

TRUTH-IN-SAVINGS DISCLOSURES SHARE CERTIFICATES

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

Rate Information

See the current deposit rate sheet that is available upon request or HNCU.org

The annual percentage yield (APY) 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.

The dividend rate and annual percentage yield are fixed and will be in effect for the term of the account. The annual percentage yield for share certificate accounts is based on an assumption that dividends paid will remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

Nature of Dividends

Dividends are paid from available earnings after required transfers to reserves at the end of the dividend period.

Compounding and Crediting

Dividends are accrued daily and credited monthly. The dividend period for all accounts is the calendar month.

Accrual of Dividends

Dividends will begin to accrue on deposits on the business day the deposit is credited to your account.

Balance Information

The minimum balance required to open a share certificate is \$500.

Dividends are calculated by using the daily balance method which applies a daily periodic rate to the balance in the account each day.

Account Limitations

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

IRA Certificates have additional restrictions as set forth by the Internal Revenue Service and your IRA application.

Deposit Maturity

Your Share Certificate account(s) will mature as indicated on your account receipt or renewal maturity notice.

Early Withdrawal Penalty

We may impose a penalty if you withdraw any of the principal prior to maturity. If the withdrawal reduces the certificate below the minimum balance, the certificate will be closed.

- 1. Penalty Amount:** For certificates with a term of 6 months or less, the amount of the early withdrawal penalty will be equivalent to 90 days of dividends. For certificates exceeding 6 months, the penalty is equivalent to 180 days of dividends.
- 2. 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 dividends have already been paid, the penalty will be deducted from the principal.
- 3. 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:
 - a. When an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction
 - b. Where the account is an Individual Retirement Account (IRA) and any portion is paid within seven (7) days after establishment; or where the account is an IRA and the owner attains age 59 ½ or becomes disabled.

Renewal Policy

Your certificate will automatically be renewed for another term upon maturity. If your existing term is no longer available, we will automatically renew your certificate account to a similar term upon maturity. Your renewed certificate will be at the rate offered at the time of renewal. You have a grace period of ten (10) business days after maturity in which to withdraw funds from the account without being charged an early withdrawal penalty.

Nontransferable/Nonnegotiable

Your certificate account is nontransferable and nonnegotiable. The funds in your account may not be pledged to secure any obligation of an owner, except obligations with Horizons North Credit Union.