

Truth-In-Savings Disclosure for Share Certificate Accounts

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Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government. NCUA, National Credit Union Administration, a U.S. Government Agency.

Truth-In-Savings Disclosure for Share Certificate Accounts

Except as specifically defined, the following disclosures apply to all share certificate accounts offered by Horizons North Credit Union (HNCU).

- 1. Rate Information.** For all accounts, the initial Dividend Rate and Annual Percentage Yield (APY) is stated on the Rate Sheet you are provided at the time your account is opened. All accounts are fixed rate accounts and will be in effect for the term of the account. The APY is based on an assumption that dividends will remain on deposit until maturity. If you make a withdrawal of dividends, your earnings will be reduced.
- 2. Nature of Dividends.** Dividends are paid from HNCU's available earnings after required transfers to reserves at the end of the dividend period.
- 3. Dividend Compounding & Crediting.** Dividends are accrued daily and credited monthly on all accounts. The dividend period for all accounts is the calendar month.
- 4. Accrual of Dividends.** Dividends will begin to accrue on the business day you deposit non-cash items (e.g. checks) or cash items to your account. Dividends will begin to accrue on electronic direct deposits on the business day that the deposits are credited to your account. If you make an early withdrawal of funds, some dividends may be forfeited.
- 5. Balance Information.** The minimum balance specifications required to open each account and earn dividends follows: share certificates with terms of 3 months or 6 months require a \$500 minimum balance; a \$1,000 minimum balance is required for certificates with terms of 12 months or greater. Minimum balance for IRA Share Certificates is \$500.

6. Transaction Limitations. After your account is opened, additional deposits and withdrawal of principal are not permitted without penalty. Withdrawal of dividends is permitted after maturity and after the dividends have been credited to the account.

7. Maturity. Your account will mature according to the terms listed on the Rate Sheet or on your Account Receipt or Renewal Notice.

8. Early Withdrawal Penalty. If you withdraw any of the principal amount before the maturity date of your account, we may impose a penalty, and your account must be closed. Upon your request, a new account will be opened with the remaining principal amount, otherwise, the entire amount will be paid to you. The new account will earn the Dividend Rate and APY stated for the date on which the new Share Certificate is opened.

a. Amount of Penalty. The early withdrawal penalty is based on the term of your Share Certificate account. On certificates with terms of six months or less there is a loss of 90 days dividends. On certificates with terms of greater than six months there is a loss of 180 days dividends. IRA Certificates may be subject to IRS penalties for early withdrawal. Contact your tax advisor if you have questions regarding the penalties associated with early withdrawal of IRA Certificates.

b. Calculation of Penalty. The penalty is calculated as a forfeiture of all or part of the dividends that have been or would be earned on the account in the absence of the early withdrawal. The penalty will be imposed whether or not the dividends have been earned. This means, if the account has

not yet accrued enough dividends or if the dividends have been credited to the account, the penalty will be deducted from the principal.

c. Exceptions to Early Withdrawal Penalties. At the option of HNCU, we may allow the account to be closed before the maturity date without applying an early withdrawal penalty under the following circumstances:

- 1) When an account owner dies or is declared legally incompetent by a court or other body of qualified authority.
- 2) Where the account is an Individual Retirement Account (IRA) and any part is paid within seven (7) days after establishment; or where the account is a Keogh Plan (Keogh) as long as the depositor forfeits an amount that equals, at minimum, the simple dividends earned in the amount withdrawn; or when the account is an IRA or Keogh and the owner reaches age 59 1/2 or becomes disabled.

9. Renewal Policy. We will send out a notice of maturity on your account(s) on the 15th of the month prior to the maturity date. Your account will automatically renew at maturity for the same time period as the original term unless you prevent renewal by withdrawing all of the funds available in your account at the time of maturity or within the ten (10) day grace period following the maturity date. After the grace period, you may be charged early withdrawal penalties for withdrawing principal.

10. Nontransferable/Nonnegotiable. Your account is nontransferable and nonnegotiable. The funds in your account may not be pledged to secure any obligation of an owner, except obligations with HNCU, without our prior written consent.