

TRUTH-IN-SAVINGS POLICY

I. INTRODUCTION

The Truth-in-Savings Act (TISA) was enacted in December 1991 as part of the Federal Deposit Insurance Corporation Improvement Act. The National Credit Union Administration (NCUA) adopted the Truth-in-Savings Regulations (Part 707) for credit unions, which implement TISA. The following policy and procedures specify how Fidelis Catholic Federal Credit Union will comply with the Truth-in-Savings (TIS) regulations. The Credit Union will cooperate with NCUA to enforce the regulation and monitor ongoing compliance.

Part 707 establishes rules for disclosing to members before opening an account or upon a member's request, the following: dividend rate, annual percentage yield, all fees imposed in connection with an account, and other terms for an account. There are disclosure requirements for members' periodic statements, for the maturity and renewal of time accounts, and for the advertisement of any deposit account. Part 707 also requires members be notified that account disclosures are available. The effective date for mandatory compliance with Truth-in-Savings is January 1, 1995.

II. ACCOUNT EARNINGS

The regulation requires that dividend earnings on each dividend bearing account be computed on the full amount of principal in the account each day for the dividend calculation period.

A. Balance Computation Method

1. The Credit Union will use the average daily balance method to compute dividends on all accounts, including regular shares, share draft checking, IRA shares, money market accounts, regular certificates and IRA certificates.
2. The Account Disclosures will specify the method used for each particular account.

B. Account Earnings on Closed Accounts

Accrued but unaccredited dividends will not be paid if a member closes a regular share account prior to the time dividends are paid.

C. Dividend Accrual

The Credit Union's policy for dividend accrual is as follows:

1. Dividends will begin accruing when cash items are received.
2. Dividends will accrue for noncash items (i.e., share drafts or checks) deposited to all share accounts on the business day the checks are credited to the account. Dividends will not be paid on items which are subsequently returned NSF.

D. Daily Dividend Rate

The Credit Union shall calculate dividends by use of a daily rate of at least 1/365 of the dividend rate. In a leap year, a daily rate of 1/366 will be used.

E. Rate Information

1. Annual Percentage Yield (APY)

The annual percentage yield is an annualized rate that reflects the relationship between the amount of dividends earned on an account and the frequency of compounding for a 365-day period.

2. APY Formula

The formula used to calculate the APY for purposes of responding to rate inquiries and providing maturity notices, renewal notices and advertising disclosures is set forth in Appendix A, Part I, to the NCUA Truth-in-Savings Regulation. The formula used to calculate the APY for periodic statements is set forth in Appendix A, Part II, to the NCUA Truth-in-Savings Regulation.

3. APY Calculation

For purposes of the Credit Union's TIS Account Disclosures (except periodic statements), the APY calculation will be based on: (1) an assumed term of 365 days for accounts without a stated maturity; and (2) the actual days during the term for time accounts.

4. Dividend Rate

The Dividend Rate means the declared or prospective dividend rate to be paid on an account which does not reflect compounding. The Credit Union sets dividend rates as necessary and they may be changed at any time.

Yield Plus Money Market Share Account

Rate Information: The dividend rates and annual percentage yields (APYs) for both levels of this account are stated on the website's rate page. Accounts with an average daily balance between \$2,500 and \$4,999.99 will earn the lower dividend rate and accounts with an average daily balance of \$5,000.00 or more will earn the High Yield dividend. This is a variable rate account. The dividend rates and APYs may change at any time. The actual dividend is determined during the last week of the dividend period. Withdrawal of the dividends will reduce actual earnings.

Compounding and Crediting: Dividends will be compounded and credited to this account monthly. The dividend period for this account is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1st and the ending date is January 31st. All dividend periods follow this pattern of dates. The dividend declaration date for the YIELD PLUS Account follows the ending date of a dividend period, and for this example is February 1st. If you close your YIELD PLUS Account before dividends are credited, you will not receive accrued dividends.

Minimum Balance Requirement: An average daily balance of \$2,500 is necessary to earn dividends. An average daily balance of \$5,000 is required to earn the High Yield dividend.

Balance Computation Method: We use the "average daily balance" method to calculate dividends on this account. This method applies the appropriate periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in your account for each day of the period (one month) and dividing the total by the number of days in the period. Accruals of Dividends are calculated on the beginning balance of each day.

Transaction Limitations: During any statement period (a calendar month), you may make 6 debit transactions. They may include a combination of over-the-counter withdrawals, preauthorized automatic or telephone transfers. If you make more than 6 debit transactions there could be a \$15.00 fee for each additional debit transaction.

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

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Yield Plus Money Market Checking Account

Rate Information: The dividend rates and annual percentage yields (APYs) for all levels of this account are stated on the website's rate page. Account with an average daily balance between \$5000.00 and \$49,999.00 will earn the lower dividend rate and accounts with an average daily balance of \$50,000.00 or more will earn the High Yield dividend. This is a variable rate account. The dividend rates and APYs may change at any time. The actual dividend is determined during the last week of the dividend period.

Withdrawals of the dividends will reduce actual earnings.

Compounding and Crediting: Dividends will be compounded and credited to this account monthly. The dividend period for this account is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1st and the ending date is January 31st. All dividend periods follow this pattern of dates. The dividend declaration date for the MONEY MARKET CHECKING ACCOUNT follows the ending date of a dividend period, and for this example is February 1st. If you close you MONEY MARKET CHECKING ACCOUNT before the dividends are credited, you will not receive accrued dividends.

Minimum Balance Requirement: An average daily balance of \$5,000.00 is necessary to earn dividends. An average daily balance of \$50,000.00 is required to earn the Highest Yield dividend.

Balance Computation Method: We use the "average daily balance" method to calculate dividends on this account. This method applies the appropriate periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in your account for each day of the period (one month) and dividing the total by the number of days in the period. Accruals of Dividends are calculated on the beginning balance of each day.

Transaction Limitations: During any statement period (a calendar month), you may make 6 debit transactions. They may include a combination of over-the-counter withdrawals, preauthorized automatic or telephone transfers. If you make more than 6 debit transactions there could be a \$15.00 fee for each additional debit transaction. You may write up to three (3) checks per month against available funds in this account. If more that three (3) checks are written, there could be a \$15.00 charge per check. The three (3) checks are counted towards the 6 debit transactions during any statement period (a calendar month).

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

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Share Certificates and IRA Certificates

Rate Information: The dividend rates and annual percentage yields (APYs) for Share Certificates and IRA Certificates are stated on the website's rate page. The annual percentage yield assumes that dividends remain on deposit until maturity. A withdrawal of dividends prior to maturity will reduce earnings.

Compounding and Crediting: Dividends are compounded and credited monthly.

Balance Computation Method: We use the “average daily balance” method to calculate dividends on this account. This method 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 your certificate for each day of the period (one month) and dividing the total by the number of days in the period.

Minimum Balance Requirements: Share Certificates and IRA Certificates may be purchased in any dollar increment with a \$500.00 minimum purchase.

Transaction Limitations: After a Share or IRA Certificate is purchased, you may not add to the certificate balance. An early withdrawal penalty will be assessed for withdrawals before the maturity date.

Renewal Policy: All Share and IRA Certificates will renew automatically at maturity. You have a grace period of ten (10) calendar days after maturity in which to withdraw the funds without a penalty. Dividends will not be earned during the grace period if the certificate is not automatically renewed. For the renewal period, the rate and annual percentage yield (APY) have not yet been determined. The new rate and APY information will not be available on the maturity date of your current certificate as noted thereon. Please call the credit union at 303.424.5037 during regular business hours for your new certificate.

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

Nontransferable/Nonnegotiable: Your Certificate is nontransferable and nonnegotiable. The funds in your certificate may not be pledged to secure any obligation of an owner, except obligations with the Credit Union.

Accrual of Dividends: Dividends are calculated on the beginning balance of each day.

Early Withdrawal Penalties: We may impose a penalty if you withdraw any of the principle before the maturity date. For the purposes of this disclosure, dividends that are compounded within the certificate are considered part of the principle. Withdrawal of paid dividends will be subject to early withdrawal penalties. For certificates of one year or less original maturity, the penalty is equal to all dividends earned to a maximum of 90 days dividends. For certificates over one year original maturity, the penalty is equal to all dividends earned to a maximum of 180 days dividends.

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Share Draft Checking Account

Statement Cycle: The statement cycle for this account is monthly. For example the beginning date of the first statement cycle is January 1st and the ending date is January 31st. All subsequent cycles follow this pattern of dates.

Minimum Balance Requirements: There is no minimum balance required to open this account.

Excessive Overdrafts: Any Share Draft Checking Account with five or more uncovered overdrafts or EFTIs (Electronic Funds Transfer Items) in any sixty day period, excluding Protection Plus, will be subject to closure.

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IRA Share Account

Rate Information: The current dividend rate and APY for this account is stated on the website’s rate page. This is a variable rate account. The dividend rate and APY may change at any time. Withdrawal of the dividends will reduce actual earnings.

Compounding and Crediting: Dividends will be compounded and credited to this account monthly. The dividend period for this account is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1st and the ending date is January 31st. All dividend periods follow this pattern of dates. The dividend declaration date for IRA Accounts is the last day of the dividend period and for this example is January 31st. If you close your IRA Account before dividends are credited; you will not receive accrued dividends.

Minimum Balance Requirements: There is no minimum balance requirement for this account.

Balance Computation Method: We use the “average daily balance” method to calculate dividends on this account. This method applies a periodic rate to the average daily balance in the account for this period. The average daily balance is calculated by adding the balance in your account for each day of the period (one month) and dividing the total by the number of days in the period.

Accrual of Dividends: Dividends are calculated on the beginning balance of each day.

Transaction Limitations: Withdrawals and transfers of IRA funds are unlimited if they comply with IRS rules.

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

Investment Types: You may leave your IRA funds in the IRA Share Account or you may purchase an IRA Certificate. IRA Certificates are subject to the terms of the “Share and IRA Certificate Rate and Fee Schedule”



Regular Share Account

Rate Information: The current dividend rate and APY for this account is stated on our website's rate page. This is a variable rate account. The dividend rate and APY may change at any time. Withdrawal of the dividends will reduce actual earnings.

Compounding and Crediting: Dividends will be compounded and credited to this account monthly. For example, the beginning date of the first dividend period of the calendar year is January 1st and the ending date is January 31st. All dividend periods follow this pattern of dates. The dividend declaration date for Regular Share Accounts follows the ending date of the dividend period, and for this example is February 1st. If you close your Regular Share Account before dividends are credited, you will not receive accrued dividends.

Minimum Balance Requirements: The minimum balance to open this account is \$25.00. You must maintain an average daily balance of \$100.00 for the dividend period to earn dividends on this account. The \$100.00 minimum balance applies to each regular share suffix and is not an aggregate of the suffixes' totals. (Members 16 years or younger may open an account for \$5.00 and will earn dividends on the full dollar amount regardless of the balance.)

Balance Computation Method: We use the "average daily balance" method to calculate dividends on this account. This method 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 your account for each day of the period (one month) and dividing the total by the number of days in the period.

Accrual of Dividends: Dividends are calculated on the beginning balance of each day.

Transaction Limitations: During any statement period (a calendar month), you may make 6 debit transactions. They may include a combination of over-the-counter withdrawals, preauthorized automatic or telephone transfers. If you make more than 6 debit transactions there could be a fee for each additional debit transaction.