

The following disclosures and terms apply to your accounts with the Credit Union. The Rates, and Fee Schedule also sets out terms of your accounts and is hereby incorporated by reference as if fully set forth herein.

1. **RATE INFORMATION.** Please see our current Rates, and Fee Schedule for current Annual Percentage Yield (APY), any applicable tiers, and variable rate accounts. The Annual Percentage Yield (APY) 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 (APY) may vary as explained in the Rates, and Fee Schedule.

2. **NATURE OF DIVIDENDS.** Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

3. **COMPOUNDING AND CREDITING.** The frequency with which Dividends will be compounded and credited and the Dividend Period is set forth on the Rates, and Fee Schedule. The Dividend Period begins on the first day of the term and ends on the maturity date. **If you close your share account before dividends are paid, you will not receive the accrued dividends.**

4. **MINIMUM BALANCE REQUIREMENTS.** The minimum balance requirements for each account is set forth on the Rates, and Fee Schedule. Minimum balance requirements may include a minimum opening deposit, the minimum balance that you must maintain in the account to avoid service fees, and the minimum balance that you must maintain each day to earn the stated Annual Percentage Yield for that account. The Par Value of a share in this credit union is also disclosed on the Rates, and Fee Schedule.

5. **BALANCE COMPUTATION METHOD.** We use the *Daily Balance Method* to calculate Dividends on your account, as indicated on your Rates, and Fee Schedule. The Daily Balance Method applies a daily periodic rate to the balance in the account each day.

6. **ACCRUAL OF DIVIDENDS/INTEREST ON NONCASH DEPOSITS.** Dividends will begin to accrue on the business day that you deposit noncash items (e.g. checks) to your account.

7. **TERM SHARE and CERTIFICATE ACCOUNTS.**

The following applies to the prepaid interest certificate account:

Description of account; payment of interest. The prepaid interest certificate pays interest at deposit rather than over the term of the certificate. Interest will be paid by transfer/allotment to the member's MCCU savings/share no later than the 15th day after the account is opened. Interest is payable on collected funds only (cash or checks drawn on Members Cooperative Credit Union). Opening the certificate with a check not drawn on Members Cooperative Credit Union could delay interest payment until funds are collected. Partial principal withdrawals are not permitted.

Compounding. The interest does not compound.

Maturity. Your account will mature into the traditional certificate with the same term as the prepaid interest certificate, and with the same terms as disclosed for that traditional certificate, as indicated on your account summary or statement or renewal notice.

Early Withdrawal; Penalties. We will impose a penalty if you withdraw any of the funds in your account before the maturity date. The 180 day penalty is calculated as a forfeiture of the dividends that have been or would have been earned on the account, and applies whether or not the dividends have been earned. Additionally, you will forfeit all unearned dividends that have been prepaid. The penalty may be deducted from the principal amount of the deposit. Early withdrawal penalties may be permitted or reduced for IRA accounts or other accounts if applicable law allows.

Renewal Policies. Your prepaid interest certificate account will automatically renew at maturity into the traditional certificate with the same term as the prepaid interest certificate and with the same terms as disclosed for that traditional certificate as indicated on your account summary or statement or renewal notice. You will have a 10 day grace period.

The following applies to all other Term Share and Certificate Accounts:

Maturity. Your account will mature according to the term indicated on the Rates, and Fee Schedule, and as indicated on your account summary or statement or renewal notice.

Early Withdrawal; Penalties. We will impose a penalty if you withdraw any of the funds in your account before the maturity date. The penalty is calculated as a forfeiture of part of the dividends that have been or would have been earned on the account, and applies whether or not the dividends have been earned. The penalty may be deducted from the principal amount of the deposit. The Annual Percentage Yield disclosed for your account is based on an assumption that dividends will remain in the account until maturity; a withdrawal will reduce earnings. Early withdrawal penalties may be permitted or reduced for IRA accounts or other accounts if applicable law allows.

Renewal Policies. Your term share account will automatically renew at maturity. You will have a 10 day grace period.

8. **FEES AND CHARGES.** We may impose fees, charges, or penalties against your account(s). Please see our Rates, and Fee Schedule for the types, amounts, and conditions of the fees and charges.

9. **TRANSACTION LIMITATIONS. For Club Accounts:** The entire balance will be transferred to your share account or another account you designate on or after October 31st and the account will remain open. **For money market accounts:** During any statement period, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized or automatic transfer or telephonic order or instruction. If you exceed the transfer limitations set forth above in any statement period, federal regulations require that your account be subject to a fee or may be closed. **For Term Accounts:** After your account is opened, your ability to make additional deposits to your account before maturity may be limited, and withdrawals of dividends prior to maturity might result in a penalty. See the Rates, and Fee Schedule for more details. **For IRA Certificate Accounts:** After your account is opened, if you are allowed to make additional deposits, you may not exceed those amounts set forth by applicable law within any single calendar year. **Accounts as security for loans and other obligations:** If you have pledged your shares in the credit union as borrower or guarantor on any loan or other obligation that you owe to us, or if you are delinquent on that obligation, you cannot withdraw an amount that would cause your accounts to fall below the amount that you owe. See your loan documents for more details. **Additional Limitations:** Additional limitations may apply to the use of your accounts in accordance with any other Agreements you may have with us, e.g., Electronic Funds Transfer Agreement, Home Banking Agreement, etc.

10. Members Plus Accounts will revert to the dividend rates and tiers of the Members Basic Accounts if the qualifying required checking account activity falls below five debits per month. See the Rates, and Fee Schedule for current rates and tiers.