

Deposit Account Rates and Service Charge Disclosures

Effective Date: 7/1/2020

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 the accounts you have with us are identified above. For all accounts except certificates, the Dividend Rate and Annual Percentage Yield may change monthly as determined by the Board of Directors. High Yield Checking accounts, IRA Saving accounts, and Money Market accounts are Tiered Rate accounts. For these accounts, the specified Dividend Rate for a tier will apply only to the portion of the account balance that is within that tier. The annual percentage yields, which vary depending on the balance in the account, are shown for each tier.

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.

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. The Dividend Rate and Annual Percentage Yield identified above are the rates and yields for the last dividend period, as shown above.

3. Compounding and Crediting

The compounding and crediting frequency of dividends and dividend period applicable to each account are stated in the Rate Schedule. The Dividend Period is the period of time at the end of which an account earns dividend credit. 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

To open any account, you must deposit or already have on deposit at least the par value of one full share in a Share Savings account. The par value amount is stated in the Service Charge Schedule. Some accounts may have additional minimum opening deposit requirements. The minimum balance requirements applicable to each account are stated in the Rate Schedule. For all 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.

6. Account Limitations

For Club Savings accounts, the balance is available to you for transfer or withdrawal on or after November 1st. You are able to make one (1) discretionary withdrawal from this account at any time during the calendar year, with no service charge imposed. If you withdraw any of the account balance at any additional time before November 1st, you will be assessed a service charge as disclosed in the Service Charge Schedule. However, no service charge will be assessed if the withdrawal occurs within seven (7) days of the date the account is opened. For Primary Share Savings, Money Market accounts, and all regular Checking accounts, no account limitations apply. For Health Savings accounts, special rules apply pertaining to account use. First Service is not liable if transaction(s) performed do not meet tax favored rules. Members should contact their tax advisor for rules pertaining to use of this type of tax favored 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 Smart Growth Certificate. Funds deposited by check to a new or existing certificate account will not be available for withdrawal for the first thirty (30) days from the date of deposit.

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 penalty is half of the interest that would be earned on the account from the date of withdrawal through the maturity date.

2) How the Penalty Works. The penalty is calculated as a forfeiture of part of the dividends that would be earned on the account. If the account has not yet earned enough dividends or if earned dividends have previously been withdrawn, the penalty will be deducted from the principle balance.

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: 1) when an owner on an account dies or is determined legally incompetent by a court or other body of competent jurisdiction; 2) Where the account is an Individual Retirement Account (IRA) and any portion is paid within seven (7) days after establishment; or 3) where the account is an IRA and the owner attains age 59½ or becomes disabled and begins making periodic withdrawals.

d. Renewal Policy

Certificate Accounts are automatically renewable accounts. Automatically renewable accounts 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.

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.

8. Changes in Terms

The Credit Union reserves the right to add to, change, or delete any of the additional deposit and step-up rate terms of this disclosure at any time by giving you thirty (30) days advance notice.

Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency