



## Truth in Savings Act Effective April 2005

### SHARE ACCOUNTS AND TRUTH IN SAVINGS

#### Variable Rates

All Share Savings and Checking/Share Draft Accounts are variable rate accounts. This means that all such rates are subject to change. The Credit Union reserves the right, at the discretion of our Board of Directors, to change the Dividend Rate and **Annual Percentage Yield (APY)** on all variable rate share accounts at any time, without prior notice. There is no limit to the amount or frequency of rate changes. Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

#### REGULAR SHARE SAVINGS ACCOUNTS (SUFFIX 01)

The minimum initial share must be invested in a Share (Savings) Account according to the following terms: The minimum initial share purchase deposit is \$30 which includes at least one share with a par value of \$25 and a one time new account fee of \$5. Maintaining par value in the Regular Share Savings Account is a requirement in order to utilize any other savings and lending services offered by the credit union. The new account fee is not a share purchase and does not earn dividends; neither is it refundable.

##### 1. *Minimum Balance Requirements*

- A. You must make an initial deposit of \$25.00. There is a minimum balance requirement of \$25.00.
- B. This is a tiered rate account. Dividends are not paid on balances below \$250.00.

##### 2. *Balance Computation Method*

Dividends are computed on the Average Daily Balance. The Average Daily Balance Method applies a periodic rate to the average daily balance in the account for the period. The Average Daily Balance is determined by adding the balance in the account for each day of the period and dividing that amount by the number of days in the period. If the account is overdrawn resulting in a negative balance, the balance for that day is considered to be 0.00.

The Average Daily Balance Method uses a Daily Dividend Amount and a Daily Dividend Date to keep track of the average daily balance amount. The calculation method maintains a running total of each day's ending balance. This amount is adjusted as deposits to and withdrawals from the account occur. The entire balance on account during the dividend period will earn dividends in the category.

##### 3. *Rate Information – Dividend Period*

The current tiered, anticipated simple Annual Dividend Rate and **Annual Percentage Yield (APY)** are listed on our accompanying schedule titled, "Dividend Rates and Schedule of Fees and Charges." This Rate will be in effect, subject to the terms of your ACCESS Master Share Agreement, until changed by the Board of Directors. Subsequent Dividend Periods will begin on the first day of each calendar month and end on the last day of each calendar month. The Dividend Rate and APY may change at any time during this period, as determined by the Credit Union's Board of Directors. The dividend will be declared on the last day of the dividend period.

##### 4. *Accrual of Dividends*

Subject to the minimum balance requirements, dividends will begin to accrue on the business day the Credit Union receives any deposit. Business days are defined in the Electronic Fund Transfer Agreement & Disclosure.

##### 5. *Compounding and Crediting*

Dividends will be credited at the end of each monthly period. You will not receive accrued dividends on any funds you withdraw until after dividends are credited. Dividends not withdrawn are compounded monthly.

##### 6. *Transaction Limitations*

During any statement period, 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 or telephonic order or instruction. No more than three of the six transfers may be made by check, draft, POS and check card if applicable, or similar order to a third party. If you exceed the transfer limitations set forth above in any statement period, your account will be subject to closure by the credit union or to a fee as stipulated in the accompanying schedule title "Dividend Rates and Schedule of Fees and Charges."

##### 7. *Fees and Charges*

Fees and Charges that are not disclosed elsewhere in this TIS Supplement are listed in the attached "Dividend Rates and Schedule of Fees and Charges."

##### 8. *Withdrawal Terms*

Paid dividends are available for immediate withdrawal after they are paid.

You can withdraw funds from your Regular Shares or Checking/Share Draft account at Automatic Teller Machines (ATMs) under terms and conditions described in our Electronic Fund Transfer Agreement & Disclosure.

##### 9. *Effect of Closing an Account*

If your Regular Shares account is closed prior to the end of the dividend period, you will lose all earned dividends for the period.

### SPECIAL SHARE ACCOUNTS (SUFFIX 02, 03, 04, 08)

The terms and conditions of the Special Share accounts are the same as Regular Share accounts except for the following:

##### 1. *Minimum Balance Requirements*

- A. You must make an initial deposit of \$5.00.
- B. This is a tiered rate account. Dividends are not paid on balances below \$250.00.

##### 8. *Withdrawal Terms*

Your Special Share accounts may not be accessed through the ATM for withdrawals, or be used for automatic overdraft protection on your checking.

### VACATION CLUB (Suffix 05)

The terms and conditions of the Vacation Club Share accounts are the same as the Special Shares accounts in addition to the following:

##### 8. *Withdrawal Terms*

You may withdraw any part of your Vacation Club before the maturity date of May 31. Account balances over \$5.00 will be transferred to the Regular Shares (Type 01) on June 1.

### HOLIDAY CLUB (Suffix 09)

The terms and conditions of the Holiday Club Share accounts are the same as Special Share accounts in addition to the following:

##### 8. *Withdrawal Terms*

You may withdraw any part of your Holiday Club before the maturity date of October 31. Account balances over \$5.00 will be transferred to the Regular Shares (Type 01) on November 1.

### SOCIAL SECURITY REPRESENTATIVE PAYEE ACCOUNT (SUFFIX 20)

A representative payee is designated to act on behalf of a beneficiary who is incapable of handling his/her own affairs because he/she is either too young, or is mentally or physically impaired.

The terms and conditions of the Social Security Representative Payee Account are the same as the Regular Share Savings Account except for the following:

##### 6. *Transaction Limitations*

Transactions are only permitted by the Representative Payee. The Social Security and/or SSI payments cannot be commingled with any other funds. Representative Payee accounts cannot be accessed through ATM, check card, or TellerPhone.

### UNIFORM TRANSFER TO MINORS (SUFFIX 23)

Pursuant to California Probate Code 3913, a custodial account is for a minor person. Either the custodian or the minor must be a member of the credit union prior to opening the account. See ACCESS booklet for details.

The terms and conditions of the Uniform Transfer to Minors account are the same as the Regular Share Savings Account in addition to the following:

##### 6. *Transaction Limitations*

Withdrawals and closures by custodian only. Transfer to Minor Accounts may not be accessed through the ATM for withdrawals, or be used for automatic overdraft protection on your checking. MONEY ACTION ACCOUNTS

### Money Action Account (Suffix 24)

The terms and conditions of the Money Action accounts are the same as Regular Share accounts except for the following:

##### 1. *Minimum Balance Requirements*

- A. You must make an initial deposit of \$2,500. There is a minimum balance requirement of \$2,500. Additional deposits may be made to the account with a minimum of \$250.
- B. This is a tiered rate account. Dividends are not paid on balances below \$2,500.

##### 2. *Balance Computation Method*

Dividends are calculated using the Daily Balance Method. The Daily Balance Method applies a daily periodic rate to the principal balance of your account each day.

3. **Rate Information – Dividend Period**

The dividend rate and APY may change weekly as determined by the Credit Union's Board of Directors. Please refer to the enclosed Dividend/Rate Sheet or call the Credit Union.

The Dividend Period is from the first day of each calendar month through the end of each calendar month.

5. **Compounding and Crediting**

Dividends will be credited weekly. Dividends not withdrawn are compounded weekly.

8. **Withdrawal Terms**

Paid dividends are available for immediate withdrawal after they are paid. Amounts may be withdrawn from the account at any time in minimum amounts of \$500. Withdrawals below the minimum amount will be assessed a \$5 fee. Transfers from this account are not permitted in excess of three per month.

9. **Effect of Closing an Account**

If your Money Action account is closed prior to the end of the dividend period, you will be paid all dividends earned up until closure.

**Money Action Account (Suffix 25)**

The terms and conditions of Money Action Account Suffix 25 are the same as Money Action Suffix 24 except for the following:

1. **Minimum Balance Requirements**

- A. You must make an initial deposit of \$5,000.00. There is a minimum balance requirement of \$5,000.00.
- B. Dividends are not paid on balances below \$5,000.

**Money Action Account (Suffix 26)**

The terms and conditions of Money Action Account Suffix 26 are the same as Money Action Suffix 24 except for the following:

1. **Minimum Balance Requirements**

- A. You must make an initial deposit of \$20,000.00. There is a minimum balance requirement of \$20,000.00.
- B. Dividends are not paid on balances below \$20,000.

**CHECKING/SHARE DRAFT ACCOUNTS**

The Tucoemas Federal Credit Union offers a variety of checking accounts designed to meet your individual needs. These accounts are offered to members in good standing whose checking account records are acceptable to the Credit Union and who are at least 18 years old. A minor member who is under age 18 years old may open a checking/share draft account with the minor member's parent or guardian as joint owner.

**Premier Checking Account (Suffix 75)**

1. **Minimum Balance Requirements**

- A. You must make a minimum deposit of \$100. There is a minimum balance requirement of \$1.
- B. You must maintain a minimum average daily balance of \$1,500 to obtain the disclosed Annual Percentage Yield (APY). Dividends are not paid on balances below \$1,500.
- C. The regular monthly fee will be waived if the total minimum share balances in one account other than an IRA or Deferred Compensation Account on the last day of the month is \$2,000 or more. The monthly fee is also waived if the member is age 60.

2. **Balance Computation Method**

Dividends are declared in advance. Dividends are compounded monthly and credited the end of each monthly period.

3. **Rate Information - Dividend Rate**

The dividend rate and APY may change monthly as determined by the Credit Union's Board of Directors. Subsequent Dividend Periods will begin on the first day of each calendar month and end on the last day of each calendar month.

Please refer to the enclosed Rate Sheet or call the Credit Union.

4. **Accrual of Dividends**

Subject to the minimum balance requirements, dividends will begin to accrue on the business day the credit union receives any deposit. Business days are defined in the Electronic Fund Transfer Agreement & Disclosure.

5. **Compounding and Crediting**

Dividends are calculated by adding 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 principal in the account each day of the period and dividing the figure by the number of days in the period. Dividends not withdrawn are compounded monthly.

6. **Transaction Limitations:** Paper draft unlimited; ATM card, Check Card at ATM locations - maximum 9 per day; ATM POS - 5 per day; Check Card POS/Merchant Transactions are an aggregate of 10 per day (including Check Card ATM transactions).

7. **Fees and Charges**

Fees and Charges are disclosed in the accompanying schedule titled "Dividend Rates and Schedule of Fees and Charges."

A returned check may be collected electronically through the ACH item system, if the check is returned for insufficient or uncollected funds. Any applicable collection fees will be deducted from the member's credit union account.

8. **Withdrawal Terms**

You may withdraw from your checking/share draft account at Automated Teller Machines (ATMs), TellerPhone (audio response) under the terms and conditions described in our Electronic Funds Transfer Agreement & Disclosure.

Withdrawals are limited up to \$400 per business day. However, if our computer system is down, the amount is a temporary \$200 per business day withdrawal limit. ATM Card, Check Card at ATM locations, or ATM POS, maximum \$400 per day/\$200 per day if our system is down. Check Card POS/Merchant is an aggregate of \$2,000 per day (including Check Card ATM transactions.)

9. **Effect of Closing an Account**

If your Checking account is closed prior to the end of the dividend period, you will lose all earned Dividends for the period.

10. **Overdraft Protection**

You may request overdraft Protection when you open a Checking Account. If your application for an open-end line of credit is approved and you have credit available to pay an overdraft, it will be paid under the terms of your Line of Credit Agreement. In the event an Overdraft Line of Credit has not been established or your credit limit has been reached, the overdraft amount will be drawn from the Savings Account (depending on your choice of options) if the funds are available.

Social Security funds directly deposited into a member's account are protected under 42 U.S.C. section 407(A). Continued use of a TUCOEMAS account constitutes acceptance of Social Security funds used voluntarily for overdraft and associated fees, other legal process, or debt.

**eChecking (Suffix 76)**

The terms and conditions of the eChecking account are the same as Premier Checking except for the following:

1. **Minimum Balance Requirements**

- C. Regular monthly fee does not apply except as outlined in Transaction Limitations below.

6. **Transaction Limitations** (in addition to Premier Transaction Limitations)

If one or more transactions are made inside a Tucoemas Branch; if a member comes into the office for a withdrawal or deposit, if more than 3 checks are returned because of insufficient funds, or if the account is not active for 6 months, the account will revert back to the \$4 monthly fee normally charged on a Premier account. If the account has more than 3 consecutive months being charged Premier service fee, the account will automatically convert to Premier permanently.

**SENIOR PREMIER CHECKING (SUFFIX 77)**

The Senior Premier Checking account is offered to members who are in good standing whose checking account records are acceptable to the Credit Union and who are at least 55 years of age. The terms and conditions of the Senior Premier Checking account are the same as Premier Checking except for the following:

1. **Minimum Balance Requirements**

- C. Maintain an average daily balance of \$750 in your checking account to waive the monthly fee.

**DIRECT DEPOSIT CHECKING (SUFFIX 70)**

The terms and conditions of the Direct Deposit Checking account are the same as Premier Checking except for the following:

1. **Minimum Balance Requirements**

- B. Dividends are not paid on this account.
- C. There is no regular monthly fee on this account.
- D. Must have direct deposit.

Reference to *Balance Computation Method, Rate Information - Dividend Rate, Accrual of Dividends, and Compounding and Crediting* do not apply to this account.

## SHARE CERTIFICATES

The terms available are disclosed in the "Dividend Rates and Schedule of Fees and Charges" Schedule. The Credit Union will notify the member at least thirty (30) days in advance before changing terms and conditions.

### 1. *Minimum Balance Requirements*

The Credit Union offers a number of certificate accounts. The minimum initial deposit and minimum balance requirement on each certificate is disclosed in the accompanying schedule titled "Dividend Rates and Schedule of Fees and Charges."

### 2. *Balance Computation Method*

Dividends are calculated using the Daily Balance Method. The Daily Balance Method applies a daily periodic rate to the principal balance of your account each day.

### 3. *Rate Information - Dividend Period*

The current anticipated simple Annual Dividend Rate and **Annual Percentage Yield (APY)** are listed on our accompanying schedule titled "Dividend Rates and Schedule of Fees and Charges." This Rate will be in effect, subject to the terms of your share certificate. The stated APY assumes dividends will remain on deposit until maturity.

The dividend period of the credit union on this account is monthly, beginning on the date the account is opened, and ending on the stated maturity date, unless renewed.

Certificates may have dividends distributed by crediting them to the certificate, any other Credit Union Account, or receiving a check. On Certificate accounts the dividend rate is fixed for the term of the Certificate, unless there is a change in the principal balance. NOTE: The 24 month "Second Chance" certificate permits a one time option of increasing to the 24 month term rate offered at the time of the request. This provision applies to the initial term on the account and is limited to a maximum 1% APY increase over the initial rate of the certificate. A one "penalty free" withdrawal of up to 50% of the current balance (over the minimum balance requirement) is permitted.

### 4. *Accrual of Dividends*

Dividends begin to accrue on the business day the Credit Union receives any deposit.

### 5. *Compounding and Crediting*

Dividends will be compounded monthly and will be credited monthly and at the certificate maturity. Dividends not withdrawn are compounded at the frequency of their crediting.

### 6. *Transaction Limitations*

Your certificate account will automatically renew at maturity (**unless noted as nonrenewable**). You have no grace period after the maturity date. After the account is opened, you may not make deposits into the account until the maturity date stated on the certificate. A substantial penalty shall be imposed if account funds other than dividends are withdrawn before the maturity date.

### 7. *Fees and Charges*

Fees and Charges are disclosed in the accompanying schedule titled "Dividend Rates and Schedule of Fees and Charges."

### 8. *Withdrawal Terms*

A substantial penalty shall be imposed if account funds other than dividends are withdrawn before the maturity date, except for certificates setup under the Social Security Representative Payee Accounts. Refer to the "Dividend Rate and Schedule of Fees and Charges." Penalties will not be applied if the withdrawal is made subsequent to the death or disability of the owner. A certified copy of the death certificate will be required.

## SHARE MARKET INDEX CERTIFICATE (SUFFIX 11)

The terms and conditions of the Share Market Index Certificate are disclosed in the "Market Index Certificate Truth-in-Savings Disclosure and Rate Schedule".

## IRA MARKET INDEX CERTIFICATE (SUFFIX 12)

The terms and conditions of the Individual Retirement Account Market Index Certificate are disclosed in the "Market Index Certificate Truth-in-Savings Disclosure and Rate Schedule".

## IRA Daily SHARE Accounts - Traditional, education, roth, roth rollover (Suffix 82, 84, 86, 88)

The terms and conditions of the Individual Retirement Daily Account are the same as Special Share Savings Accounts except for the following:

### 3. *Rate Information - Dividend Period*

The current anticipated simple Annual Dividend Rate and **Annual Percentage Yield (APY)** are listed on our accompanying schedule titled "Dividend Rates and Schedule of Fees and Charges." This Rate will be in effect subject to the terms of your IRA Share Agreement.

The Dividend Period is from the first day of each calendar month through the end of each calendar month.

### 6. *Transaction Limitations*

Subsequent deposits may be made at any time to IRA Shares, subject to all IRS rules and regulations.

### 8. *Withdrawal Terms* (in addition to Special Shares Withdrawal Terms)

There is no early redemption penalty on IRA Shares with TFCU. All other terms and conditions for our IRA are contained in the credit union's Custodial Agreement. When you open your IRA, this Agreement will be provided to you.

## IRA Share Certificates - Traditional, education, roth, roth rollover (Suffix 80, 81, 90 through 99)

The terms and conditions of the IRA Share Certificates are the same as Share Certificates except for the following:

### 3. *Rate Information - Dividend Period*

The current anticipated simple Annual Dividend Rate and **Annual Percentage Yield (APY)** are listed on our accompanying schedule titled "Dividend Rates and Schedule of Fees and Charges." This Rate will be in effect subject to the terms of your IRA Share Certificate.

The dividend period of the credit union on this account is monthly, beginning on the date the account is opened, and ending on the stated maturity date, unless renewed.

Certificates may have dividends distributed by crediting them to the certificate, any other Credit Union account, or receiving a check. However, this account is subject to all applicable IRS rules and regulations.

### 6. *Transaction Limitations*

Your certificate account will automatically renew at maturity (**unless noted as nonrenewable**). You have no grace period after the maturity date. A substantial penalty shall be imposed if account funds other than dividends are withdrawn before the maturity date. You may add a minimum of \$500 at any time to the Certificate, subject to all applicable IRS rules and regulations. All other terms and conditions for our Individual Retirement Accounts are contained in the credit union's Custodial Agreement. When you open your IRA, this Agreement will be provided to you.

### 8. *Withdrawal Terms*

Deposits can be withdrawn without penalty under the following conditions:

1. The entire IRA is revoked within the first seven days after the initial deposit.
2. The member is declared incompetent, and the legal Guardian(s) brings in completed court documents.
3. Scheduled payouts for Required Minimum Distributions.

## DEFERRED COMPENSATION DAILY ACCOUNTS

The terms and conditions of Deferred Compensation Daily Accounts are the same as Special Share Accounts except for the following:

### 1. *Minimum Balance Requirements*

A. You must make an initial deposit of \$10.00. There is a minimum balance requirement of \$5.00.

B. Dividends are not paid on balances below \$10.00.

### 3. *Rate Information - Dividend Period*

The current anticipated simple Annual Dividend Rate and **Annual Percentage Yield (APY)** are listed on our accompanying schedule titled "Dividend Rates and Schedule of Fees and Charges". The rate will be in effect subject to the terms of your Deferred Compensation Share Agreement.

The Dividend Period begins on the first day of each calendar month through the last day of each calendar month.

### 6. *Transaction Limitations*

All terms and conditions for Deferred Compensation Accounts are contained in your Deferred Compensation Agreement established under the IRS 457 Plan administered by your employer. When you open your Deferred Compensation Account, this Agreement will be provided to you.

### 8. *Withdrawal Terms* (in addition to Special Shares Withdrawal Terms)

Subject to limitations contained in your deferred compensation agreement.