

## **WESTERN DIVISION FEDERAL CREDIT UNION**

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### **TRUTH IN SAVINGS – TERM CERTIFICATE DISCLOSURE**

This Truth in Savings – Term Certificate Disclosure, unless specifically noted, applies to all of the accounts described.

#### **SAVINGS & INDIVIDUAL RETIREMENT ACCOUNTS (IRA) TERM CERTIFICATES**

Dividends are credited and compounded quarterly. The dividend period is the calendar quarter. The minimum opening deposit is \$250.00. The daily balance method is used to calculate dividends. Terms range from six (6) months to sixty (60) months. From time-to-time, the credit union will offer a promotional rate/term. It will be disclosed on the rate sheet and member's disclosure notification at time of purchase.

#### **RATE INFORMATION**

Current dividend rates are stated on the Rate Sheet. 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 frequency of compounding for the annual period. The dividend rate and APY are fixed and will be in effect for the term of the account. For accounts subject to dividend compounding, the APY is based on an assumption that dividends will remain on deposit until maturity. Penalties may be imposed for early withdrawal and reduce the APY. Other fees, withdrawals or conditions may apply and reduce the APY. The dividend rates, APYs and the 'Last Dividend Declared' are as stated on the Rate Sheet.

#### **NATURE & ACCRUAL OF DIVIDENDS**

Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period. Dividends begin to accrue on cash and non-cash deposits (e.g. checks) on the business day you make the deposit to your account.

#### **BALANCE INFORMATION**

The minimum balance requirements applicable to each account are stated on the Rate Schedule. Dividends are calculated by applying the daily periodic rate to the daily balance in the account for the period.

#### **TRANSACTION LIMITATIONS**

After your account is opened, no additional deposits will be accepted.

#### **MATURITY**

Your account will mature as indicated on your Term Certificate or Renewal Notice.

#### **EARLY WITHDRAWAL(S)**

We may impose a penalty if you withdraw any of the principal before the maturity date. Withdrawal of dividends is allowed without penalty.

#### **PENALTY AMOUNT AND CALCULATION**

The penalty amount is based on the term of your certificate. Terms of 12 months or less = 120 days dividends, terms of more than 12 months = 180 days dividends. The penalty is calculated as a forfeiture of part of the dividends that have been or would be earned on the account. It applies whether or not the dividends have been earned. In other words, if the account has not yet earned enough dividends or if the dividend has already been paid, the penalty will be deducted from the principal.

#### **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 account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction (2) when the account is an IRA and any portion is paid within seven (7) days after establishment (3) the account owner becomes disabled or (4) at management discretion.

#### **RENEWAL POLICY**

Term Certificates renew automatically at maturity for the same term and at our current dividend rates as stated on the Rate Sheet. All Term Certificates have a ten (10) day grace period at maturity in which to withdraw funds in the account without being charged an early withdrawal penalty. When offering a promotional rate/term, the renewal term will be set to renew to the closest existing non-promotional term less than the existing promotional term.

#### **NON-TRANSFERABLE/NON-NEGOTIABLE**

Your account is non-transferable and non-negotiable. The funds in your account may not be pledged to secure any obligation of an owner, except obligations with the Credit Union.