

# Certificate of Deposit Disclosure Supplement

Delta Community Credit Union

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Last Revision Date **9/1/17**

This Disclosure Supplement is incorporated into and becomes part of your Member/Savings Services Disclosures and Agreements. This document discloses the account rates, penalties and terms on certificate of deposit accounts.

| <b>Account Rate Schedule:</b>   |                   |                      |                                |
|---|-------------------|----------------------|--------------------------------|
| <b>Type of account</b>  | <b>Tier Range</b> | <b>Interest Rate</b> | <b>Annual Percentage Yield</b> |
| <b>Certificate Of Deposit (non-IRA)</b>   | 6 Month Term      | <b>0.544</b>         | <b>0.55</b>                    |
|   | 12 Month Term     | <b>0.743</b>         | <b>0.75</b>                    |
|   | 24 Month Term     | <b>0.941</b>         | <b>0.95</b>                    |
|   | 36 Month Term     | <b>1.238</b>         | <b>1.25</b>                    |
|   | 60 Month Term     | <b>1.633</b>         | <b>1.65</b>                    |
| <b>IRA Certificate Of Deposit</b>   | 12 Month Term     | <b>0.743</b>         | <b>0.75</b>                    |
|   | 24 Month Term     | <b>0.941</b>         | <b>0.95</b>                    |
|   | 36 Month Term     | <b>1.238</b>         | <b>1.25</b>                    |
|   | 60 Month Term     | <b>1.633</b>         | <b>1.65</b>                    |
| <b>Type of Rate:</b> Fixed  |                   |                      |                                |
| <b>Minimum Opening Deposit:</b> \$1,000.00  |                   |                      |                                |
| <b>Early Withdrawal Penalty:</b><br>60 days of interest if the certificate term is 6 months;<br>90 days of interest if the certificate term is 12 months;<br>180 days of interest if the certificate term is 24 or 36 months;<br>270 days of interest if the certificate term is 60 months. |                   |                      |                                |
| <b>Balance Method:</b> Average Daily Balance  |                   |                      |                                |
| <b>Grace Days:</b> 10 Calendar Days   |                   |                      |                                |
| <b>Monthly:</b> Compounding or Automatic Transfer   |                   |                      |                                |

## Account Disclosures

### I. Rate Information

#### Interest Rate and APY.

The interest rate and annual percentage yield (APY) for certificates of deposit is set forth in the Account Rate Schedule. The APY assumes interest will remain on deposit until maturity. A withdrawal will reduce your earnings.

#### Fixed Rate Accounts

The interest rate and annual percentage yield are fixed and will be in effect for the term of the account.

### II. Compounding and Crediting

#### Frequency

Interest will be credited monthly. You may select monthly compounding or automatic transfer to another account. For example, the beginning of the first interest period of the calendar year is January 1, and the ending date is January 31. All other interest periods follow the same pattern of dates. The interest declaration date is the ending date of the interest period, and for the example is January 31.

### III. Accrual of Interest

#### Non-cash Deposits

Interest will begin to accrue on non-cash deposits (e.g., checks) on the business day you make the deposit to your account.

#### Effect of Closing

If you close your account before accrued interest is credited, accrued interest will be paid for the period.

### IV. Balance Information

#### Minimum Balance Requirements

The minimum balance required to open the account and earn the stated annual percentage yield is set forth in the Account Rate Schedule.

#### Interest Calculation

The interest calculation method for the certificate of deposit is set forth in the Account Rate Schedule. The average daily balance 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 the account for each day of the period and dividing that figure by the number of days in the period.

### V. Account Limitations

#### Additional Deposits

After your account is opened you may not make additional deposits to the certificate of deposit.

#### Withdrawals

You cannot withdraw principal from this account without the credit union's consent except on or after maturity. For certificates opened through Delta Community Credit Union's Online Membership Application, no withdrawals may be made within the first sixty-five (65) days after account opening. Any withdrawals of principal prior to the maturity date will be subject to the Early Withdrawal Penalty described herein.

### VI. Maturity

#### Maturity Date

Your certificate account will mature on the maturity date stated on your Certificate of Deposit Account.

### VII. Early Withdrawal Penalty

#### Amount of Penalty

If you withdraw any of the principal from your certificate of deposit, the early withdrawal penalty set forth in the Account Rate Schedule will apply.

#### Penalty Calculation

The penalty is calculated as a forfeiture of part of the interest that has been or would be earned at the interest rate on the account. It applies whether or not the interest has been earned. In other words, if the account has not yet earned enough interest or if the interest has already been paid, the penalty will be deducted from the principal.

#### Exceptions to Early Withdrawal Penalties:

At our option, we may pay the account before maturity without imposing an early withdrawal penalty when an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction.

Traditional, SEP and Inherited IRA CD owners who have an IRS-mandated Required Minimum Distribution (RMD) would be allowed an annual penalty free withdrawal to satisfy the RMD for funds held only at Delta Community Credit Union. Any amount exceeding the Delta Community RMD would be subject to the early withdrawal penalty.

### VIII. Renewal Policy

Automatic Renewal Automatically renewable certificates of deposit will renew upon maturity for a like term as the initial term. Automatically renewed accounts will be paid interest currently in effect for the renewing term. You will have a grace period after maturity in which to withdraw funds without being charged an early withdrawal penalty. The length of the grace period is set forth in the Account Rate Schedule.

Transfer at Maturity Upon maturity, your certificate of deposit balance will be transferred to your primary savings account or other account as designated by you in writing for non-IRA Certificates of Deposit or to your IRA savings account for IRA Certificates of Deposit.

### IX. Nontransferable/Nonnegotiable

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

### X. IRA Certificate of Deposit Account Limitations

Transactions are subject to form 5305A and 5305RA under Section 408(a) of the Internal Revenue Code.

Federally insured by NCUA.