

# TRUTH-IN-SAVINGS DISCLOSURE

Rev. 5-11-09

## COMMON FEATURES:

- a. Transaction Limitation** - We reserve the right at any time to require not less than seven days notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D.
- b. Nature of Dividends** - Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.
- c. Fees** - Fees may be assessed against your account in accordance with the credit union's Fee Schedule which may be received either on our web site or from our staff.
- d. Interest (Dividend) Rates** - The current interest rates on all deposit products are available on the credit union's Savings Rates table which may be received on our web site ([www.dfcu.com](http://www.dfcu.com)), from our staff or you may call the credit union during regular business hours at (801) 456-7000 to find out the dividend rate and annual percentage yield that will apply to your account.
- e. Termination of Accounts** - In accordance with the terms of the Membership and Account Agreement, we may terminate your account if there has been any misrepresentation, account abuse or if we reasonably deem it necessary to prevent loss to the credit union.
- f. Loyalty** - We reserve the right to set "loyalty" standards that recognize the contribution of members whose account usage demonstrates a positive benefit to the credit union. Such loyalty accounts may be rewarded with more attractive dividends and rates, as well as a modification of some fees. The definition of such standards will be indicated on the Saving Rates table and/or the Fee Schedule, which may be accessed as described above.
- g. Notice of Change Requirement** - In the event that we expect to make changes or modifications in any of the features of any of the Account Types enumerated hereafter, the credit union will provide you with at least a 30-day written advance notice (which will be delivered electronically, if we have your email address). However, if such anticipated change is absolutely advantageous to you, we may make such change sooner and without written notice.

## ACCOUNT TYPES:

### 1. REGULAR SAVINGS ACCOUNT

- a. Rate Information**- The dividend rate and annual percentage yield (APY) may change every month. We may change the dividend rate for your account as determined by the credit union. (See the Savings Rate table.)
- b. Compounding and Crediting** - Dividends will be compounded every month. Dividends will be credited to your account every month.
- c. Dividend Period** - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend date is the last day of the dividend period and for the example above is January 31. If you close your share account before dividends are paid, you will not receive the accrued dividends.
- d. Minimum Balance Requirements**- The minimum required to open this account is the purchase of a share in the credit union. You must maintain a minimum daily balance of \$30.00 in your account each day to obtain the disclosed annual percentage yield.
- e. Daily 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.
- f. Accrual of Dividends on Non-Cash Deposits** - Dividends will begin to accrue on the business day you place non-cash items (for example, checks) to your account.
- g. Transaction Limitations**- In compliance with the Federal Reserve Board's Regulation D, you may not make more than six transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic, or computer transfer or telephonic order or instruction during any statement

period. No more than three of the six transfers may be made by check, debit card (if applicable), or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union.

**h. Par Value of a Share-** The par value of a share in this account is \$25.00.

## **2. MONEY MARKET ACCOUNT**

**a. Rate Information-** The dividend rate and annual percentage yield (APY) may change at any time, as determined by the credit union. (See the Savings Rate table.)

**b. Compounding and Crediting -** Dividends will be compounded every month. Dividends will be credited to your account every month.

**c. Dividend Period -** For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend date is the last day of the dividend period and for the example above is January 31.

**d. Minimum Balance Requirements-** The minimum balance required to open this account is \$2,500.00. You must maintain a minimum daily balance of \$2,500.00 in your account each day to obtain the disclosed annual percentage yield. For amounts in your account which are greater than \$2,500.00, a different interest rate will apply for each tier level as described in the Savings Rate table.

**e. Daily 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.

**f. Accrual of Dividends on Non-Cash Deposits -** Dividends will begin to accrue on the business day you place non-cash items (for example, checks) to your account.

**g. Transaction Limitations-** 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, automatic, or computer transfer or telephonic order or instruction. No more than three of the six transfers may be made by check, debit card (if applicable), or similar order to a third party. If you exceed the transfer limitations set forth above in any statement period, your account will be subject to closure by the credit union.

## **3. INDIVIDUAL RETIREMENT ACCOUNT- TRADITIONAL/ROTH/EDUCATION**

**a. Rate Information-** The dividend rate and annual percentage yield (APY) may change every month. We may change the dividend rate for your account as determined by the credit union. (See the Savings Rate table.)

**b. Compounding and Crediting -** Dividends will be compounded every month. Dividends will be credited to your account every month.

**c. Dividend Period -** For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is January 31. If you close your share account before dividends are paid, you will not receive the accrued dividends.

**d. Minimum Balance Requirements-** No minimum balance requirements apply to this account.

**e. Daily 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.

**f. Accrual of Dividends on Non-Cash Deposits -** Dividends will begin to accrue on the business day you place non-cash items (for example, checks) to your account.

**g. Transaction Limitations -**You may not make any withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized or automatic transfer, telephonic order or instruction, or similar order to a third party.

## **4. SHARE CERTIFICATE (Regular & Jumbo)**

**a. Rate Information (fixed rate account) -** The interest rate and your annual percentage yield (APY) on your account will be provided to you in person or on our web site. You will be paid this rate until first maturity.

**b. Step-Up Option Plan and Rate Information (variable rate account) -** If this option is offered, the interest rate and the annual percentage yield (APY) on your account will be provided to you in person or on our web site. The interest rate and annual percentage yield (APY) may change. We will not change the rate on your account during the term of the account. However, you have the option during the first term of this account to exchange this interest rate for a new interest rate. The new interest rate will be the interest rate we are then offering on certificates of the amount of this account (or less) with the same term (or shorter) as that remaining on this account at the time of the exchange. This exchange will be at no cost to you. If you make

an exchange, the maturity date of this account will remain the same as originally scheduled. You may exercise this exchange option once during the first term, but not during any renewal term.

**c. Compounding Frequency** - Unless otherwise paid, interest will be compounded every day.

**d. Crediting Frequency** - Interest will be generally credited to your account every quarter. However, you may specifically request that interest be credited monthly, semi-annually, annually, or at maturity. Alternatively, you may choose to have interest paid to one of your accounts at Deseret First Federal Credit Union or have a check sent to you rather than credited to this certificate account.

**e. Minimum Balance Requirements**- The minimum balance required to open this account is \$500.00. You must maintain a minimum daily balance of \$500.00 in your account each day to obtain the disclosed annual percentage yield.

**f. Daily Balance Computation Method** - Interest is calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

**g. Accrual of Interest on Non-Cash Deposits** - Interest will begin to accrue on the business day you deposit non-cash items (for example, checks) to your account. Transaction limitations:

- After the account is opened; you may not make deposits into the account until the maturity date stated on the account.
- You may not make additional deposits into your account. You may make withdrawals of principal from your account before maturity. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty. You can only withdraw interest before maturity if you make arrangements with us for periodic payments of interest in lieu of crediting.

**h. Time requirements** - Your account will mature on the date provided when you opened this account.

**i. Early Withdrawal Penalties** - (a penalty may be imposed for withdrawals before maturity) if your account has an original maturity of six months or less: The penalty we may impose will equal 30 days interest on the amount withdrawn subject to penalty.

- If your account has an original maturity of more than six months: The penalty we may impose will equal 90 days interest on the amount withdrawn subject to penalty.

In certain circumstances such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. See your plan disclosure if this account is part of an IRA or other tax qualified plan. For any account which earns an interest rate that may vary from time to time during the term, the interest rate we will use to calculate this early withdrawal penalty will be the interest rate in effect at the beginning of the term.

**j. Withdrawal of Interest Prior to Maturity** - The annual percentage yield is based on an assumption that interest will remain in the account until maturity. A withdrawal will reduce earnings.

**k. Automatically Renewable Account** - This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below, if any) or we receive written notice from you within the grace period mentioned below, if any. We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, your deposit will be placed in a dividend-bearing account.

- **Fixed Rate** - Each renewal term will be the same as the original term, beginning on the maturity date. The interest rate will be the same we offer on new time accounts on the maturity date which have the same term, minimum balance (if any) and other features as the original time account. You will have a grace period of ten calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

## **5. PREMIER SHARE CERTIFICATE (Variable Rate)**

**a. Rate Information** - The interest rate and your annual percentage yield (APY) on your account will be provided to you in person or on our web site. The interest rate and annual percentage yield may change every month. The interest rate for your account for any month is based on the Two-Year Treasury note as of the 20th of the previous month.

**b. Compounding Frequency** - Unless otherwise paid, interest will be compounded every day.

**Crediting frequency** - Interest will generally be credited to your account every quarter. Alternatively, you may choose to have interest paid to you or to another account every quarter rather than credited to this account.

**c. Effect of Closing an Account** - If you close your account before interest is paid; you will not receive the accrued interest.

**d. Minimum Balance Requirements-** The minimum balance required to open this account is \$1,000.00. You must maintain a minimum daily balance of \$1,000.00 in your account each day to obtain the disclosed annual percentage yield.

**e. Daily Balance Computation Method** - Interest is calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

**f. Accrual of Interest on Non-Cash Deposits** - Interest will begin to accrue on the business day you deposit non-cash items (for example, checks) to your account.

**g. Transaction Limitations-** You may make unlimited deposits into your account. There are no limitations on the frequency or timing of additional deposits, except that no additions can be made in the last seven days before maturity. There is no fee for a withdrawal done during the first three business days after quarter end. Partial withdrawal done after the three business days will result in a withdrawal penalty equal to the amount of interest on the withdrawn funds. A \$50.00 transaction fee will be assessed for each withdrawal done during the quarter, with the exception of the first one done within the first three business days. Withdrawal of all funds will result in forfeiture of all accrued interest.

## **6. IRA SHARE CERTIFICATE (Regular & Jumbo)**

**a. Rate Information** (fixed rate account) - The interest rate and your annual percentage yield (APY) on your account will be provided to you in person or on our web site. You will be paid this rate until first maturity.

**b. Step-Up Option Plan and Rate Information** (variable rate account) – If this option is offered, the interest rate and the annual percentage yield (APY) on your account will be provided to you in person or on our web site. The interest rate and annual percentage yield (APY) may change. We will not change the rate on your account during the term of the account. However, you have the option during the first term of this account to exchange this interest rate for a new interest rate. The new interest rate will be the interest rate we are then offering on certificates of the amount of this account (or less) with the same term (or shorter) as that remaining on this account at the time of the exchange. This exchange will be at no cost to you. If you make an exchange, the maturity date of this account will remain the same as originally scheduled. You may exercise this exchange option once during the first term, but not during any renewal term.

**c. Compounding Frequency** - Interest will be compounded every day.

**d. Crediting Frequency** - Interest will be generally credited to your account every quarter. However, you may specifically request that interest be credited monthly, semi-annually, annually, or at maturity. Alternatively, you may choose to have interest paid to your IRA savings account rather than credited to this IRA certificate account.

**e. Minimum Balance Requirements-** The minimum balance required to open this account is \$500.00. You must maintain a minimum daily balance of \$500.00 in your account each day to obtain the disclosed annual percentage yield.

**f. Daily Balance Computation Method** - Interest is calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

**g. Accrual of Interest on Non-Cash Deposits** - Interest will begin to accrue on the business day you deposit non-cash items (for example, checks) to your account.

**h. Transaction Limitations:**

- After the account is opened; you may not make deposits into the account until the maturity date stated on the account.

**i. Time requirements** – Your account will mature on the date provided when you opened this account.

**j. Early withdrawal penalties** (a penalty may be imposed for withdrawals before maturity):

- If your account has an original maturity of six months or less: The penalty we may impose will equal 30 days interest on the amount withdrawn subject to penalty.
- If your account has an original maturity of more than six months: The penalty we may impose will equal 90 days interest on the amount withdrawn subject to penalty.

In certain circumstances such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. See your plan disclosure if this account is part of an IRA or other tax qualified plan. For any account which earns an interest rate that may vary from time to time during the term, the interest rate we will use to calculate this early withdrawal penalty will be the interest rate in effect at the beginning of the term.

**k. Withdrawal of Interest Prior to Maturity** - The annual percentage yield is based on an assumption that interest will remain in the account until maturity. A withdrawal will reduce earnings.

**I. Automatically Renewable Account** - This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below, if any) or we receive written notice from you within the grace period mentioned below, if any. We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, your deposit will be placed in a dividend-bearing account.

- **Fixed Rate** - Each renewal term will be the same as the original term, beginning on the maturity date. The interest rate will be the same we offer on new time accounts on the maturity date which have the same term, minimum balance (if any) and other features as the original time account. You will have a grace period of ten calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

## **7. REGULAR CHECKING ACCOUNT**

**a. Rate Information** - The dividend rate and annual percentage yield (APY) may change every month. We may change the dividend rate for your account as determined by the credit union. (See the Savings Rate table.)

**b. Compounding and Crediting** - Dividends (if greater than 0%) will be compounded every month. Dividends will be credited to your account every month.

**c. Dividend Period** - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend date is the last day of the dividend period and for the example above is January 31. If you close your share account before dividends are paid, you will not receive the accrued dividends.

**d. Minimum Balance Requirements**- The minimum required to open this account is \$100. There is no minimum balance required in your account each day to obtain the disclosed annual percentage yield.

**e. Daily 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.

## **8. REWARDS CHECKING ACCOUNT**

**a. Intent** – By offering this exceptional product (with high interest rewards), it is our intent that it be used as your primary checking account. The qualifications and parameters below are in place to make it economically viable.

**b. Variable Rate Information** – The interest rates and annual percentage yield (APY) may change every month. We may change the dividend rate for your account as determined by the credit union.

1. **The Bonus Rate** is paid when the **Rewards Checking** qualification requirements are met and your daily balance is **\$25,000.00 or less**. The respective rate and APY is described in the Savings Rates table.
2. **The Second Tiered Rate** is paid when the **Rewards Checking** qualification requirements are met and your daily balance is **more than \$25,000.00**. The respective rate and APY is described in the Savings Rates table.
3. **The Base Rate** is paid when the **Rewards Checking** qualification requirements are **not** met. The respective rate and APY is described in the Savings Rate table.

**c. Limited Availability** – Rewards Checking is limited to **one** account per member.

**d. Daily Balance Computation Method** – We use the daily balance method to calculate the interest in your account. This method applies a daily periodic rate to the principal in the account each day.

**e. Accrued Interest** – Interest begins to accrue on the business day you deposit non-cash items (e.g. checks).

**f. Compounding and Crediting** – Interest is compounded **monthly**. Interest will be credited to your account on the last day of each statement period. If you close your account before interest is credited, you will **not** receive the accrued interest.

**g. Minimum Balance Requirements** – There is **no** minimum balance required in order to open or maintain this account.

**h. Interest Statement Period** – For this account type, the interest (and statement) period is **monthly**.

**i. Qualification Requirements** – To qualify for **Rewards Checking** rates, you must:

1. Make at least **10** debit card point of sale transactions per “**qualification cycle**”. (Multiple transactions at the same location on the same day count as one transaction and average balances for 10 debit card purchases are at least \$200.)
2. Make at least **one** direct deposit (payroll/retirement) transaction each month.
3. Must elect to receive statements electronically (eStatements), which are accessed through the Online Banking website ([www.dfcu.com](http://www.dfcu.com)).

4. Must provide and maintain an email address by which DFCU may communicate with you.

**j. Qualification Cycle** – The “qualification cycle” means a period beginning one day prior to the first day of the current statement period through one day prior to the close of the current statement period.

**k. ATM Fees Refund Bonus** – If you have met your qualification requirements for the month, the credit union will refund domestic (nationwide) ATM fees up to **\$25.00** per month.

**l. Free Checking** – The regulatory definition of “free checking” requires that we not impose maintenance or activity fees. However, certain other fees, such as check printing, stop payment, NSF, dormant account fees, etc. may be assessed. Such fees are disclosed in the credit union’s Fee Schedule.

**m. Agreement Change** – If you fail to qualify for **Rewards Checking**, for three consecutive months, you will be subject to discontinuance of these benefits. Your account will then be converted to Regular Checking with the conditions and features currently in place at the time. Notice of such action and disclosures will then be provided.

## **10. OTHER CHECKING ACCOUNT DISCLOSURES**

**a. NON-STANDARD PAYMENTS**-The Credit Union may, at its sole discretion, without obligation, pay funds from this account:

- 1) When such payment would draw the account below the minimum balance as established by the Credit Union: or
- 2) If drawn by means not previously authorized by the Credit Union; or
- 3) To honor checks presented over six (6) months past their dates

**b. INSUFFICIENT FUNDS**- If you write a check against unavailable funds, the Credit Union may return it unpaid and you will be charged a "non-sufficient funds" (NSF) charge in amounts set by the Credit Union from time to time.

**c. TRUNCATION OF CHECKS**- All checks and drafts written on your account remain the property of the Credit Union upon payment and are not returned to you. Copies of the returned checks may be obtained for a fee (see Fee Schedule).

**d. APPROVED FORMS**- Only checks and other methods approved by the Credit Union may be used to withdraw funds from this account.