

Share or IRA Certificate Truth-in-Savings Disclosure

AGREEMENT

This disclosure contains information about the terms and conditions of your Share Certificate or IRA Certificate account. This disclosure is in addition to the certificate itself. By opening and maintaining a Share Certificate or IRA Certificate account with Cornerstone Community FCU, you agree to the terms and conditions set forth in this disclosure, the certificate, and any amendments thereto. If you have any questions regarding this disclosure or your certificate account, please ask a member service representative.

ELIGIBILITY AND ACCOUNT REQUIREMENTS

The Wealth Builder Share Certificate is available only to members age 0 through 21. A Junior Savings account is required and must be maintained in conjunction with the Wealth Builder Share Certificate for the duration of the certificate term.

NATURE OF DIVIDENDS

Dividends are paid from current income and accumulated earnings, after required transfers. For Share Certificate and IRA Certificate accounts, the dividend rate and Annual Percentage Yield (APY) are fixed and will remain in effect for the term of the certificate. The APY is based on the assumption that dividends will remain on deposit in the certificate account until maturity. A withdrawal of dividends will reduce earnings and the APY.

DIVIDEND RATE AND ANNUAL PERCENTAGE YIELD

As used in this disclosure, the dividend rate is the rate paid on the account and does not reflect compounding. The Annual Percentage Yield (APY) reflects the total amount of dividends expected to be earned on the account over a one-year period, based on the dividend rate and the frequency of compounding. Dividends are calculated using the daily balance method, which applies a daily periodic rate to the principal balance in the account each day.

COMPOUNDING AND CREDITING

Dividends are compounded and credited monthly, on the last day of each month. Dividends on a Share Certificate may be reinvested into the certificate (compounded), transferred to a share account, or mailed to you. Dividends earned on IRA Certificates must be reinvested into the certificate.

BALANCE REQUIREMENTS

The minimum balance required to open a:

- **Share Certificate** or **IRA Certificate** account is **\$500**.
- **Wealth Builder Share Certificate** account is **\$50**.

The maximum balance of a **Wealth Builder Share Certificate** account is **\$2,500**. There is a limit of Wealth Builder Share Certificate per Social Security number.

ACCRUAL OF DIVIDENDS

Dividends begin to accrue on the business day you purchase your Share Certificate or IRA Certificate, whether the purchase is made by cash or check.

TIERED RATE ACCOUNTS

Share Certificate and IRA Certificate accounts are tiered rate accounts. This means the dividend rate and APY paid on the account are based on the balance in the account and the term of the certificate. The balance tiers and corresponding dividend rates and APYs for each term are disclosed in the Certificate Rate Schedule and are as follows:

- **\$4,999.99 or less:** First dividend rate and APY apply
- **\$5,000.00 to \$24,999.99:** Second dividend rate and APY apply
- **\$25,000.00 to \$49,999.99:** Third dividend rate and APY apply
- **\$50,000.00 to \$99,999.99:** Fourth dividend rate and APY apply
- **\$100,000.00 or more:** Fifth (Jumbo) dividend rate and APY apply

Once the account qualifies for a balance tier, the dividend rate and APY for that tier will apply to the entire balance in the account.

EARLY WITHDRAWAL PENALTIES

You may withdraw all or a portion of the principal balance of your Share Certificate or IRA Certificate prior to maturity; however, a substantial penalty may be imposed. The penalty for early withdrawal of principal is the forfeiture of earned dividends. The principal amount on which dividends are forfeited is the amount withdrawn, unless the withdrawal reduces the account balance below \$500. In that event, dividends will be forfeited on the entire principal balance. If you withdraw funds from an IRA Certificate, additional tax penalties may apply. Please refer to your IRA disclosure for details. The following penalties are currently in effect:

- **Certificates with a maturity of less than two (2) years:**
The lesser of dividends earned since issuance or renewal, or 90 days' dividends.
- **Certificates with a maturity of two (2) years or more:**
The lesser of dividends earned since issuance or renewal, or 30 days' dividends.

The penalty will be imposed at the time of withdrawal and may be deducted from the principal balance. Any dividends remaining in the certificate at maturity will be considered part of the principal upon renewal and will thereafter be subject to the credit union's early withdrawal rules.

EXCEPTIONS TO EARLY WITHDRAWAL PENALTIES

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



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If the certificate has multiple owners and one owner dies or is determined legally incompetent, the certificate will remain in effect until maturity in the name of the remaining owner(s).

Please refer to your IRA disclosure for information regarding exceptions applicable to IRA products.

TRANSACTION LIMITATIONS

After a Share Certificate or IRA Certificate account is opened, no additional deposits may be made to the account. You may, however, open additional certificates at the dividend rates and terms then in effect.

RENEWAL POLICY

At maturity, you may choose to automatically renew the certificate, transfer the funds to another credit union account, or withdraw the funds.

For IRA Certificates, you may renew the certificate, transfer the funds to a credit union IRA share account, or withdraw the funds. Withdrawals from an IRA Certificate may be subject to tax penalties. Please refer to your IRA disclosure for additional information.

The credit union will provide written notice of maturity at least 30 days prior to the maturity date. The notice will describe the terms under which the credit union proposes to renew the certificate or otherwise make the funds available.

If you do not respond before the maturity date, the certificate will automatically renew at the current dividend rate. A five (5) calendar day grace period applies following the maturity date. During this grace period, you may withdraw funds without being assessed an early withdrawal penalty.

Each maturity notice will state the dividend rate that will apply upon renewal, or, if the renewal rate has not yet been determined, the date the rate will be set and a telephone number you may call to obtain the renewal dividend rate and APY.

NONTRANSFERABLE / NONNEGOTIABLE

Your Share Certificate or IRA Certificate account is nontransferable and nonnegotiable. Funds in the certificate may not be pledged to secure any obligation of the owner, except obligations with the credit union.