

# TRUTH-IN-SAVINGS DISCLOSURE

**Except as specifically described, the following disclosures apply to all of the accounts. All accounts described in this Truth-in-Savings Disclosure are Term Share Certificate accounts.**

**1. RATE INFORMATION.** The Annual Percentage Yield 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 an annual period. For all accounts, the Dividend Rate and Annual Percentage Yield are fixed and will be in effect for the initial term of the account. 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.

**2. DIVIDEND PERIOD.** For each account, the dividend period is the account's term. The dividend period begins on the first day of the term and ends on the maturity date.

**3. DIVIDEND COMPOUNDING AND CREDITING.** The compounding and crediting frequency of dividends are stated in the separate Deposit Rate Schedule.

**4. BALANCE INFORMATION.** The minimum balance requirements applicable to each account are set forth in the separate Deposit Rate Schedule. To open any account, you must deposit or already have on deposit the minimum required share(s) in a Share account. Some accounts may have additional minimum opening deposit requirements. For all accounts, dividends are calculated by the Daily Balance method, which applies a periodic rate to the balance in the account each day.

**5. 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 account before accrued dividends are credited, accrued dividends will not be paid.

**6. TRANSACTION LIMITATIONS.** See separate Deposit Rate Schedule.

**7. MATURITY.** Your account will mature as stated on the separate Deposit Rate Schedule or on your Account Receipt or Renewal Notice.

**8. EARLY WITHDRAWAL PENALTY.** We may impose a penalty if you withdraw from your account before the maturity date.

**a. Amount of Penalty.** For all Certificate accounts,

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

Terms of 1 year or less	31 days' dividends
Terms of longer than 1 year	90 days' dividends

**b. 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 dividend has already been paid, the penalty will be deducted from the principal.

**c. 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:

(i) When an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction.

(ii) (ii) Where the account is an Individual Retirement Account (IRA) and any portion is paid within seven (7) days after the establishment; or where the account is a Keogh Plan (Keogh) provided that the depositor forfeits an amount of at least equal to the simple dividends earned in the amount withdrawn; or where the account is an IRA or Keogh and the owner attains age 59 ½ or becomes disabled.

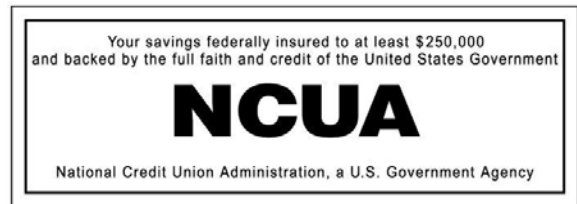
**9. RENEWAL POLICY.** For all accounts, your account will automatically renew for another term upon maturity. You have a grace period of ten (10) days after maturity in which to withdraw funds in the account without being charged an early withdrawal penalty. You must notify us in writing before, or within the 10-day grace period after, the maturity date, if you do not want the account to automatically renew. If you do not notify us, the renewal term will be the same as the original term, beginning on the maturity date (unless we notify you, in writing, before a maturity date, of a different term for renewal). Dividends earned during one term that is not withdrawn during or immediately after the term is added to principal for the renewal term. The rate of each renewal term will be determined by us on or just before the renewal date. You may call us on or shortly before the maturity date and we can tell you what the dividend rate will be for the new renewal term.

**10. NONTRANSFERABLE/NONNEGOTIABLE.** Your account is nontransferable and nonnegotiable.

**11. MEMBERSHIP.** As a condition of membership, you must purchase and maintain the minimum required share(s) as set forth below.

Par Value of One Share	\$25.00
Number of Shares Required	1

**Please refer to the separate Deposit Rate Schedule for the rates, fees and terms applicable to your account at the Credit Union. The Credit Union may offer other rates for these accounts from time to time.**



**HERITAGE FAMILY CREDIT UNION**

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