

**American First Credit Union  
TRUTH IN SAVINGS DISCLOSURE**

**Term Share Certificates**

**PAYMENT OF DIVIDENDS**

Dividend Rates. The frequency and conditions upon which dividends are paid on all accounts are in accordance with the Bylaws of this Credit Union, state law, and the Truth-in-Savings Act and Regulations. Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

For all accounts except term share (certificate) accounts, the Dividend Rate and Annual Percentage Yield (APY) may change at any time as determined by the Credit Union's Board of Directors. For specific dividend rate(s) for each type of dividend bearing account, I will refer to the Rate Schedule, which accompanies this Agreement and Disclosure and which is incorporated by this reference.

Dividend Period. For all accounts except term share (certificate) accounts, dividends will be compounded monthly and will be credited monthly. Dividends on term share (certificate) accounts are compounded daily and will be credited monthly and at maturity. For all account types, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for this example is February 1. If I close my account before dividends are credited, I may not receive the accrued dividends.

Balance Computation Method. Dividends on Direct Deposit Certificate Builder, Term Share Certificate Accounts, IRA Savings, Money Market, and Premium Money Market Accounts are calculated by the daily balance method, which applies a daily periodic rate to the balance in the account each day. Dividends on all other account types are calculated by 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 calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

Accrual of Dividends. Dividends will begin to accrue on the business day I deposit non-cash items (e.g., checks) to my account.

**Account Type: Term Share (Certificate) Account**

A Term Share (Certificate) Account, including an IRA Certificate, is subject to the applicable terms and conditions set forth in this Disclosure as well as the terms and conditions set forth in the Term Share (Certificate) Account Agreement and Disclosure, which will be provided to me in accordance with applicable law.

Personal Accounts: Terms and conditions apply to all terms including 3 month, 6 month, 12 month, 13 month, 24 month, 30 month, 36 month, 48 month, and 60 month.

Business Accounts: Terms and conditions apply to all terms including 6 month and 12 month. (Other terms are not available on business accounts as of November 1, 2015. See Renewal Disclosure below that applies business accounts term share certificates.)

Refer to the Term Share Certificate Issue Notice which includes your balance, dividend rate, term, and issuance date and maturity/renewal date for the term selected.

**Balance Computation Method:** Dividends on all Share Certificate Accounts, including IRA Share Certificate Accounts, are calculated by the daily balance method which applies a daily periodic rate to the daily balance in the account each day after all deposits and withdrawals.

**Compounding and Crediting:** Dividends are compounded daily and paid monthly to your account. Dividends may be credited to your account or transferred to your savings or checking account or mailed to you by check upon request. If an account is closed after dividends are accrued but before they are credited, dividends will not be paid.

**Early Withdrawal Penalties:** If you withdraw any principal before the maturity date penalties will be imposed. For Term Share Certificate Account: If you withdraw any principal funds before the Term's maturity date, a penalty charge will apply as follows: The early withdrawal penalty will be equal to one-half of the term's dividends on the amount withdrawn, whether earned or not, and may reduce principal. For IRA Term Share Certificate Accounts: Members age 70½ and above will not have an early withdrawal penalty charge for early withdrawal(s) prior to the Certificate maturity date for Required Minimum Distribution (RMD) amounts. However, an early withdrawal penalty will apply for withdrawal amounts over the annual RMD amount. If the withdrawal is non-automated, the standard \$25 fee for non-automated withdrawals will apply. An early withdrawal penalty will not apply if:

1. The withdrawal is made subsequent to the death of any owner of the Term Account.
2. The Term Account is part of a pension plan which qualifies or is qualified for specific tax treatment under Section 401(d) or 408 of the Internal Revenue Code and withdrawal is made to effect distribution of the funds evidenced by such account following the participant's death or disability, and other required distributions.
3. Such withdrawal is made as a result of the voluntary or involuntary liquidation of the Credit Union.

**Minimum Balance:** The minimum daily balance must be maintained to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

**Transaction Limitations:** After the account is opened, you may not make additional deposits or withdrawals from the account until the maturity date; unless specifically permitted.

**Renewal:** This account will mature on the Maturity Date. Unless you specify otherwise, this Account will automatically renew following a seven (7) day grace period. Accounts withdrawn within the seven (7) day grace period will not be charged an early withdrawal penalty and will receive no dividend from the maturity date to the date of withdrawal. If allowed to renew automatically, the Account will be renewed for a term equal or closest to that of the initial term and at the dividend rate and Annual Percentage Yield in effect at that time for such a term. All funds in the Account as of the renewal date are considered to be principal.

**Accrual of Dividends:** Dividends begin to accrue on the business day the Credit Union receives credit for the deposit.

**Periodic Statements:** Statements will be sent at least quarterly to the address of record.

**Non Transferrable:** Certificate accounts may not be pledged, transferred, or assigned to any party other than the Credit Union.

**National Credit Union Share Insurance Fund** - Member accounts in this credit union are federally insured by the National Credit Union Share Insurance Fund.

The current Schedule of Fees is always available at [www.amerfirst.org](http://www.amerfirst.org) or by request.

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