

## Rate and Truth in Savings Account Disclosure

The rates and terms applicable to your Savings, Checking and Certificate Accounts at Educational Systems Federal Credit Union are provided in this Rate and Truth in Savings Disclosure. All rates are subject to change without prior notice.

### I. General Disclosures Applies to Savings, Checking and Certificate Accounts

- 1. Rate Information:** The Annual Percentage Yield (APY) is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and annual compounding frequency. The Dividend Rate and APY may be changed as determined by Educational Systems Federal Credit Union Board of Directors. For Certificate Accounts, the rate will be fixed throughout the term of the Certificate. No dividend will be paid for that period where the Average Daily Balance (ADB) falls below the required minimum balance for the specified account.
- 2. Nature of Dividends:** Dividends are paid from current income and available earnings after required transfers to reserves. The dividend rates and APYs are the rates and yields that the Credit Union anticipates paying for a specific dividend period.
- 3. Dividend Compounding and Crediting:** The Rate Disclosure lists the compounding and crediting of dividends applicable to each account for a specific dividend period. The Dividend Period is the length of time at the end of which an account earns dividend credit. The Dividend Period begins on the first calendar day of the quarter/month and ends on the last calendar day of the quarter/month.
- 4. Accrual of Dividends:** For all accounts, dividends will begin to accrue on cash and noncash deposits on the business day the deposit is made. If an account is closed before accrued dividend is credited, accrued dividend will not be paid.
- 5. Balance Information:** The minimum balance requirements for each account are listed in their disclosure. Dividends are calculated by the Average Daily Balance method which applies a periodic rate to the ADB in the account for the period. The ADB for an account 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.
- 6. eServices:** As an Online Banking user, you have the option to access your Credit Union statement and notices online. If you choose both of these options, you will no longer receive your statement and most other notices by mail. In addition, you may elect to access your credit card statement online. We will alert you of the availability of your eStatement and email notices by sending you an electronic notice at the email address on your account. You will have the ability to change your email address in Online Banking. You will retrieve your own statement by accessing Online Banking with your personal password.
- 7. Fees:** Applicable fees for Savings and Checking Accounts are included on the fee schedule.

### II. Savings and Checking Accounts

	Savings	Special Purpose Club	Dividend Checking	Money Market and IRA			Traditional IRA, Roth IRA and Coverdell Education Savings Account
				Tier One	Tier Two	Tier Three	
Dividends							
Annual Percentage Yield	0.05%	0.05%	0.05%	0.35%	0.45%	0.50%	0.05%
Dividend Rate	0.05%	0.05%	0.05%	0.35%	0.45%	0.50%	0.05%
Effective Date	08-26-19	08-26-19	08-26-19	08-26-19	08-26-19	08-26-19	08-26-19
Dividends Compounded	Quarterly	Quarterly	Monthly	Monthly	Monthly	Monthly	Quarterly
Dividends Credited	Quarterly	Quarterly	Monthly	Monthly	Monthly	Monthly	Quarterly
Dividends Period	Quarterly	Quarterly	Monthly	Monthly	Monthly	Monthly	Quarterly
Balance Requirements							
Minimum Opening Balance	\$5.00	None	\$500.00	\$2,500.00	\$20,000.00	\$100,000.00	\$5.00
Minimum Bal. to Avoid Service Fee	None	None	\$500.00	None	None	None	None
Minimum Bal. to Earn Stated APY	\$5.00	None	\$500.00	\$2,500.00	\$20,000.00	\$100,000.00	None
Balance Method	ADB	ADB	ADB	ADB	ADB	ADB	ADB
Account Transaction Limitations	See Below	See Below	See Below	See Below	See Below	See Below	See Below

ADB = Average Daily Balance

**Account Limitations:** For Savings and Money Market Accounts, no more than six (6) pre-authorized, automatic, Audio Response Teller (ART), online, or Checking Account overdraft transfers may be made from these accounts to another account in any month, and no more than three (3) of these six (6) transfers may be made by check, draft or debit card to a third party. Transactions beyond these limitations will not be permitted and could result in fees/charges. This restriction does not apply to paper transactions performed in person or through the mail. We reserve the right to limit cash withdrawals if necessary. For a Special Purpose Club Account, the entire balance will be transferred to the Savings Account the first week of the month designated by the member and the account will remain open. If any of the account balance is withdrawn at any time during the year, the account will be closed, and the full balance will be transferred to the Savings Account. IRA Accounts, Roth IRA and Coverdell Education Savings Account are subject to normal IRA restrictions.

### III. Premium Summer Pay

	Tier One	Tier Two
<b>Dividends</b>		
Annual Percentage Yield	2.00%	0.05%
Dividend Rate	1.98%	0.05%
Effective Date	08-26-19	08-26-19
Dividends Compounded	Monthly	Monthly
Dividends Credited	Monthly	Monthly
Dividends Period	Monthly	Monthly
<b>Balance Requirements</b>		
Minimum Opening Balance	None	None
Minimum Balance to Avoid Service Fee	None	None
Minimum Balance to Earn Stated APY	None <sup>1</sup>	\$20,000.00 <sup>1</sup>
Balance Method	ADB <sup>2</sup>	ADB <sup>2</sup>
Account Transaction Limitations	See Below <sup>3</sup>	See Below <sup>3</sup>

<sup>1</sup> The Tier One Annual Percentage Yield (APY) of 2.00% applies to average daily balances up to \$20,000. The Tier Two APY of .05% applies to Average Daily Balances above \$20,000. Rates are subject to change without notice. Fees could reduce earnings.

<sup>2</sup> ADB = Average Daily Balance

<sup>3</sup> The Premium Summer Pay account is only available for Direct Deposits received from qualifying school systems and community colleges. Automatic distributions can be made to an Educational Systems FCU Savings or Checking Account, or to another financial institution in four equal proportions on the first and third Friday of July and August. Withdrawals are restricted to summer disbursements in July and August. A \$25 fee will be assessed for each early withdrawal made outside of this time period.

### IV. Certificate Accounts

		Certificates				IRA Certificates			
Minimum Opening Deposit:		\$500				\$500			
Dividends Compounded:		Quarterly				Quarterly			
Dividends Credited:		Quarterly				Quarterly			
Dividends Period:		Quarterly				Quarterly			
Term	Effective Date	Dividend Rate %	Annual Percentage Yield %	Star Member Dividend Rate %	Star Member Annual Percentage Yield %	Dividend Rate %	Annual Percentage Yield %	Star Member Dividend Rate %	Star Member Annual Percentage Yield %
Fixed						Fixed			
3 Month	08-26-19	1.49%	1.50%	1.54%	1.55%	1.49%	1.50%	1.54%	1.55%
6 Month	08-26-19	1.89%	1.90%	1.94%	1.95%	1.89%	1.90%	1.94%	1.95%
12 Month	08-26-19	2.18%	2.20%	2.23%	2.25%	2.18%	2.20%	2.23%	2.25%
24 Month	08-26-19	2.23%	2.25%	2.28%	2.30%	2.23%	2.25%	2.28%	2.30%
36 Month	08-26-19	2.28%	2.30%	2.33%	2.35%	2.28%	2.30%	2.33%	2.35%
48 Month	08-26-19	2.38%	2.40%	2.43%	2.45%	2.38%	2.40%	2.43%	2.45%
60 Month	08-26-19	2.43%	2.45%	2.48%	2.50%	2.43%	2.45%	2.48%	2.50%
Additional Deposits		Not Allowed				As Specified			
Withdrawals		At Maturity				As Specified			
Renewal		Automatically Renewed				Automatically Renewed			

APY = Annual Percentage Yield

**Star Members:** Star Members are eligible to receive a 0.05% APY higher than Regular and IRA Certificates of the same type and term. To receive the adjusted APY, the member needs to speak to an Educational Systems FCU employee. A Star Member is a member who has a total of \$25,000 in combined deposits and/or loans at the beginning of the month.

**1. Transaction Limitations:** For Certificates, deposits are not permitted before maturity. Withdrawal of Principal from Certificate Accounts before maturity is not permitted without an early withdrawal penalty. Dividends may be withdrawn at any time without a penalty. If the account is permitted to fall below the minimum balance required, the account will not earn dividends at the close of the dividend period. Dividends are paid from current income and available earnings after required transfers to reserves. The Dividend Rates and APYs are the rates and yields that the Credit Union anticipates paying for a specific dividend period.

**2. Dividends:** Dividends are compounded and paid quarterly and are automatically deposited to the Certificate account unless you select another payment option. You may choose to have the dividends paid to you by check or to another account each quarter. The APY is based on an assumption that dividends will remain in the account until maturity. If dividends are withdrawn during the term of the Certificate, the APY and earnings will be reduced.

**3. Maturity:** Accounts will mature within the term or at the date specified on the Certificate or renewal notice.

**4. Grace Period:** Educational Systems FCU offers a seven (7) calendar day grace period on all Certificates from the date of maturity. During this period, changes can be made to the Certificate without penalty. This would include but, not be limited to closing the account, adding additional funds, and/or changing the term. Rollovers (renewals) do not require any action from the member during the grace period. After the seven (7) calendar day grace period, early withdrawal penalties will apply to all Certificates.

**5. Early Withdrawal Penalty:** If the Certificate is redeemed prior to the maturity date a penalty will apply. The penalty is a forfeiture of an amount equal to 30, 90 or 180 days of dividend, whether earned or not. This penalty may result in invasion of principal and is applicable to all Certificates, respectively.

The penalty is based on the term:

- Three-month term is a 30 day penalty
- Six-month term is a 90 day penalty
- Terms greater than six months is a 180 day penalty

Withdrawals made to comply with IRA Required Minimum Distributions (RMD) are permitted without penalty as long as the transfers are set up to be made automatically. There is no penalty for withdrawals as a result of the death of any owner.

**6. Renewal Policy:** Certificate Accounts will automatically renew at the current rate available at the time of renewal, unless instructed to do otherwise by the member on or before the maturity date, if the Certificate term is still available. Certificate Account dividends will be paid to the principal balance quarterly and at maturity. Each renewal term will be the same as the original term beginning on the maturity date, if the Certificate term is still available. Dividends will be calculated on the same basis as the original term.

**V. Jumbo Certificate Accounts**

		Certificates				IRA Certificates			
Minimum Opening Deposit:		\$100,000				\$100,000			
Dividends Compounded:		Quarterly				Quarterly			
Dividends Credited:		Quarterly				Quarterly			
Dividends Period:		Quarterly				Quarterly			
Term	Effective Date	Dividend Rate %	Annual Percentage Yield %	Star Member Dividend Rate %	Star Member Annual Percentage Yield %	Dividend Rate %	Annual Percentage Yield %	Star Member Dividend Rate %	Star Member Annual Percentage Yield %
Fixed					Fixed				
3 Month	08-26-19	1.59%	1.60%	1.64%	1.65%	1.59%	1.60%	1.64%	1.65%
6 Month	08-26-19	1.99%	2.00%	2.03%	2.05%	1.99%	2.00%	2.03%	2.05%
12 Month	08-26-19	2.28%	2.30%	2.33%	2.35%	2.28%	2.30%	2.33%	2.35%
24 Month	08-26-19	2.33%	2.35%	2.38%	2.40%	2.33%	2.35%	2.38%	2.40%
36 Month	08-26-19	2.38%	2.40%	2.43%	2.45%	2.38%	2.40%	2.43%	2.45%
48 Month	08-26-19	2.48%	2.50%	2.53%	2.55%	2.48%	2.50%	2.53%	2.55%
60 Month	08-26-19	2.53%	2.55%	2.575%	2.600%	2.53%	2.55%	2.575%	2.600%
Additional Deposits		Not Allowed				As Specified			
Withdrawals		At Maturity				As Specified			
Renewal		Automatically Renewed				Automatically Renewed			

APY = Annual Percentage Yield

**Jumbo Certificate:** A Jumbo Certificate can be opened with a minimum balance of \$100,000. Jumbo Certificates offer a 0.10% APY higher than Regular and IRA Certificates of the same type and term.

**Star Members:** Star Members are eligible to receive a 0.05% APY higher than Regular and IRA Certificates of the same type and term. To receive the adjusted APY, the member needs to speak to an Educational Systems FCU employee. A Star Member is a member who has a total of \$25,000 in combined deposits

**1. Transaction Limitations:** For Certificates, deposits are not permitted before maturity. Withdrawal of Principal from Certificate Accounts before maturity is not permitted without an early withdrawal penalty. Dividends may be withdrawn at any time without a penalty. If the account is permitted to fall below the minimum balance required, the account will not earn dividends at the close of the dividend period. Dividends are paid from current income and available earnings after required transfers to reserves. The Dividend Rates and APYs are the rates and yields that the Credit Union anticipates paying for a specific dividend period.

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**3. Maturity:** Accounts will mature within the term or at the date specified on the Certificate or renewal notice.

**4. Grace Period:** Educational Systems FCU offers a seven (7) calendar day grace period on all Certificates from the date of maturity. During this period, changes can be made to the Certificate without penalty. This would include but, not be limited to closing the account, adding additional funds, and/or changing the term. Rollovers (renewals) do not require any action from the member during the grace period. After the seven (7) calendar day grace period, early withdrawal penalties will apply to all Certificates.

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**6. Renewal Policy:** Certificate Accounts will automatically renew at the current rate available at the time of renewal, unless instructed to do otherwise by the member on or before the maturity date, if the Certificate term is still available. Certificate Account dividends will be paid to the principal balance quarterly and at maturity. Each renewal term will be the same as the original term beginning on the maturity date, if the Certificate term is still available. Dividends will be calculated on the same basis as the original term.



Your savings are insured up to at least \$500,000. The first \$250,000 is federally insured by the National Credit Union Administration (NCUA), and backed by the full faith and credit of the United States Government. An additional \$250,000 of coverage is provided by Excess Share Insurance (ESI), a private corporation. Traditional and Roth IRAs are insured up to \$250,000 by NCUA, and up to an additional \$250,000 through ESI, all at no cost to you.