

# Truth in Savings

This document, including any individual account information brochures or documents accompanying this document, is intended to provide you with information about one or more accounts offered by the Credit Union, including where applicable, the dividends rate, annual percentage yield, any minimum balance requirement, withdrawal terms, fees and other important information, so that you may make an informed decision about investing your savings with us. Should you have any questions about these disclosures, about our current dividends rate, annual percentage yield, or otherwise, please call a Member Service representative at: 617.325.1999.

THE FOLLOWING FACTORS MAY AFFECT THE AMOUNT OF DIVIDENDS YOUR ACCOUNT RECEIVES

## Nature of Dividends and Relation to Annual Percentage Yield (APY)

Except in the case of Certificate of Deposit accounts (where the dividends rate is fixed for the term of the account certificate), dividends may be paid only from current income and accumulated earnings, after required transfers to reserves at the end of each dividends period. The dividends rate and annual percentage yield applicable to an account may therefore change from time to time as determined by the Credit Union's Board of Directors in its discretion. The Credit Union dividend period is MONTHLY, beginning on the first day of such period and ending on the last day of the period.

As used in these disclosures, (i) "dividends rate" means the dividends paid (or expected to be paid) on an account, without giving effect to the compounding of previously earned dividends, shown as an annual figure and expressed as a percentage of the account balance; and (ii) "annual percentage yield" or "APY" means a percentage rate reflecting the total amount of dividends expected to be earned in a year on an account, based on the dividends rate and the frequency of compounding accrued dividends. All disclosures concerning the APY applicable to an account (other than Term Share Certificate accounts which are covered by separate paragraph) assume that the dividends rate disclosed remains in effect for one year and that dividends are not withdrawn.

### Frequency of Compounding Dividends and the Method of Determining the Balance on Which Dividends Are Paid

ACCOUNT	SHARE SAVINGS	N.O.W. CHECKING	CLUB	IRA
Compounded	Monthly	Monthly	Monthly	Monthly
Credited	Monthly	Monthly	Monthly	Monthly
Minimum Balances	\$10.00	\$10.00	\$10.00	\$10.00

Dividends on Share Accounts Are Paid on Tiered Account Balances of:

- Tier One: \$30,000 or more
- Tier Two: \$20,000.00 - \$29,999.99
- Tier Three: \$10,000.00 - \$19,999.99
- Tier Four: \$10.00 to \$9,999.99

Dividends are compounded based on the AVERAGE daily balance in your account. You can compute the dividends earned on your accounts each day by multiplying the then current simple annual interest rate times the AVERAGE balance in your account at the end of each day, divided by 365 days. The amount of dividends you earn for each day will be added to your principal balance daily. If you withdraw funds from your SHARE account before dividends are paid, you will receive dividends accrued on the funds prior to withdrawal, but such dividends will not be credited to your account until the next dividend declaration date. If you withdraw funds from your N.O.W. account before dividends are paid, you will not receive dividends accrued on the funds prior to withdrawal. If you CLOSE your account(s) prior to the dividend declaration date, you will not receive dividends accrued prior to the date the account is closed.

## Minimum Balance Requirements

In order for your deposit account to earn dividends for a dividend period, you must maintain the actual daily balances disclosed above. If your average daily balance falls below these minimums for that dividend period, you will not earn any dividends during that period. In order to earn the annual percentage yield disclosed elsewhere for a particular account, you must meet the minimum balance requirement applicable to that account at all times.

CONTINUED ON THE NEXT PAGE.



## Collection of Non-cash Deposits

Every share draft, check or other item other than cash which is accepted for deposit in your account will be provisionally credited to your account on the day it is deposited and earn dividends from the day it is so provisionally credited to your account. If, however, the Credit Union is subsequently unable in the normal course of business to obtain payment for that item, you will not earn any dividends on that deposit.

## Notice of Certain Changes

We will notify you in writing at least 30 days prior to the effective date of changes of the sort described below which will reduce your APY or otherwise adversely affect your account.

- The frequency of compounding dividends;
- The frequency of crediting dividends;
- Minimum balance requirements; or
- Fees, charges and penalties.

We will not send you notice, however, of any change in the interest rate or APY applicable to any account where the interest rate is subject to change from time to time, although notice of changes in interest rates will be posted in the Credit Union's offices. Also, no notice of changes to fees for printing of share drafts/checks will be sent. In addition, where there is any change in the information disclosed in this statement, the change will appear in a notice posted in the lobby of our offices.

## Fee Schedule for All Accounts

Your account will be charged any and all applicable fees as noted in our Fee Schedule, a copy of which has been provided at account opening, available online at [www.energycreditunion.org](http://www.energycreditunion.org) or upon request.

## General Policies and Procedures

We may refuse a withdrawal request if any documents or identification that we or the law require in connection with the withdrawal have not been presented to us. Although non-cash deposits earn dividends from the date first credited to your account, the time when they may be withdrawn or otherwise become available for use is governed by the Credit Union's funds availability policy, a copy of which is available upon request. By opening and main-

taining an account with the Credit Union, you have agreed to the Rules and Regulations of the Credit Union and any amendments thereto. To open an account you must deposit at least:

- Main Share and Secondary Shares Accounts: \$10.00 (the par value of a share of the Credit Union)
- Transaction Savings Account
- Club: No Minimum to open
- N.O.W. Account/Share Draft Checking: No Minimum to open

By law, the Credit Union may accept deposits only from persons who are members or who are eligible to become members, or certain other persons or entities. For further information, contact a Member Service Representative.

If you have any questions regarding these disclosures or your account(s), please ask a Member Service Representative.

## Term Share Certificate Accounts

Here are some basic facts about your Term Share Certificate (TSC) account. These disclosures are in addition to those on the account certificate. By opening and maintaining a TSC account with the Credit Union, you have agreed to the terms of the account as set forth here and on the certificate and any amendments thereto.

## Maturity

Your TSC Account will mature: \_\_\_\_\_

Special Rules Concerning the Compounding and Crediting of Dividends and Minimum Balances to Earn the Disclosed Dividends  
Dividends are compounded Daily and credited Monthly based on the actual daily balance in your TSC Account.

You must deposit and maintain a minimum daily balance of \$1,000.00 to earn a dividend in a Traditional or IRA TSC account.

## Early Withdrawal Penalties

You may withdraw all of the principal balance in your TSC account prior to maturity. Any withdrawals from your TSC account before maturity are subject to the penalties listed below, but you will be credited with any dividends earned on funds withdrawn prior to maturity, such dividends to be credited at the time of withdrawal.

Dividends which have been credited to your TSC account may be withdrawn at any time, without penalty, but the APY disclosed

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## Truth in Savings CONTINUED FROM THE PREVIOUS PAGE.

in this disclosure is based upon the assumption that all dividends will remain in the TSC account until maturity.

A withdrawal prior to maturity will reduce earnings and your APY therefore will be lower than the disclosed yield. Any dividends in your TSC account at maturity will be considered part of the principal of the TSC account upon any renewal and thereafter become subject to the Credit Union's rules concerning early withdrawal.

In the event of a withdrawal and the entire principal in your TSC account prior to maturity the following penalties apply:

If the maturity date is not more than one (1) year from the date of issuance or renewal, the penalty is an amount equal to 30 days dividends.

If the maturity date is more than one (1) year from the date of issuance or renewal, the penalty is an amount equal to 90 days dividends.

The penalties apply regardless of the length of time the funds have been on deposit at the Credit Union. The penalty may be taken from the principal balance of your TSC account.

The listed penalties do not apply to withdrawals subsequent to the death of a sole owner. We may waive or reduce this penalty in certain circumstances, such as the disability or incompetence of a sole owner.

If the account is in two or more names and one owner dies or becomes mentally incompetent, the TSC account will remain in effect until its scheduled maturity under the remaining joint owner's name(s). If this certificate is part of a qualified traditional

IRA, ROTH IRA, or COVERDELL EDUCATION SAVINGS ACCOUNT the early withdrawal penalty does not apply if the withdrawal is made following the owner(s) attainment of not less than 59 1/2 years of age or if the withdrawal is made for health/ disability emergency, first time home purchase, or higher education expenses.

If this certificate is part of a qualified COVERDELL EDUCATION SAVINGS ACCOUNT, the early withdrawal penalty does not apply if the withdrawals equal the child's qualified higher education expenses (provided the account has been in existence for 5 years). Otherwise, any withdrawal of earnings from the account is taxable and a 10% penalty tax may apply.

## Maturity Notices and Renewals

You may renew, transfer, or close your Term Share Account at maturity. You will be asked to instruct the Credit Union by mail or in person of your choice. You will be notified in writing 30 Days before the maturity date of your Term Share Account, and, unless you notify the credit union prior to maturity that your account is not to be renewed, your account will, at maturity, automatically be renewed for an identical term at the then effective rate.

Every notice of maturity will either state the dividend rate which will apply to the TSC account upon renewal or, if the renewal rate has not been determined, will state the date the renewal rate will be set and include a telephone number which you can call to learn what the dividend rate and APY applicable to the TSC account during the renewal term will be.

