



First Source Federal Credit Union
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TRUTH-IN-SAVINGS DISCLOSURES

The following disclosures and terms apply to your accounts with the Credit Union. The Rates and/or Fees Schedule also sets out terms of your accounts and is hereby incorporated by reference as if fully set forth herein.

SHARE DRAFT AND SHARE ACCOUNTS. The following applies to Share Draft and Share Accounts:

Rate Information. Please see our current Rates and/or Fees Schedule for current Annual Percentage Yield (APY), any applicable tiers, and variable rate accounts. The Annual Percentage Yield (APY) 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. The dividend rate and Annual Percentage Yield (APY) may vary at the Credit Union's discretion and may change at any time.

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

Balance Computation Method. We use the *Daily Balance Method* to calculate dividends. The *Daily Balance Method* applies a daily periodic rate (dividend rate divided by 365 days) to the balance in the account each day then adds those daily calculations together and credits that amount to the balance of the account on the last calendar day of the month. Dividends are calculated using the dividend rate in effect on the last calendar day of the month.

Accrual of Dividends. Dividends will begin to accrue on the business day that you deposit cash and noncash items (e.g. checks) to your account at any Credit Union location.

Compounding and Crediting. Dividends will be compounded and credited monthly. The Dividend Period begins on the first calendar day of the month and ends on the last calendar day of the month. If you close your account before dividends are paid, you will not receive the accrued dividends. We will consider your account closed if the balance reaches zero and you do not bring it up to par value within six (6) months.

Minimum Balance Requirements:

Share Account

The minimum balance required to open a Regular Share Account is \$5.00. The par value of one share required to retain Credit Union Membership is currently \$5.00 as determined by the Credit Union's Board of Directors.

The minimum balance to earn dividends on your Regular Share, Special Purpose Savings, IRA Share or SEP, Youth Savings, and other similar accounts that we may offer from time to time is \$0.01. These accounts include options for members to earn dividends based on several tiers:

- 1) Tier 1 is attained when the daily account balance is between \$0.01 and \$999.99,
- 2) Tier 2 is attained when the daily account balance is between \$1,000 and \$4,999.99,
- 3) Tier 3 is attained when the daily account balance is between \$5,000 and \$9,999.99,
- 4) Tier 4 is attained when the daily account balance is \$10,000 or more.

Money Market Savings Account

The minimum balance required to open and earn dividends for a Money Market Savings account is \$0.01. A Money Market Savings account includes options for members to earn dividends based on several tiers:

- 1) Tier 1 is attained when the daily account balance is under 5,000,
- 2) Tier 2 is attained when the daily account balance is between \$5,000 and \$9,999.99,
- 3) Tier 3 is attained when the daily account balance is between \$10,000 and \$24,999.99,
- 4) Tier 4 is attained when the daily account balance is between \$25,000 and \$49,999.99,
- 5) Tier 5 is attained when the daily account balance is between \$50,000 and \$99,999.99,
- 6) Tier 6 is attained when the daily account balance is \$100,000 or more.

When the **Only One Checking Rewards** program is chosen, a \$5 monthly maintenance fee* is assessed unless you conduct at least 15 debit card transactions, which include debit purchases or point-of-sale transactions, or

maintain an average monthly balance of \$2,500.00 in the account. If you do not opt into the rewards program then there are no maintenance fees or minimum balances required.

** There will be no monthly maintenance fee for the first two monthly statement cycles when you first opt into the rewards program.*

TERM SHARE CERTIFICATES. The following applies to Term Share Certificates.

Rate Information. Please see our current Rates and/or Fees Schedule for current Annual Percentage Yield (APY). The Annual Percentage Yield (APY) 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. The dividend rate and Annual Percentage Yield (APY) are determined at the time you open your Term Share Certificate and remain fixed for the term of the account.

Compounding and Crediting. Dividends on your Term Share Certificate are compounded and credited monthly and at maturity. You may choose to have the dividends credited to your Term Share Certificate or credited to another account with us. The Annual Percentage Yield on your Term Share Certificate assumes dividends will remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

Minimum Balance Requirements. The minimum balance to open a First Source Term Share Certificate and to earn dividends is \$1,000.00. The minimum balance to open a Youth Term Share Certificate or a My Terms Share Certificate and to earn dividends is \$500.00.

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

Balance Computation Method. We use the *Daily Balance Method* to calculate dividends. The *Daily Balance Method* applies a daily periodic rate (dividend rate divided by 365 days) to the balance in the account each day, then adds those daily calculations together and credits the amount to the balance of the account on the last calendar day of the month. Dividends are calculated using the dividend rate in place on the last calendar day of the month.

Accrual of Dividends. Dividends will begin to accrue on the business day that you deposit cash and noncash items (e.g. checks) to your account at any Credit Union location.

Transaction Limitations. You may not make additional deposits to your Term Share Certificate until maturity.

Maturity and Renewal. A maturity date will be established when you open your Term Share Certificate. Please see your Term Share Certificate Receipt, Periodic Account Statement or Renewal Notice for the maturity date. If the maturity date of your Term Share Certificate is a Sunday or Federal holiday, we will pay you dividends on your Term Share Certificate at the previous rate until the first business day after the original maturity date, and that will be deemed to be the new maturity date.

You will be notified in writing before the maturity of your Term Share Certificate. We will mail a maturity notice at least 10 days prior to the maturity date. If you do not instruct us differently, we will automatically renew your Term Share Certificate at maturity by placing the funds, plus any dividends not already paid to you, in a renewal Term Share Certificate of the same type and for the same term as your original deposit (or the closest available type and term), at the Dividend Rate and Annual Percentage Yield offered on the maturity date for your Term Share Certificate of comparable terms and amounts. You may withdraw your funds from your Term Share Certificate without penalty within 10 calendar days after the maturity date, but no dividends will be paid during this period if you do withdraw your funds.

Early Withdrawal Penalty. We may impose a penalty if you withdraw funds from your account before the maturity date.

a. Amount of Penalty. For accounts with terms of less than 12 months, the amount of early withdrawal penalty for your account is all accrued dividends up to 90 days' dividends but not less than seven (7) days' dividends. For accounts with terms of 12 months or longer, the amount of early withdrawal penalty for your account is all accrued dividends up to 180 days' dividends but not less than seven (7) days' dividends.

b. How the Penalty Works. The penalty is calculated based on the total balance of the certificate times the number of penalty days (7, 90 or 180), times the dividend rate, and then divided by 365 (days in year). In other

words, if the account has not yet earned enough dividends or if the dividends have already been paid, the penalty may be deducted from the principal.

c. 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:

(i) When an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction.

(ii) Where the account is an Individual Retirement Account (IRA) and any portion is paid within seven (7) days after the establishment of the account; or where the account is a Keogh Plan (Keogh), provided that the depositor forfeits an amount at least equal to the simple dividends earned in the amount withdrawn; or where the account is an IRA or Keogh and the owner attains age 59½ or becomes disabled.

Fees and Charges. We may impose fees, charges, or penalties against your account(s). Please see our Rates and/or Fees Schedule for the types, amounts, and conditions of the fees and charges.

ALL ACCOUNTS. The following applies to any account you have with us:

Written Notice of Withdrawal. 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 less than seven days before such withdrawal.

Non-transferable/Nonnegotiable. Your account is non-transferable and nonnegotiable.



This credit union is federally insured by the National Credit Union Administration