00 to \$24,999.99 the second Dividend Rate and Annual Percentage Yield listed for this account in the Rate Schedule will apply. If your daily balance is from \$25,000.00 to \$49,999.99 the third Dividend Rate and Annual Percentage Yield listed for this account listed in the Rate Schedule will apply. If your daily balance is from \$50,000 to \$99,999.99 the fourth Dividend Rate and Annual Percentage Yield listed for this account in the Rate Schedule will apply. If your daily balance is from \$100,000.00 to \$249,999.99 the fifth Dividend Rate and Annual Percentage Yield listed for this account in the Rate Schedule will apply. If your daily balance is \$250,000.00 or more the sixth Dividend Rate and Annual Percentage Yield listed for this account in the Rate Schedule will apply. Once a particular balance range is met, the Dividend Rate and Annual Percentage Yield for that balance will apply to the full balance of your account for the period the required daily balance is met. The minimum balance to earn dividends on Money Market account is \$2,500.00. **The Term Share Certificate** is a tiered rate account. The Dividend Rate and Annual Percentage Yield are fixed for the term of The Share Term Certificate. If your account balance is between \$500 and \$49,999.99 the first Dividend Rate and Annual Percentage Yield listed for this account in the Rate Schedule will apply. If your account balance is between \$50,000.00 and \$89,999.99 the second Dividend Rate and Annual Percentage Yield listed for this account in the Rate Schedule will apply. If your account balance is \$90,000.00 or more the third Dividend Rate and Annual Percentage Yield listed for this account in the Rate Schedule will apply. Once a particular balance range is met, the Dividend Rate and Annual Percentage Yield for that balance will apply to the full balance of your 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. 7-Month Term Share Certificates are not tiered rate accounts and they are offered from time to time.<sup>1,2</sup>

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

**3. Dividends Compounding and Crediting.** The compounding and crediting of dividends applicable to each account is set in this disclosure. Dividend Period begins on the first calendar day of the Period but excludes the maturity date.

**4. Balance Information.** The minimum balance requirements applicable to each account are set forth in this disclosure. For all accounts, dividends are calculated by the Average Daily Balance method, which applies a periodic rate to the average daily balance in the account for the period. The average daily balance is determined by adding the full amount of the principal in the account for each day of the period and dividing that figure by the number of days in the period.

**5. Accrual of Dividends.** For all accounts, dividends will begin to accrue on non-cash deposits (e.g. checks); on the business day you make the deposit to your account. For all accounts, if you close your account before accrued dividends are credited accrued dividends will not be paid.

**6. Account 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 this disclosure. For Regular Share and Money Market Accounts there is no limit on the number of withdrawals or transfers you may make in person, by mail, and at an ATM. You are permitted by law (Reg. D) to make up to six (6) total restricted withdrawals or transfers per statement period (one month). Examples of such restricted transactions include: computer transfers, preauthorized third party payments, preauthorized transfers to another account (e.g. overdraft) except PSFCU's loans. If you exceed these limitations, we may refuse or reverse a transfer that exceeds these limitations, and may assess fees against, suspend or close your account.

**7. Maturity.** Your Term Share Certificate Accounts will mature as indicated on your Account Receipt or Renewal Notice. Auto-Renewal does not apply to 7-month Certificates. If the maturity date falls on a day that is not a business day, the next business day becomes the maturity date. Your Vacation Club Account ends on March 31 and your Holiday Club Account ends on September 30. The full balance of the account will be automatically transferred to the share account, designated by you at time of opening. Term periods for Goal Accounts are from a minimum of 3 months to a maximum of 60 months but not exceeding the Minor's 18th birthday.

**8. Early Withdrawal Penalty.** Partial withdrawals from a Term Share Certificate Account are not permitted. An early withdrawal of the entire Certificate amount is subject to penalty. IRS penalties may apply on withdrawals from IRA term share.<sup>3</sup>

**9. Amount of Penalty.** For Term Share Certificate Accounts, the amount of the early withdrawal penalty is based on the term of your share certificate. The penalty schedule is as follows:

Term of 3 months – 30 days dividend  
 Term of 6 months to 18 months – 91 days dividend  
 Term of 24 months to 30 months – 181 days dividend  
 Term of 36 months to 60 months - 365 days dividend

For IRA and ESA Term Share Certificate Accounts the penalty for early withdrawal is lesser of the accrued dividends or the specified term penalties, as indicated above.

**10. 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 Term Share Certificate Accounts. 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.<sup>4</sup>

**11. 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 court or other body of competent jurisdiction. IRA Term Share Certificate may be terminated or a partial balance may be paid out without penalty if the IRA owner is age 70 1/2 and is required to take a distribution.<sup>3</sup>

**12. Renewal Policy for Term Share Certificate Accounts.** Your account, including IRA/ESA Term Share Certificate, may automatically be renewed for another term upon maturity at your request.<sup>3</sup> Auto-Renewal does not apply to 7-month Certificates. You have a grace period of 10 days after maturity in which to withdraw funds in the account without being charged an early withdrawal penalty.

**13. Renewal Policy for Holiday/Vacation Club Accounts.** Your account will be automatically renewed for another term, Holiday Club Account on October 15th, and Vacation Club Accounts on April 15th.

**14. 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 Polish and Slavic Federal Credit Union. IRA Savings and IRA/ESA Term Share Certificates cannot be pledged.<sup>3</sup>

**15. Overdraft.** Share draft accounts (checking accounts) will be charged Overdraft Privilege fee for handling each overdraft created by check, ACH, Point-of-Sale, ATM withdrawals, on us drafts presented in person, or other electronic item that is paid. <sup>5</sup>

	REGULAR SHARE	SHARE DRAFT CHECKING	MONEY MARKET	IRA/ESA	CLUB ACCOUNT	GOAL ACCOUNT	TERM SHARE( INCLUDING IRA/ESA) 3, 6,7,9,12,18 MONTH	TERM SHARE( INCLUDING IRA/ESA) 24,30,36,48 & 60 MONTH
DIVIDENDS COMPOUNDED	DAILY	DAILY	DAILY	DAILY	DAILY	DAILY	DAILY	DAILY
DIVIDENDS CREDITED	MONTHLY	MONTHLY	MONTHLY	MONTHLY	MONTHLY	MONTHLY	MONTHLY	QUARTERLY
MINIMUM OPENING BALANCE	\$10.00	\$25.00	\$2,500.00	\$250.00	\$10.00	\$5.00	\$500.00	\$500.00
MINIMUM BALANCE TO EARN APY	NONE	\$1,500.00	\$2,500.00	NONE	NONE	NONE	\$500.00	\$500.00
ACCOUNT TRANSACTION LIMITATIONS	YES	NO	YES	YES	YES <sup>5</sup>	YES <sup>6</sup>	Only Dividend withdrawal allowed w/o penalty. <sup>7</sup> Additional deposits or contributions not allowed	Only Dividend withdrawal allowed w/o penalty. <sup>7</sup> Additional deposits or contributions not allowed
RENEWAL	N/A	N/A	N/A	N/A	AUTOMATIC	N/A	TRANSFER TO SHARES OR AUTOMATIC <sup>8</sup>	TRANSFER TO SHARES OR AUTOMATIC <sup>8</sup>

**For current fees for services, please refer to Fee Schedule.**

1) For current dividend rates and Annual Percentage Yield refer to "Rate Sheet". The dividend rate may change at any time as determined by the PSFCU's Board of Directors based on market conditions. 2) The amount of available certificates per member and the maximum certificate dollar limit may vary. Please check promotion details when applicable. 3) IRA includes Traditional, Roth, SEP and SIMPLE IRAs. 4) IRA Term Share Certificates are an exception from this rule. 5) PSFCU Overdraft Program is available for ATM withdrawals and debit card transaction only on opt-in basis. An overdrawn balance must be repaid within 35 days. We may not pay items under your overdraft privilege if you do not maintain your account in good standing by bringing your account to a positive balance within every thirty-five (35) day period for a minimum of 24 hours, if you default on any loan or other obligation to Polish & Slavic Federal Credit Union or if your account is subject to any legal or administrative order or levy. 6) You are permitted to make weekly contributions up to \$150 with a maximum of \$7,500 per term. The maximum amount that can be deposited is \$7,500.00 for each goal account. 7). Exceptions may apply to IRA accounts. 8) Applies to 7-month certificates with the exception of auto-renewal.