

Truth in Savings Disclosure for Term Share Certificate Accounts

Effective Date: August 1, 2024

Throughout this Truth in Savings Disclosure, the words “you,” “your,” and “yours” mean each person who owns one or more Term Share Certificate Accounts; Term Certificates, Term Bump Up Certificates, IRA Term Certificates, IRA Term Bump Up Certificates, Roth Term Certificates, Roth Term Bump Up Certificates, ESA Term Certificates, or ESA Term Bump Up Certificates with First Technology Federal Credit Union. The words “we,” “us,” or “Credit Union” mean First Technology Federal Credit Union.

Section I. Payment of Dividends

Unless otherwise specified for a specific type of Share Certificate Account below, these general terms and conditions shall apply to all Share Certificate Accounts. All of our dividend-bearing term share accounts are referred to as “Share Certificate Accounts”.

- Certificate Account Receipt:** This Truth in Savings Disclosure supplements your Account Application or *Certificate Account Receipt* (“Certificate Receipt”) which discloses specific terms of your Share Certificate Account.
- Nature of Dividends:** The frequency and conditions upon which dividends are paid on all accounts are determined by the Credit Union’s Board of Directors in accordance with the Federal Credit Union Act and relevant laws (including the Truth-in-Savings Act and Regulations). Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period.
- Rate Information:** Share Certificate Accounts are generally fixed-rate accounts (unless stated otherwise, such as our Bump Up Share Certificates) and are non-negotiable and non-transferable. You will be paid the applicable rate and annual percentage yield (“APY”) until maturity. We may change dividend rates and APYs offered for new Share Certificate Accounts at any time as determined by the Credit Union’s Board of Directors. The applicable dividend rate, APY, term, and Maturity Date for your Share Certificate Account will be set forth in the *Certificate Receipt* we will provide to you when you open such an account. The disclosed APY assumes that the account is funded at the time of account opening. A delay in funding shall not extend or change your Maturity Date but may result in reduced earnings. You may also obtain current rate information by calling the Credit Union toll-free at 855.855.8805 or visiting our website.
- Compounding and Crediting for all Accounts:** Dividends will be compounded monthly and will be credited on the last day of each month and/or upon the Maturity Date. If the Share Certificate Account is closed before dividends are credited, dividends accrued through the prior business day will be paid, subject to any early withdrawal penalty.
- Balance Computation Method:** Dividends are calculated by the daily balance method, which applies a daily periodic rate to the balance in the account each day.
- Accrual of Dividends:** Dividends will begin to accrue on the business day you deposit cash and non-cash items (e.g., checks) to your account if deposited before the close of business.
- Minimum Balance and Deposit Requirements:** The minimum balance required to open and maintain a Share Certificate Account is set forth on the Rate Sheet. You must maintain this minimum balance in your Share Certificate Account each day to obtain the disclosed APY. The Share Certificate Account may be closed if the balance falls below the minimum balance required set forth on the Rate Sheet, if applicable. Although credited dividends may be withdrawn or transferred at any time without the assessment of an early withdrawal penalty, the disclosed APY assumes that dividends will remain in the Share Certificate Account until the Maturity Date. An early withdrawal of dividends will reduce earnings.
- Share Requirement:** You must complete payment of one share in your Membership Share Account, in accordance with the *Membership and Account Agreement*, as a condition of your membership.

Section II. Terms and Conditions Applicable to All Share Certificate Accounts

1. **Transaction Limitations:** Once your Share Certificate Account is established, you generally may not make deposits into the account until the Maturity Date except during the applicable grace period and as permitted for Bump Up Share Certificates and IRA/Roth IRA/Coverdell Share Certificates. All withdrawals of principal before the Maturity Date are subject to early withdrawal penalties, except during the grace period described herein. We also reserve the right to require members intending to make a withdrawal of principal from any Share Certificate Account to give written notice of such intent not less than sixty (60) days before the withdrawal.
2. **Early Withdrawal Penalties:** The Share Certificate Account will mature on the Maturity Date set forth in the *Certificate Receipt*. If a withdrawal of principal is made prior to the Maturity Date, the Credit Union will impose a penalty on the amount withdrawn that is subject to penalty. Penalties may reduce the principal.
 - a. In accordance with Federal Reserve Board Regulation D, the Credit Union may charge an early withdrawal penalty of seven (7) days simple dividends on amounts withdrawn within the first six (6) days after account opening or within six (6) days of following the last partial withdrawal.
 - b. If the Share Certificate Account has a term to maturity less than one (1) year, we do not charge an early withdrawal penalty unless you make a withdrawal within the first six (6) days after account opening or within six (6) days following the last partial withdrawal. In those circumstances, we may charge an early withdrawal penalty of seven (7) days simple dividends in accordance with the Federal Reserve Board's Regulation D, whether or not earned.
 - c. If the Share Certificate Account has a term to maturity of between twelve (12) months twenty-four (24) months, the penalty imposed will equal 180 days of simple dividends, whether or not earned.
 - d. If the Share Certificate Account has a term to maturity greater than two (2) years, the penalty will equal 270 days simple dividends, whether or not earned.
3. **Exceptions to Early Withdrawal Penalties:** Early withdrawal penalties will not apply to:
 - a. Withdrawals of credited dividends.
 - b. Withdrawals of certificate funds during the ten (10) day grace period following the automatic renewal of the certificate.
 - c. At our option, withdrawals made subsequent to the death of an account holder or date of a court order or order of another body of competent jurisdiction declaring an account owner legally incompetent.
 - d. Withdrawals made to effect a required distribution of funds from accounts which are part of a pension plan that qualifies or qualified for specific tax treatment under Section 401 or from accounts qualifying under Section 408 of the Internal Revenue Service code.
4. **Maturity and Renewal:** Except otherwise stated in your *Certificate Receipt*, your Share Certificate Account will automatically renew upon the Maturity Date and on the Maturity Date of any renewal term unless either you prevent renewal by withdrawing all of the funds in your Share Certificate Account or we advise you that renewal is no longer available for your Share Certificate Account. We will provide you with written notice at least thirty (30) days before the Maturity Date, informing you of your renewal options or advising you of our decision not to allow renewal of your Share Certificate Account. Any applicable renewal term will be equal to or closest to that of the initial term and at the dividend rate and APY in effect at that time for such a term. You may instruct us in person or in writing prior to the expiration of a ten (10) day grace period following maturity to renew or close the Share Certificate Account on a date of your choosing within the grace period. Funds will continue to earn dividends but at the rate of a new Share Certificate Account for the same term in effect on the Maturity Date until such date of closure or renewal. If automatically renewed, all funds in a Share Certificate Account as of the renewal date are considered to be principal. If the Share Certificate is no longer offered at the time of renewal the funds will be transferred to your Membership Share Savings Account.
5. **Notices:** We will send you a written maturity notice at least thirty (30) days in advance of the Maturity Date of your Share Certificate Account.

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6. **Unclaimed Property:** Certificate accounts subject to unclaimed property laws may not be automatically renewed and may be surrendered to the applicable state in accordance with state laws.
7. **Lien on Shares:** Subject to our lending policies, amounts on deposit in Share Certificate Accounts may be pledged as collateral security to secure your loans with us.
8. **Change in Terms:** Subject to applicable federal and state laws and regulations, we reserve the right to amend, restate, replace, supplement, change, eliminate provisions from, add new provisions to, or otherwise modify the terms and conditions of Certificate Accounts at any time without notice to you, unless notice is required under applicable law.

Section III. Additional Terms and Conditions Applicable to Specific Share Certificate Accounts

1. **IRA/Roth IRA/Coverdell ESA Share Certificates:** You may make unlimited additions up to your annual contribution limit into these accounts. There are no limitations on the frequency or timing of additions
2. **Bump Up Share Certificates:** If your account has the Bump Up feature, we list the dividend rate and APY on your *Certificate Receipt* for your Bump Up Share Certificate account. Your Maturity Date will remain the same as stated on your *Certificate Receipt*.
 - a. You have the option within each twelve (12) months of the current term for terms equaling or exceeding twenty-four (24) months, or once per term for Bump Up products with a term less than twenty-four (24) months, of exchanging the dividend rate for a new dividend rate that is currently offered on the same term share certificates at no cost to you.
 - b. You have the option within each twelve (12) months of the current term for terms equaling or exceeding twenty-four (24) months, or once per term for Bump Up products with a term less than twenty-four (24) months, to make one (1) additional deposit. The maximum amount you can deposit is up to the original amount of the share certificate at the start of the current term.