

**TRUTH IN
SAVINGS
DISCLOSURE
STATEMENT**



Rev. 11/18

TAUNTON FEDERAL CREDIT UNION TRUTH IN SAVINGS DISCLOSURE STATEMENT

This disclosure, including any individual account information disclosures contained in the Credit Union's current rate sheet and fee schedule which we have provided, covers all personal accounts we offer including, Share Savings and Share Draft Accounts, Club Accounts, Money Market Accounts, and Term Share Certificates. By opening and maintaining an account with the Credit Union, you have agreed to the Rules and Regulations of the Credit Union and any amendments thereto. To open an account you must deposit at least \$5.00, the par value of a share of the Credit Union. TFCU serves anyone who lives, works, worships or attends school in Bristol County, Massachusetts; Bristol, Kent, Newport and Providence Counties in Rhode Island; and the Rhode Island towns of Charlestown, Exeter, Hopkinton, Narragansett, New Shoreham, North Kingstown, Richmond and South Kingstown.

For Current Dividend Rates, Annual Percentage Yields and all fees on share accounts please refer to Our Current Rate Sheet and Fee Schedule provided separately and incorporated by reference in this disclosure.

Should you have any questions about these disclosures, about our current dividend rates, annual percentage yields, or otherwise, please contact a Call Center representative at: 508-824-6466; visit our website at www.tauntonfcu.com; or stop in to see a member service representative at 14 Church Green, Taunton MA.

Nature of Dividends & Relation To APY Except in the case of Term Share Accounts (where the dividend rate is fixed for the term of the account certificate), dividends may be paid only from current income and accumulated earnings, after required transfers to reserves at the end of each dividend period. The dividend rate and annual percentage yield applicable to an account may therefore change from time to time as determined by the Credit Union's Board of Directors at its discretion. The dividend period of the Credit Union is monthly, beginning on the first day of such period and ending on the last day of the period.

As used in these disclosures;

(i) "dividend rate" means the dividends paid (or expected to be paid) on an account, without giving effect to the compounding of previously earned dividends, shown as an annual figure and expressed as a percentage of the account balance; and

(ii) "annual percentage yield" or "APY" means a percentage rate reflecting the total amount of dividends expected to be earned in a year on an account, based on the dividend rate and the frequency of compounding accrued dividends. All disclosures concerning the APY applicable to an account assume that the dividend rate disclosed remains in effect for one year and that dividends are not withdrawn.

Dividends are compounded **monthly** and credited **monthly** on balances of \$5.00 or more based on the average daily balance in your account. For example, the beginning date of the first dividend period is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow the same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example above it is January 31 and paid February 1. If you close your account before dividends are paid, you will not receive the accrued dividends.

Holiday Savers Club Account dividends, if currently declared, will not be compounded monthly but will be credited to your account every year, at the end of the club term. For example, the beginning date of the dividend period of the year is October 1 and the ending date of such dividend period is September 30 of the following year. The dividend declaration date follows the ending date of a dividend period and in the above example would be October 1. If you close your Holiday Savers Club account before dividends are paid, you will not receive the accrued dividends.

Electronic Transfer Accounts (ETA)

This account is available to any individual who receives Federal benefit, wage, salary, or retirement payments. You may only make deposits into this account by electronic direct deposit. You may make four cash withdrawals and four balance inquiries per month at no additional charge. You may access your account for cash withdrawals and balance inquiries through proprietary ATMs or over the counter. You may not access your account in any other way. Under Federal regulations, financial institutions that offer interest-bearing transaction accounts (including ETA) must reserve the right to require you to provide at least seven days written notice prior to withdrawing any funds in your ETA. We agree that we will not require this notice from you unless we require it for all interest-bearing transaction accounts we offer. Please refer to our current fee schedule for additional information.

Many federal benefit payments, including Social Security benefits, Supplemental Security Income benefits, Veterans benefits, and Railroad Retirement benefits are protected from attachment under Federal law. This means that your creditors do not have the right to have these funds taken out of your ETA. There are a few exceptions, however. For example, funds in your ETA can be taken to satisfy child support or alimony obligations you owe. If we receive an order of attachment, garnishment, or levy, we will immediately send you a copy of the order and the name of the creditor and contact person if any. If you have questions about a creditor's right to remove funds from your ETA, contact your benefit agency or your local legal services organization.

Taunton Federal Credit Union is required by the Department of the Treasury to ensure that your ETA meets certain criteria and to provide you with certain disclosures about your ETA. These obligations are set forth in an ETA Financial Agency Agreement between Taunton Federal Credit Union and the Department of the Treasury. The text of the ETA Financial Agency Agreement is publicly available and is published in the Federal register at 64 FR 38510 dated July 16, 1999. Generally we will close an ETA only if we have cause to believe fraud has occurred in connection with the account, the account has been misused, or the account ceases to be used for the receipt of eligible payments.

Average Daily Balance Computation Method

Dividends are calculated by the average daily balance method which 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 number by the number of days in the period. The period we use is the monthly statement cycle.

Fees & Penalties

Your account will be charged any applicable fees, charges and/or penalties as set forth in our fee schedule.

Collection of Non-Cash Deposits

Every share draft, check or other item other than cash which is accepted for deposit in your account will be provisionally credited to your account on the day it is deposited or, in the case of deposits received after the close of business, on the next business day, and earn dividends from the day it is so provisionally credited to your account. If, however, the Credit Union is subsequently unable in the normal course of business to obtain payment for that item, you will not earn any dividends on that deposit.

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Notice of Certain Changes

We will notify you in writing at least thirty (30) days prior to the effective date of changes of the sort described below which will reduce your APY or otherwise adversely affect your account:

- The frequency of compounding dividends;
- The frequency of crediting dividends;
- Minimum balance requirements; or
- Fees, charges and penalties.

We will not send you notice, however, of any change in the interest rate or APY applicable to any account where the interest rate is subject to change from time to time, although notice of changes in interest rates will be posted in the Credit Union's offices. Also, no notice of changes to fees for printing of share drafts/checks will be sent. In addition, where there is any change in the information disclosed in this statement, the change will appear in a notice posted in the lobby of our offices. You can also contact a member service representative to advise you of the current rates.

General Policies & Procedures

We may refuse a withdrawal request if any documents or identification we or the law requires in connection with the withdrawal has not been presented to us. Although non-cash deposits earn dividends from the date first credited to your account, the time when they may be withdrawn or otherwise become available for use is governed by the Credit Union's Funds Availability Policy, a copy of which is available upon request.

Transaction Limitations

• **Withdrawal Restrictions.** We permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal, or you have an established Overdraft Advance privilege. Drafts or other transfer or payment orders which are drawn against insufficient funds may be subject to a service charge set forth in the Rate and Fee Schedule. If there are sufficient funds to cover some, but not all, of your withdrawals, we may allow those withdrawals for which there are sufficient funds in any order at our discretion. We may refuse to allow a withdrawal in some situations, and will advise you accordingly; for example: (1) a dispute between account owners (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; (5) you fail to repay a Credit Union loan on time. We may require you to give written notice of up to sixty (60) days before any intended withdrawals. We encourage you to make careful records and practice good account management as this will help you avoid writing drafts without sufficient funds and incurring the resulting fees.

• **Transfer Limitations.** For share savings accounts you may make no more than six (6) preauthorized, automatic, telephonic, home banking or audio response transfers to another account of yours or to a third party during any calendar month. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders including orders received through the automated clearing house (ACH). You may make unlimited transfers to any of your accounts or to an Credit Union loan account in person and may make withdrawals in person, by mail, or at an ATM. We may reclassify your savings account and assess fees if you exceed these limitations. During any calendar month you may not make more than three withdrawals or transfers from money market accounts to another credit union account of yours or to a third party. If you exceed the transfer limitations we may reclassify your account and assess fees. For passbook savings accounts, you may not make any withdrawals or transfers to another credit union account of yours or to a third party by means of a pre-authorized or automatic transfer, telephonic order or instruction or similar electronic method.

Minimum Balance Requirements

Please refer to the attached Credit Union rate and fee schedule for minimum balance requirements on share accounts.

Term Share Certificate Accounts

Here are some basic facts about your Term Share Certificates Account (TSC). These disclosures are in addition to those on the account certificate. By opening and maintaining a share certificate account with the Credit Union, you have agreed to the terms of the account as set forth here and on the certificate and any amendments thereto. If you have any questions regarding these disclosures or your account, please ask a member service representative.

Minimum Balance for a Term Share Certificate

Unless otherwise stated on the Credit Union rate sheet, you must deposit and maintain a minimum balance of \$250 to open a TSC account.

Early Withdrawal Penalties

You may not withdraw the principal balance in your TSC account prior to maturity.

Dividends which have been credited to your TSC account may be withdrawn at any time, without penalty, but the APY disclosed in this disclosure is based upon the assumption that all dividends will remain in the TSC account until maturity. A withdrawal prior to maturity will reduce earnings and your APY therefore will be lower than the disclosed yield.

Any dividends in your TSC account at maturity will be considered part of the principal of the TSC account upon any renewal and thereafter become subject to the Credit Union's rules concerning early withdrawal.

In the event of a withdrawal of the principal in your TSC account prior to maturity, the penalty assessed is as follows:

<u>Original Maturity</u>	<u>Dividend Maturity</u>
3 Month Certificate	All dividends
4-11 Month Certificate	3 months of dividends
12-23 Month Certificates	9 months of dividends
24-35 Month Certificates	12 months of dividends
36-60 Month Certificates	18 months of dividends

The penalties apply regardless of the length of time the funds have been on deposit at the Credit Union. The penalty may be taken from the principal balance of your TSC account. The listed penalties do not apply to withdrawals subsequent to the death of a sole owner. We may waive or reduce this penalty in certain circumstances, such as the disability or incompetence of a sole owner. If the account is in two or more names and one owner dies or becomes mentally incompetent, the TSC account will remain in effect until its scheduled maturity under the remaining joint owner's name(s).

If this certificate is part of a qualified Traditional IRA, ROTH IRA, or COVERDELL EDUCATION SAVINGS ACCOUNT the early withdrawal penalty does not apply if the withdrawal is made following the owner(s) attainment of not less than 59 1/2 years of age or if the withdrawal is made for health/disability emergency, first time home purchase, or higher education expenses.

Transaction Limitations

Unless otherwise stated on the current rate sheet, once your TSC account is opened, you may not make additional deposits to it, although you may open a separate TSC account at the then effective dividend rate.

Bump-up Term Share Certificates

If currently available, a Bump-up Term Share Certificate allows a one time only increase in the dividend rate to the rate then in effect for a TFCU Term Share Certificate of the same maturity. Please refer to the TFCU Rate Sheet for current offerings.

Maturity Notices and Renewals

You may renew, transfer, or close your Term Share Account at maturity. You will be asked to instruct the Credit Union by mail or in person of your choice. You will be notified in writing ten (10) days before the maturity date of your Term Share Account, and, unless you notify the Credit Union in a timely manner that your account is not to be renewed, your account will at maturity automatically be renewed for an identical term at the then effective rate. You will have a grace period of ten calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty. Every notice of maturity will either state the dividend rate which will apply to the TSC account upon renewal or, if the renewal rate has not been determined, will state the date the renewal rate will be set and include a telephone number which you can call to learn what the dividend rate and APY applicable to the TSC account during the renewal term will be.

National Credit Union Share Insurance Fund

Member accounts in this credit union are federally insured by the National Credit Union Share Insurance Fund. Please refer to the Dividend Rate Sheet and Fee Schedule attached to and made part of this Truth in Savings Disclosure.

