

# CommStar Credit Union

## Truth-In-Savings Disclosures

### Term Share Certificate Accounts

#### Term Share Certificates

Youth Growth Share Certificate, Share Certificate, Certificate Individual Retirement Account (IRA) & Accumulation Individual Retirement Account (IRA).

**Rate Information.** The Annual Percentage Yield is a percentage rate reflecting the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. On Youth Growth Share Certificate, Share Certificate and Certificate Individual Retirement Accounts, the dividend rate and annual percentage yield are fixed and will be in effect for the initial term of the account. On the Accumulation Individual Retirement Account, dividend rate and annual percentage yield are variable and may change as determined by the Board of Directors. For accounts subject to dividend compounding, the annual percentage yield is based on an assumption that dividends will remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

**Dividend Compounding and Crediting.** The compounding and crediting frequency of dividends for Youth Growth Share Certificate, Share Certificate and Certificate Individual Retirement Account will be quarterly. The compounding and crediting frequency of dividends for the Accumulation Individual Retirement Account will be quarterly your option, you may choose to have dividends credited to your certificate account, paid to you by check or transferred to another account of yours. Share Certificates over \$25,000.00 or more may receive a monthly dividend check. If you elect to have dividends paid to you by check or transferred to another account compounding will not apply.

**Accrual of Dividends.** For all Accounts dividends will begin to accrue on noncash deposits (e.g. checks) on the business day you make the deposit to your account. If you close your Share Certificate account before dividends are paid you will receive accrued dividends.

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

**Balance Information.** To open any account, you must deposit or already have on deposit the minimum required share(s) in a Share account. Youth Growth Share Certificate you must maintain an Average Daily Balance of \$500.00 in your account, in order to obtain the disclosed Annual Percentage Yield. Some accounts may have additional minimum opening deposit requirements. The minimum balance requirements applicable to each account are set forth in the Rate Schedule included in this Disclosure. For all accounts, dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for the dividend period. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

**Transaction Limitations.** For all accounts, your ability to make deposits to your account and any limitations on such transactions are stated in the Rate Schedule included in this Disclosure. After your account is opened, you may make withdrawals subject to the early withdrawal penalties stated below. For Youth Growth Term Certificate you may make additional deposits of \$25.00 can be made at any time. A withdrawal of dividends will reduce earnings. For Accumulation IRA, if you close your account prior to dividends being credited, you will not receive the accrued dividends. For all other Share Certificates, if you close your account before dividends are credited you will received the accrued dividends.

**Early Withdrawal Penalty.** We may impose a penalty if you withdraw any of the principal before the maturity date.

**Amount of Penalty. For Youth Growth Certificate and Share Certificate** accounts, the amount of the early withdrawal penalty for is based on the term of your account. The penalty schedule is as follows:

Terms of **90 days and of 6-12 months**    **90 days' Dividends**  
Terms of **18 to 60 months**                **180 days' Dividends**

**For the Certificate Individual Retirement Account (IRA)**

The amount of the early withdrawal penalty for is based on the term of your account. The penalty schedule is as follows:

Terms of **12 months or less**                **90 days' Dividends**  
Terms of **12 month or more**                **180 days' Dividends**

**How the Penalty Works.** 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 dividends have already been paid, the penalty will be 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 an IRA account owner dies, reaches 59 ½, becomes disabled or elects to take prearranged periodic payments under an IRA Account.

**Maturity.** Your account will mature as stated on this Account Receipt or Renewal Notice.

**Renewal Policy.** The renewal policy for your accounts is stated in the Table included in this Disclosure. For accounts that automatically renew for another term, you will have a grace period of ten (10) days after maturity to withdraw funds without being charged an early withdrawal penalty. For accounts that automatically renew for another term, 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. We reserve the right to stop automatic renewal by written notice to you before maturity.