



## Truth – in – Savings Disclosure Effective 1/1/2017

### **Dividend Rate and APY (Annual Percentage Yield) For Share Accounts**

The dividend rate **as of the last dividend declaration date** was .30% with a corresponding annual percentage yield of .30%. The annual percentage yield is a percentage rate that shows the total amount of dividends, based on the dividend rate and the frequency of compounding for a 365-day period.

### **Dividend Rate and APY (Annual Percentage Yield) For Share Certificates**

Our current Share Certificates are held to maturity at 3, 6, 9, 12 or 18 month intervals with a rate of .25%, .45%, .60%, 1.00% and 1.25% with a corresponding annual percentage yield of .25%, .45%, .601%, 1.01% and 1.26%. The annual percentage yield is a percentage rate that shows the total amount of dividends, based on the dividend rate and the frequency of compounding for a 365-day period.

### **Variable Rate Accounts**

The dividend rate and annual percentage yield may change every six (6) months as determined by the credit union's Board of Directors.

### **Compounding**

Dividends will be compounded semi-annually and credited semi-annually. The dividend period is six (6) months. The beginning date of the first dividend period of the calendar year is January 1st and the ending date is June 30<sup>th</sup> of the current year. All other dividend periods will follow this pattern of dates. The dividend declaration date is the date the credit union's Board of Directors declares a dividend for the preceding dividend period.

### **Effect of Closing an Account**

If you **close** your account before dividends are paid, you **will not** be paid the accrued dividend for the period. If you **cash out** a share certificate prior to the maturity date there could be a penalty, a loss of interest for up to the first 90 days. The penalty will not go into the principle amount of the share certificate and under certain circumstances may be waived or amended by the Board of Directors or Management.

### **Minimum Balance Requirements**

To open a share account, you must have a minimum amount of \$5.00, which is your ownership in your credit union, and will remain in your share account at all times.

### **How Dividends are Calculated**

Dividends are calculated using the average daily balance method. This method applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing the figure by the number of days in the period.

### **When Dividends Begin to Accrue**

Dividends begin to accrue on cash and non-cash deposits, such as checks; on the business day you make your deposit.

### **Transaction Limitations**

During a one 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 pre – authorized or automatic transfer. If you exceed these transfer limitations the automatic transfers will stop which may cause your account to be considered overdrawn and subject to a fee. If your share account is your only active account, the credit union may use discretion to move you to our transactional share draft (checking account), or close your account for abuse.

### **Nature of Dividends**

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