

# TRUTH-IN-SAVINGS DISCLOSURE

The Truth-in-Savings Act (TIS) is a section of the Federal Deposit Insurance Corporation Improvement Act of 1991. The National Credit Union Administration is charged with enforcing this Act which applies to all credit unions.

The purpose of TIS is to promote and simplify comparisons among accounts at all financial institutions. TIS enables consumers to make informed choices/comparisons among competing claims of financial institutions by requiring disclosure of the interest rates payable on these accounts and the fees assessable against these accounts.

It is the intent of Veritas Federal Credit Union to maintain compliance with this federal law pertaining to disclosure of the terms and conditions of all savings programs. The following disclosure information illustrates the various savings alternatives available to members of Veritas Federal Credit Union.

The Rate Schedule sets forth certain conditions, rates, fees, and charges applicable to your accounts at Veritas Federal Credit Union. The most current Rate Schedule is incorporated as part of this disclosure. If you have any questions regarding any of the accounts offered at Veritas Credit Union, please call a member service representative.

## MAXIMIZER CHECKING ACCOUNT(S)

### Dividend Rate Information:

The Maximizer Checking Account is a variable rate account. The dividend rate and annual percentage yield are variable rates and may change at any time, as determined at the discretion of the credit union.

### Compounding and Crediting:

Dividends will be compounded monthly and will be credited to your account monthly. Dividends will be earned daily for each day on which the account balance equals or exceeds the minimum daily balance requirements for this account.

### Dividend Period:

For this account type, the dividend period is quarterly; for example the beginning date of the first dividend period of the calendar year is January 1 through January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31. If you close your account prior to payment of a dividend, you will not receive any accrued dividend.

### Daily Balance Computation Method:

Dividends are calculated by the daily balance method that applies a daily periodic rate to the principal balance in the account each day.

### Minimum Balance Requirements for Maximizer Checking Account(s):

There are no minimum balance requirements to open or maintain these accounts, although you must have a primary Share Savings account with a minimum balance of \$25.00. Your Maximizer Checking Account can be closed by the Credit Union if you do not maintain a minimum of \$25.00 in your Regular Share Account.

### Transaction Limitations:

No transaction limitations apply to your Maximizer Checking Account.

## OPPORTUNITY CHECKING ACCOUNT(S)

### Dividend Rate Information:

No dividends are paid for deposits in this account.

### Minimum Balance Requirements for Opportunity Checking Account(s):

There are no minimum balance requirements to open or maintain these accounts, although you must have a primary Share Savings account with a minimum balance of \$25.00.

### Transaction Limitations:

No transaction limitations apply to your Opportunity Checking Account.

### Fees:

There is a one-time \$25.00 fee to open an Opportunity Checking Account. The monthly service charge for this account is \$10.00. This fee is subject to change and you should refer to the most current Fees Schedule for updated information. Please refer to our separate Schedule of Fees for additional information about fees that may apply to your account(s).

## REGULAR SHARE ACCOUNT(S)

### Dividend Rate Information:

The dividend rate and annual percentage yield are variable rates and may change at any time, as determined at the discretion of the credit union.

### Compounding and Crediting:

Dividends will be compounded quarterly and will be credited to your account quarterly. Dividends will be earned daily for each day on which the account balance equals or exceeds the minimum daily balance requirements for this account.

### Dividend Period:

For this account type, the dividend period is monthly; for example the beginning date of the first dividend period of the calendar year is January 1 through January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31. If you close your account prior to payment of a dividend, you will not receive any accrued dividend.

### Daily Balance Computation Method:

Dividends are calculated by the daily balance method that applies a daily periodic rate to the principal balance in the account each day.

### Minimum Balance Requirements for Regular Shares Savings Account(s):

The minimum required to open this account is a deposit of \$25.00. The minimum daily balance required to maintain this account and receive the disclosed interest rate is \$25.00.

### Transaction Limitations:

No transaction limitations apply to this account unless otherwise stated in the Common Features section of this Disclosure, the Electronic Funds Disclosure or Account Terms and Conditions Disclosures provide to you.

## REGULAR SHARE SUB-ACCOUNT(S)

### Dividend Rate Information:

The dividend rate and annual percentage yield are variable rates and may change at any time, as determined at the discretion of the credit union.

### Compounding and Crediting:

Dividends will be compounded quarterly and will be credited to your account quarterly. Dividends will be earned daily for each day on which the account balance equals or exceeds the minimum daily balance requirements for this account.

Dividend Period:

For this account type, the dividend period is quarterly; for example the beginning date of the first dividend period of the calendar year is January 1 through March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is March 31. If you close your account prior to payment of a dividend, you will not receive any accrued dividend.

Daily Balance Computation Method:

Dividends are calculated by the daily balance method that applies a daily periodic rate to the principal balance in the account each day.

Minimum Balance Requirements for Regular Shares Sub-Account(s):

The minimum required to open this account is a deposit of \$5.00 in the Regular Shares Sub-Account and \$25.00 in your Regular Share Account. The minimum daily balance required to maintain this account and receive the disclosed interest rate is \$5.00 in the Regular Shares Sub-Account and \$25.00 in your Regular Share Account.

Transaction Limitations:

No transaction limitations apply to this account unless otherwise stated in the Common Features section of this Disclosure, the Electronic Funds Disclosure or Account Terms and Conditions Disclosures provide to you.

**IRA REGULAR SHARE ACCOUNT(S)**

Dividend Rate Information:

The dividend rate and annual percentage yield are variable rates and may change at any time, as determined at the discretion of the credit union.

Compounding and Crediting:

Dividends will be compounded quarterly and will be credited to your account quarterly. Dividends will be earned daily for each day on which the account balance equals or exceeds the minimum daily balance requirements for this account.

Dividend Period:

For this account type, the dividend period is quarterly; for example the beginning date of the first dividend period of the calendar year is January 1 through March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is March 31. If you close your account prior to payment of a dividend, you will not receive any accrued dividend.

Daily Balance Computation Method:

Dividends are calculated by the daily balance method that applies a daily periodic rate to the principal balance in the account each day.

Minimum Balance Requirements for IRA Regular Share Account(s):

The minimum required to open this account is a deposit of \$5.00 in the IRA Regular Share Account and \$25.00 in your Regular Share Account. The minimum daily balance required to maintain this account and receive the disclosed interest rate is \$5.00 in the IRA Regular Share Account and \$25.00 in your Regular Share Account.

Transaction Limitations:

No transaction limitations apply to your regular share account, however, certain state and federal penalties may apply if IRA funds (including dividends earned on IRA funds) are withdrawn early and the maximum yearly contribution you may make to an IRA account is limited under the Internal Revenue Code. Consult your account administrator or IRS consultant for additional information concerning limits for withdrawals and transfers on IRA accounts.

**CHRISTMAS SAVINGS ACCOUNT(S)**

Dividend Rate Information:

The dividend rate and annual percentage yield are variable rates and may change at any time, as determined at the discretion of the credit union.

Compounding and Crediting:

Dividends will be compounded quarterly and will be credited to your account quarterly. Dividends will be earned daily for each day on which the account balance equals or exceeds the minimum daily balance requirements for this account.

Dividend Period:

For this account type, the dividend period is quarterly; for example the beginning date of the first dividend period of the calendar year is January 1 through March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is March 31. If you close your account prior to payment of a dividend, you will not receive any accrued dividend.

Daily Balance Computation Method:

Dividends are calculated by the daily balance method that applies a daily periodic rate to the principal balance in the account each day.

Minimum Balance Requirements for Christmas Club Account(s):

The minimum required to open this account is a deposit of \$5.00 in the Christmas Club Account and \$25.00 in your Regular Share Account. The minimum daily balance required to maintain this account and receive the disclosed interest rate is \$5.00 in the Christmas Club Account and \$25.00 in your Regular Share Account.

Transaction Limitations & Account Balance Transfer:

There are no restrictions as to the amount or type of deposits which may be made to your Christmas Club Account.

There is no stated maturity date for your Christmas Club Account, however, the entire balance in your Christmas Club Account will be transferred into your Regular Share Account on or before the 15<sup>th</sup> day of October of each year. If you make a withdrawal from your Christmas Club Account between January 1 and September 30, a fee will be assessed. This fee is disclosed on your Fee Schedule.

Renewal:

Your Christmas Club Account will automatically renew each year.

**SHARE CERTIFICATE ACCOUNT**

Rate Information:

The initial dividend rate and annual percentage yield on your share certificate account are stated in the Rate Sheet accompanying this Disclosure. All share certificate accounts are fixed rate accounts. You will be paid this rate and APY until maturity.

Compounding and Crediting: Dividends will be compounded quarterly and will be credited to your account quarterly.

Dividend Period:

For this account type, the dividend period is quarterly, for example the beginning date of the first dividend period of the calendar year is January 1 through March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is March 31. If you close your account prior to payment of a dividend, you will not receive any accrued dividend. If you close your account prior to payment of a dividend, you will not receive any accrued dividend. The APY is based on an assumption that dividends will remain on deposit until maturity. If you make a withdrawal from your share certificate account, your earnings will be reduced.

Balance Computation Method:

Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

**Minimum Balance Requirements for Share Certificate Account(s):**

You must make a minimum deposit of \$500.00 in your Share Certificate Account and \$25.00 in your Regular Share Account to open your Share Certificate Account. You must maintain a minimum daily balance of \$500.00 in your Share Certificate Account and \$25.00 in your Regular Share Account each day to obtain the disclosed APY for your Share Certificate Account. You must maintain a minimum daily balance of \$500.00 in your Share Certificate Account each day to avoid closure.

**Accrual of Dividends on Noncash Deposits:**

Dividends will begin to accrue on the business day you deposit noncash (e.g. checks) to your account.

**Maturity:** Your share certificate account will mature on the date shown on the Rate Sheet and your Certificate.

**Renewal of Account/Grace Period:** Your share certificate account will automatically renew at maturity for the same time period as the original term unless you prevent renewal by withdrawing all of the funds in your account at maturity or within a **grace period of 10 days** after maturity; provided, however, that we may prevent renewal by giving you written notice at least 10 days prior to maturity in which case the funds in your share certificate account will be transferred to your Regular Share Account or IRA Regular Share Account, as appropriate. If you withdraw principal after the grace period has expired, you will be charged the early withdrawal penalty as set forth below.

**Early Withdrawal Penalty:** We may impose a penalty if you withdraw any funds from your Share Certificate Account before the maturity date. The penalty will be as follows: Where the term of the Certificate is 12 months or less, the loss of dividends earned up to 90 days; where the term of the Certificate is greater than 12 months, the loss of dividends earned up to 180 days. In addition, if the amount withdrawn reduces the principal balance below the required minimum balance, your Share Certificate Account will be closed and the balance will be transferred to your Regular Share Account. Penalties shall not apply to (1) withdrawals made subsequent to the death or disability of any owner; (2) withdrawals made as a result of the voluntary or involuntary liquidation of this Credit Union.

**Transaction Limitations:**

You may not make deposits into or withdrawals of any funds from your Share Certificate Account until maturity.

**IRA SHARE CERTIFICATE ACCOUNT**

**Rate Information:**

The initial dividend rate and annual percentage yield on your share certificate account are stated in the Rate Sheet accompanying this Disclosure. All share certificate accounts are fixed rate accounts. You will be paid this rate and APY until maturity.

**Compounding and Crediting:** Dividends will be compounded quarterly and will be credited to your account quarterly.

**Dividend Period:**

For this account type, the dividend period is quarterly, for example the beginning date of the first dividend period of the calendar year is January 1 through March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is March 31. If you close your account prior to payment of a dividend, you will not receive any accrued dividend. If you close your account prior to payment of a dividend, you will not receive any accrued dividend. The APY is based on an assumption that dividends will remain on deposit until maturity. If you make a withdrawal from your share certificate account, your earnings will be reduced. If you close your IRA Certificate Account before dividends are credited, you may not receive accrued dividends.

**Balance Computation Method:**

Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

**Minimum Balance Requirements for IRA Share Certificate Account(s):**

You must make a minimum deposit of \$500.00 in your IRA Share Certificate Account and \$25.00 in your Regular Share Account to open your Share Certificate Account. You must maintain a minimum daily balance of \$500.00 in your Share Certificate Account and \$25.00 in your Regular Share Account each day to obtain the disclosed APY for your Share Certificate Account. You must maintain a minimum daily balance of \$500.00 in your Share Certificate Account each day to avoid closure.

**Accrual of Dividends on Noncash Deposits:**

Dividends will begin to accrue on the business day you deposit noncash (e.g. checks) to your account.

**Maturity:** Your share certificate account will mature on the date shown on the Rate Sheet and your Certificate.

**Renewal of Account/Grace Period:** Your share certificate account will automatically renew at maturity for the same time period as the original term unless you prevent renewal by withdrawing all of the funds in your account at maturity or within a **grace period of 10 days** after maturity; provided, however, that we may prevent renewal by giving you written notice at least 10 days prior to maturity in which case the funds in your share certificate account will be transferred to your Regular Share Account or IRA Regular Share Account, as appropriate. If you withdraw principal after the grace period has expired, you will be charged the early withdrawal penalty as set forth below.

**Early Withdrawal Penalty:** We may impose a penalty if you withdraw any funds from your IRA Certificate Account before the maturity date. The penalty will equal the loss of dividends earned up to 180 days. In addition, if the amount withdrawn reduces the principal balance below the required minimum balance, your IRA Certificate will be closed and the balance will be transferred to your IRA Regular Share Account. Penalties shall not apply to (1) withdrawals made subsequent to the death or disability of any owner; (2) withdrawals made as a result of the voluntary or involuntary liquidation of this Credit Union; or (3) normal distributions from an IRA Certificate. Normal distributions are defined as withdrawals from an IRA Certificate after age 59½ that are not reinvested in another Veritas Federal Credit Union IRA, your Roth and Educational IRA Accounts.

**Transaction Limitations:**

You may not withdraw any funds from your IRA Certificate Account until maturity. The minimum deposit you may make at any one time is \$500.00. Certain federal and state penalties may apply if funds (including dividends earned on IRA funds) are withdrawn early and the maximum yearly contribution you may make to an IRA account is limited under the Internal Revenue Code.

The terms and conditions for the Roth and Educational IRA Accounts are contained in the Credit Union's Roth and Educational IRA Disclosure Statements, which, by this reference, is incorporated into this account disclosure in its entirety. When you open your Roth and Educational IRA Accounts, the Credit Union Roth and Educational IRA Disclosure Statements will be provided to you.

**COMMON FEATURES**

All accounts offered by Veritas Federal Credit Union share several common features. These features are:

**Membership:**

You must complete purchase of a \$25.00 par value share in the credit union (par value of one share is \$25.00) and be a member in good standing. If the balance in your Share Account decreases below \$25.00, the Credit Union may, at its option, close your account.

We reserve the right to suspend services to a member who is not in good standing, which include, but are not limited to, members who: (i) are delinquent on any loan with this Credit Union; (ii) have a Regular Share Savings balance of less than a \$25.00 minimum; (iii) have caused any financial loss to this

Credit Union; (iv) have any unresolved Non-Sufficient Fund Checks outstanding, whether in regard to a deposit or otherwise; (v) have not paid the Credit Union any fees or costs owing to it; or (vi) have a negative balance in any account.

**Nature of Dividends:**

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

**Accrual of Dividends on Noncash Deposits:**

Dividends will begin to accrue on the business day you deposit noncash (e.g. checks) to your account.

**Federal Deposit Insurance:**

The National Credit Union Share Insurance Fund federally insures member accounts up to \$250,000.00.

**Transaction Limitations:**

We reserve the right to at any time to require not less than seven days written notice, nor more than 60 days written notice before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Federal Reserve Regulation D.

**Closure of Account(s):** Any Share Draft Checking account that has Non-Sufficient Funds to complete a transaction more than three (3) days in any calendar year may automatically be closed.

**Limits on Non-Transaction Accounts:** During any month you may not make more than six (6) withdrawals or transfers to another Credit Union account of yours or to a third party by means of a preauthorized or automatic transfers; transfers authorized by phone, fax, or online; and transfers by check, debit card, or similar order payable to third parties. Other types of transfers and withdrawals, such as those made in person, by mail, or at an ATM can be made without limitation, if there are sufficient funds in your account. If you exceed the transfer limitations herein, your account may be assessed fees and/or will be subject to closure.

**Fees:** See our separate Fee Schedule. Please refer to our separate fee schedule for additional information fees that may apply to your account.

We may endorse checks for you which we receive for deposit.

All account statements will be mailed only to your address of record. You shall exercise reasonable care and promptness in reconciling your statement, but in all cases within the applicable time limits set forth in the Uniform Commercial Code or you are precluded from any objection against us.

We may pay out funds or transact business pertaining to any account with the signature of any one (1) of the account owners or the signature of any designated agent. If we receive written notice from an owner that withdrawals in accordance with the terms of the account should not be permitted, we may refuse, without liability, to pay any sums on deposit pending a determination of the rights of the owners. Further, if there is more than one owner and there is a conflict between owners, we may require the signatures of all owners.

You or we may terminate your account at any time. You understand, however, that our authority to us may not be changed or terminated except by written notice to us which will not affect prior transactions. You understand that it is our policy that so long as you have an outstanding loan balance, you may not close out your share account with us.

We are not responsible for items lost while not in our possession.

Any payment made by us on your account in good faith and in reliance on the terms and conditions of this Truth-in-Savings Disclosure and Agreement and signature card shall be valid and discharge us from liability.

Ownership of the account will be established by the most recent account signature card or other documents(s) evidencing such accounts. A different form of ownership may be established by executing a new signature card.

We reserve the right to close any account(s) discovered to be deliberately manipulated to the detriment of Veritas Federal Credit Union and its membership. "Manipulation" includes, but is not limited to, kiting and repeated patterns of transactions which have no apparent business reason other than to take advantage of "float" to our detriment.

The law provides that under certain circumstances we may apply funds on deposit in your account to satisfy a debt you owe us which is not paid when due. If we exercise this right, we will advise you and identify the account from which funds are transferred, the account to which they were applied and the balance after the transfer in each of these accounts.

You agree that we will not be responsible to you for any damages you may incur in the event you deposit an item with us which is later returned unpaid by the paying bank and that return is "late" due to markings on the back of the check caused by a prior endorser.

If we are served with a restraining order, garnishment, writ of execution or attachment, tax levy or other legal process with which we must by law comply, we will, to the extent permitted by law, notify you accordingly.

**Statutory Lien: If you are in default on a financial obligation to us, federal law gives us the right to apply the balance of shares and dividends in your account(s) (except IRA) at the time of default to satisfy that obligation. Once you are in default, we may exercise this right without further notice to you.**

**TERMS AND CONDITIONS APPLICABLE TO ALL INDIVIDUAL AND JOINT ACCOUNTS**

If there is more than one owner, all agree with each other and with us that all sums now paid in on shares or hereafter paid in on shares by any one or all account owner(s) including all dividends thereon, if any, are and shall be owned by all account owner(s) jointly and equally regardless of their net contributions with a right of survivorship and regardless of their net contributions shall be subject to withdrawal or receipt by any of the account owner(s) or the survivor(s) of any of the account owner(s). Any such payment shall be valid and shall discharge the Credit Union from any liability.

We are not obligated to inquire as to the source of funds received for deposit to a joint account or to inquire as to the proposed use of any sums withdrawn from the account for the purpose of establishing net contributions.

No transfer of voting rights or other membership privileges is permitted by virtue of a transfer of shares.

You may pledge any or all of the shares on deposit in the account (except IRA's) as collateral security to any loan(s) subject to then current loan policies. Further, for a pledge of shares by any one of you shall be binding on all of you.

**TERMS AND CONDITIONS APPLICABLE TO PAY-ON-DEATH (P.O.D.) DESIGNATIONS**

If you have made a pay-on-death (P.O.D.) designation, all sums are payable on request to you during your lifetime and upon your death to your designated P.O.D. payee(s) or if the account is jointly owned, to one or more account owner(s), during their lives and on the death of all of them to one or more payees then surviving is equal and individual shares. As between P.O.D. payees, there is no right of survivorship.

**NONTRANSFERABLE/NONNEGOTIABLE**

Your account is nontransferable (except on the records of this Credit Union) and nonnegotiable. The funds in your account (s) may not be pledged to secure any obligation of an owner, except obligations with this Credit Union.