



TRUTH-IN-SAVINGS DISCLOSURE

INTRODUCTION

The Truth-in-Savings Act (TISA) was enacted in December 1991 as part of the Federal Deposit Insurance Corporation Improvement Act. The National Credit Union Administration (NCUA) adopted the Truth-in-Savings Regulations (Part 707) for credit unions, which implement TISA. The following policy and procedures specify how Medisys Employees Federal Credit Union will comply with the Truth-in-Savings (TIS) regulations. The Credit Union will cooperate with NCUA to enforce the regulation and monitor ongoing compliance.

Part 707 establishes rules for disclosing to members before opening an account or upon a member's request, the following: dividend rate, annual percentage yield, all fees imposed in connection with an account, and other terms for an account. There are disclosure requirements for members' periodic statements, for the maturity and renewal of time accounts, and for the advertisement of any deposit account. Part 707 also requires members to be notified that account disclosures are available.

ACCOUNT EARNINGS

The regulation requires that dividend earnings on each dividend bearing account be computed on the full amount of principal in the account each day for the dividend calculation period.

- a. Balance Computation Method
 1. The Credit Union will use the average daily balance method to compute dividends on the following accounts: regular shares, share certificates, holiday clubs and vacation clubs.
 2. The Account Disclosures will specify the method used for each particular account.
- b. Account Earnings on Closed Accounts
 1. Accrued but unaccredited dividends will not be paid if a member closes a regular share account prior to the time dividends are paid. **THIS IS A CHANGE IN TERMS EFFECTIVE APRIL 1, 2021.**
- c. Dividend Accrual
 1. Dividends will begin accruing when cash items are received.
 2. Dividends will accrue for noncash items (i.e., share drafts or checks) deposited on all share accounts on the business day the checks are credited to the account. Dividends will not be paid on items which are subsequently returned NSF.
- d. Daily Dividend Rate
 1. The Credit Union shall calculate dividends by use of a daily rate of at least 1/365 of the dividend rate. In a leap year, a daily rate of 1/366 will be used.
- e. Rate Information
 1. Annual Percentage Yield (APY)

The annual percentage yield is an annualized rate that reflects the relationship between the amount of dividends earned on an account and the frequency of compounding for a 365-day period.
 2. APY Formula

The formula used to calculate the APY for purposes of responding to rate inquiries and providing maturity notices, renewal notices and advertising disclosures is set forth in Appendix A, Part I, to the NCUA Truth-in-Savings Regulation. The formula used to calculate the APY for periodic statements is set forth in Appendix A, Part II, to the NCUA Truth-in-Savings Regulation.
 3. APY Calculation

For purposes of the Credit Union's TIS Account Disclosures (except periodic statements), the APY calculation will be based on: (1) an assumed term of 365 days for accounts without a stated maturity; and (2) the actual days during the term for time accounts.
 4. Dividend Rate

The Dividend Rate means the declared or prospective dividend rate to be paid on an account which does not reflect compounding. The Credit Union sets dividend rates as necessary and they may be changed at any time.

Share Certificates

Rate Information: The dividend rates and annual percentage yields (APYs) for Share Certificates are stated on the website's rate page. The annual percentage yield assumes that dividends remain on deposit until maturity. A withdrawal of dividends prior to maturity will reduce earnings.

Compounding and Crediting: Dividends are compounded and credited quarterly and at maturity.

Balance Computation Method: We use the "average daily balance" method to calculate dividends on this account. This method 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 your certificate for each day of the period and dividing the total by the number of days in the period.

Minimum Balance Requirements: Share Certificates may be purchased in any dollar increment with a \$1,000.00 minimum purchase.

Transaction Limitations: After a Share Certificate is purchased, you may not add to the certificate balance. An early withdrawal penalty will be assessed for withdrawals before the maturity date.

Renewal Policy: All Share Certificates will renew automatically at maturity. You have a grace period of ten (10) calendar days after maturity in which to withdraw the funds without a penalty. Dividends will not be earned during the grace period if the certificate is not automatically renewed. For the renewal period, the rate and annual percentage yield (APY) have not yet been determined. The new rate and APY information will not be available until the maturity date of your current certificate as noted thereon. Please call the credit union at 718-206-8216 during regular business hours for your new certificate. Notice of certificate maturity will be mailed to the address on the account approximately 30 days prior to the maturity date.

Nature of Dividends: Dividends are paid from current income and available earnings, after required transfers to reserves at the end of the dividend period.

Nontransferable / Nonnegotiable: Your Certificate is nontransferable and nonnegotiable. The funds in your certificate may not be pledged to secure any obligation of an owner, except obligations with the Credit Union.

Accrual of Dividends: Dividends are calculated on the ending balance of each day.

Early Withdrawal Penalties: We may impose a penalty if you withdraw any of the principal before the maturity date. For the purposes of this disclosure, dividends that are compounded within the certificate are considered part of the principal. Withdrawal of paid dividends will be subject to early withdrawal penalties. For all certificates, the early withdrawal penalty is \$25.00.

Share Draft (Checking) Accounts

Statement Cycle: The statement cycle for this account is monthly. For example, the beginning date of the first statement cycle is January 1st and the ending date is January 31st. All subsequent cycles follow this pattern of dates.

Minimum Balance Requirements: There is a \$100.00 minimum balance required to open this account.

Excessive Overdrafts: Any Share Draft (Checking) Account with three or more uncovered overdrafts or EFTIs (Electronic Funds Transfer Items) in any 30 day period may be subject to closure.

Regular Share Accounts

Rate Information: The current dividend rate and APY for this account is stated on our website's rate page. This is a variable rate account. The dividend rate and APY may change at any time. Withdrawal of the dividends will reduce actual earnings.

Compounding and Crediting: Dividends will be compounded and credited to this account quarterly. For example, the beginning date of the first dividend period of the calendar year is January 1st and the ending date is March 31st. All dividend periods follow this pattern of dates. The dividend declaration date for Regular Share Accounts is the ending date of the dividend period, and for this example is March 31st. If you close your Regular Share Account before dividends are credited, you will not receive accrued dividends.

Minimum Balance Requirements: The minimum balance to open this account is \$25.00. Share accounts will earn dividends on the full dollar amount in the account regardless of balance.

Balance Computation Method: We use the "average daily balance" method to calculate dividends on this account. This method 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 your account for each day of the period and dividing the total by the number of days in the period.

Accrual of Dividends: Dividends are calculated on the ending balance of each day.

Holiday Club and Vacation Club Share Accounts

Rate Information: The current dividend rate and APY for this account is stated on our website's rate page. This is a variable rate account. The dividend rate and APY may change at any time. Withdrawal of the dividends will reduce actual earnings.

Compounding and Crediting: Dividends will be compounded and credited to this account quarterly. For example, the beginning date of the first dividend period of the calendar year is January 1st and the ending date is March 31st. All dividend periods follow this pattern of dates. The dividend declaration date for Regular Share Accounts is the ending date of the dividend period, and for this example is March 31st. If you close your Holiday Club or Vacation Club Share Account before dividends are credited, you will not receive accrued dividends.

Minimum Balance Requirements: None.

Balance Computation Method: We use the "average daily balance" method to calculate dividends on this account. This method 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 your account for each day of the period and dividing the total by the number of days in the period.

Accrual of Dividends: Dividends are calculated on the ending balance of each day.

Transaction Limitations: Holiday Clubs are scheduled to mature once per year, on or about October 1st. Vacation Clubs are scheduled to mature once per year, on or about April 1st. Funds will be transferred to your Regular Share account at maturity and the club will restart for the next year. Unscheduled withdrawals from a Holiday Club or Vacation Club account will incur an early withdrawal fee. Current fees are listed on our website.