



## TRUTH-IN-SAVINGS DISCLOSURE

### SHARE (SAVINGS) ACCOUNTS

**Rate Information:** The dividend rate and annual percentage yield may change every month as determined by the credit union board of directors.

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

**Compounding & crediting:** Dividends will be compounded every monthly. Dividends will be credited to your account every month.

**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 period in 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 the dividends are paid, you will not receive the accrued dividends.

**Maximum Balance Requirements:** A minimum of \$25.00 is required to open an account. You must maintain a minimum average daily balance of \$100.00 in your account to obtain the disclosed annual percentage yield. Please see the bylaw requirements in the Common Features section for additional information.

**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 figure by the number of days in the period. The period we use is the monthly statement cycle.

**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.

**Transaction Limitations:** During any month, you may not make more than six (6) withdrawals or transfers to another credit union account of yours or to a third party by means of a pre-authorized or automatic transfer or telephonic order or instruction 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.

**Par Value of a share:** The par value of a share in this account is \$5.00.

### SHARE DRAFT (CHECKING) ACCOUNTS

**Rate Information:** The dividend rate and annual percentage yield may change every month as determined by the credit union board of directors. **Currently, at the boards discretion dividends do not apply to Share Draft (Checking) Accounts.**

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

**Compounding & Crediting:** Dividends will be compounded every month. Dividends will be credited to your account every month.

**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 period in 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 the dividends are paid, you will not receive the accrued dividends.

**Maximum Balance Requirements:** You must maintain a minimum average daily balance of \$25.00 in your account to obtain the disclosed annual percentage yield.

**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 figure by the number of days in the period. The period we use is the monthly statement cycle.

**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.

**Transaction Limitations:** No transaction limitations apply to this account unless otherwise stated in the Common Features Section.

## **INDIVIDUAL RETIREMENT ACCOUNT**

**Rate Information:** The dividend rate and annual percentage yield may change every month as determined by the credit union board of directors.

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

**Compounding & Crediting:** Dividends will be compounded every month. Dividends will be credited to your account every month.

**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 period in 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 the dividends are paid, you will not receive the accrued dividends.

**Maximum Balance Requirements:** You must maintain a minimum average daily balance of \$50.00 in your account to obtain the disclosed annual percentage yield. Please see the bylaw requirements in the Common Features section for additional information.

**Average Daily Balance Computation Method:** Dividends will be 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 figure by the number of days in the period. The period we use is the monthly statement cycle.

**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.

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 order to a third party.

## **SHARE CERTIFICATES OF DEPOSIT**

This information is accurate as of today's Date: \_\_\_\_\_. If you have any questions or need current rate or fee information, please call us.

### **Rate Information:**

The dividend rate on your term share account is \_\_\_\_\_% with an annual percentage yield (APY) of \_\_\_\_\_%. You will be paid this rate until first maturity.

**Compounding & Crediting:** Dividends will not be compounded.

**Crediting Frequency:** Dividends will be credited to your account at maturity.

**Dividend Period:** For this account type, the dividend period is end of the term.

**Effect Of Closing An Account:** If you close your account before the dividends are paid, you will not receive the accrued dividends and you will be assessed a \$25 penalty for closing the account before the term of maturity.

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

**Average Daily Balance Computation Method:** Dividends are calculated by the average daily balance method which applies a daily 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 figure by

the number of days in the period. The period we use is based on the term.

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

**Transaction Limitations:** After the account is opened, you may not make additions to the account until the maturity date stated on the 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 cannot withdraw dividends from your account before maturity.

**Early Withdrawal Penalties:** The credit union will impose a penalty of \$25.00 if you withdraw any of the funds in your account before the maturity date. The penalty for an early withdrawal from a Certificate of Deposit will reduce your rate to the Share Savings dividend rate. The annual percentage yield is based on an assumption that dividends will remain in the account until maturity.

*There are certain circumstances such as the death or incompetence of an owner, where we may waive or reduce this penalty.*

**Automatic Renewal:** Your term share account will automatically renew at maturity. You may prevent renewal if we receive notice from you before maturity of your intention not to renew. If you prevent renewal, your deposit will be placed in a dividend bearing account. Each renewal term will be the same as the original term, beginning on the maturity date. The dividend rate will be the same we offer on new term share accounts on the maturity date which have the same term, minimum balance (if any) and other features as the original term share account.

*You will have a grace period of 10 calendar days after the maturity date to withdraw the funds in the account without being charged an early withdrawal penalty.*

**Time Requirements- Your account will mature \_\_\_\_\_.**

## **COMMON FEATURES**

**Bylaw requirements:** You must complete payment of five shares in your Share Savings Account as a condition of admission to membership.

**Transaction limitation:** We reserve the right to at any time 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.

**Nature of Dividends:** Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. (This disclosure further explains the dividend feature of your non-term share account (s).)

**National Credit Union Share Insurance Fund:** Member accounts in this credit union are federally insured by the National Credit Union Share Insurance Fund.

## **SPECIAL RULES FOR NEW ACCOUNTS**

If you are a new account holder, the following special rules will apply during the first 30 days your account is open. Funds for electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's certified tellers, traveler's and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be made payable to you. The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a US Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the second business day after the day of your deposit.

### **Hold On Other Funds**

If we cash a check for you drawn on another bank, we will hold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on

another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds to the other account would then not be available to withdraw until the time periods described elsewhere in the disclosure for the type of check you deposited.

### **Stop Payments**

All stop payment requests to the credit union must be in writing and signed by the member or the joint owner. The member's account will be charged a fee when the stop payment is issued. No stop payments will be granted if the guarantee card was presented, unless the member or joint owner suspects forgery.

### **Foreign Checks**

Checks drawn on financial institutions located outside the U.S. (Foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in the Disclosure. Generally, the availability of funds for deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which it is drawn.

## **TERMS AND CONDITIONS OF YOUR ACCOUNT**

### **Dear Credit Union Member:**

This brochure contains the rules that govern your account (s) with us. Please read this brochure carefully. If you sign your signature card or continue to have an account with us, you agree to these rules, our by-laws, and any by-law amendments. You agree to pay the fees we charge and you give us the right to collect any fees, as earned, directly from the account balance. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this brochure. If you have any questions, please call us.

This agreement is subject to applicable federal laws and the laws of the state of New Mexico (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here.

The purpose of this brochure is to:

- summarize the existing rules applicable to the more common transactions;
- establish rules to govern transactions or events which the law does not regulate;
- establish rules for certain events or transactions which the law already regulates but permits variation by agreement; and
- give you our funds availability, electronic fund transfers and/or truth-in-savings policy disclosures.

We may permit some variations from this standard agreement, but any variations must be agreed to in writing either on our signature card for the account or in some other written form.

As used in this brochure, the words "we", "our", and "us" mean the credit union and the words "you", and "your" meant the owner (s) of this account and anyone signing in a representative capacity (e.g. an "agent" or grantee of a power of attorney) appointed by or on behalf of the owner (s) to sign on the account in a representative capacity. "Party" means a person who, by the terms of this account, has a present right, subject to request, to payment from this account other than as a beneficiary or agent.

## **LIABILITY**

Each of you agrees for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges that we impose. You authorize us to deduct these charges as accrued directly from the account balance. You also agree to pay additional reasonable charges we may impose for services you request which are not covered by this agreement. Each of you also agrees to be jointly and individually liable for any account deficit resulting from charges or overdrafts, whether caused by you or another authorized to withdraw from this account, and our costs to collect the deficit including, to the extent permitted by law, our reasonable attorneys' fees. You agree that at our option we may suspend your membership rights if you violate the terms of this agreement.

## **DEPOSITS**

Any items, other than cash, accepted for deposit (including items drawn "on us") will be given provisional credit only until collection is final (and actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars). We are not responsible for transactions initiated by mail or outside depository until we actually record them. All transactions received after our "daily cut-off time" on a business day we are open, or received on a day in which we are not open for business, will be treated and recorded as if initiated on the next following business day that we are open. Law prohibits us from guaranteeing the payment of dividends or those dividends we do pay will be at the contracted rate. We must base our dividend payments to you upon the money we actually earn and that is available for distribution at the end of a dividend period. Unless otherwise agreed, you waive any right to receive any original item after it is paid.

## **WITHDRAWALS**

Unless otherwise clearly indicated to the contrary, anyone of you who signs in the space designated for signatures on the signature card, including any agents may withdraw or transfer all or any part of the account balance at any time on forms approved by us. Each of you (until we receive written notice to the contrary) authorizes each other person signing on the signature card to endorse any item payable to you or you order for deposit to this account or any other transaction with us. We may charge against your account a check, even though payment was made before the date of the check, unless you have given us written notice of the postdating. The fact that we may honor withdrawal requests that overdraw the finally collected account balance does not obligate us to do so, unless required by law. Withdrawals will first be made from collected funds, and we may, unless prohibited by law or our written policy, refuse any withdrawal request against uncollected funds, even if our general practice is to the contrary. We reserve the right to refuse any withdrawal or transfer request that is attempted by any method not specifically permitted, which is for an amount less than any minimum withdrawal requirement, or which exceeds any frequency limitation. Even if we honor a nonconforming request, repeated abuse of the stated limitations (if any) may eventually force us to close this account. We will use the date a transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. We reserve the right to require you to notify us of your intention to withdraw shares or deposits from this account as explained in our by-laws. Withdrawals from a time deposit prior to maturity or prior to the expiration of any notice period may be restricted and may be subject to penalty. See your notice of penalties for early withdrawal.

## **OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION**

These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership of any or all of our accounts. Single Party Account-Such an account is owned by one party. Multiple-Party Account-Parties own account in proportion to net contributions unless there is clear and convincing evidence of a different intent. Corporate, Partnership, and other organizational Accounts - We reserve the right to require the governing body of the legal entity to give us a separate authorization telling us who is authorized to act on its behalf. We will honor such an authorization until we actually receive written notice of a change from the governing body.

## **RIGHTS AT DEATH**

Single-Party Account-At death of party, ownership passes as part of the party's estate. Multiple-Party Account with Right of Survivorship. At death of party, ownership passes to surviving parties. If two or more parties survive and one is the surviving spouse of the deceased party, the amount to which the deceased party, immediately before death, was beneficially entitled by law belongs to the surviving spouse. If two or more parties survive and none is the spouse of the decedent, the amount to which the deceased party, immediately before death, was beneficially entitled by law belongs to the surviving parties in equal shares. Multiple-Party Account Without Right of Survivorship - At death of party, deceased party's ownership passes as part of the deceased party's estate. Single Party Account with POD (Pay-On-Death) Designation - At death of party, ownership passes to POD beneficiaries and is not part of party's estate. Multiple-Party Accounts with Right of

Survivorship and POD (Pay-On-Death) Designation - At death of last surviving party, ownership passes to POD beneficiaries and is not part of last surviving party's estate.

## **PLEDGES**

Unless you tell us differently in writing, each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any joint survivor, pay-on-death beneficiary, or trust account beneficiary becomes effective. For example, if one joint tenant pledges the deposit evidenced by this agreement for a debt (i.e. uses it to secure a debt) and then dies, (1) the surviving joint tenant's rights in this account do not take effect until the debt has been satisfied and (2) the debt may be satisfied with the funds in this account.

## **STOP PAYMENTS**

A stop-payment order must be given in the manner required by law, must be received in time to give us a reasonable opportunity to act on it and must precisely identify the number, date and the amount of the item, and the payee. Our stop-payment cut-off time is one hour after the opening of the next business day after the business day on which we receive the item. Law provides additional limitations on our obligation to stop payment. We will honor a stop-payment request by the person who signed the particular item, and by any other person, even though such other person did not sign the item, if such other person has an equal or greater right to withdraw from this account than the person who signed the item in question. Only the person who initiated the stop-payment request may make a release of the stop-payment request.

## **TELEPHONE TRANSFERS**

A telephone transfer of funds from this account to another account with us, if otherwise permitted or arranged for, may be made by the same person and under the same conditions generally applicable to withdrawals made in writing. We restrict the number of transfers from a savings account to another account, or third parties, to a maximum of (6) six per month (less the number of certain "pre-authorized transfers" during the month). Other account transfer restrictions are described elsewhere in this brochure.

## **AMENDMENTS AND TERMINATION**

We may change our by-laws and any term of this agreement. Rules governing changes in dividend rates have been provided separately. For other changes we will give you reasonable notice in writing or by any other method permitted by law. We reserve the right to close this account if your membership in this credit union terminates. You agree to keep us informed about your current address at all times. Notice from us to anyone of you is notice to all of you.

## **STATEMENTS**

You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized payments or alterations, you must promptly notify us of the relevant facts. If you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we exercised ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but also other items forged or altered by the same wrongdoer. You agree that the time you have to examine your statement and report to us will depend on the circumstances, but that such time will not, in any circumstances, exceed a total of 30 days from when the statement is first made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, forgeries or any other errors in your account within 60 days of when we make the statement available, you cannot assert a claim against us on any items in that statement, and the loss will be entirely yours. This 60-day limitation is without regard to whether we exercised ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

## **ACCOUNT TRANSFER**

This account may not be transferred or assigned without our prior written consent.

## **DIRECT DEPOSITS**

If, in connection with a direct deposit plan, we deposit any amount in this account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from this account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

## **TEMPORARY ACCOUNT AGREEMENT**

If this option is selected, this is a temporary account agreement. Each person who signs in this space designated for signatures on the signature card (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

## **RESTRICTIVE LEGENDS**

We are not required to honor any restrictive legend on items that you write unless we have agreed to the restriction in a writing signed by an officer of the credit union. Examples of restrictive legends are "must be presented in 90 days" or "not valid for more than \$1,000.00".

## **FACSIMILE SIGNATURES**

You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of, by whom, or by what means the facsimile signature (s) may have been affixed so long as they resemble the facsimile signature specimen on the signature card or that are filed separately with us, and contain the required number of signatures for this purpose.

## **RIGHT TO REPAYMENT OF INDEBTEDNESS**

You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we charge the account, including any balance the due date for which we properly accelerate under the note.

Our right to repayment does not apply to this account if: (a) It is an Individual Retirement Account or other taxed deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan, or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount that you owe us from your account. You agree to hold us harmless for any claim arising as a result of our exercise of our right to repayment.

## **AGENTS**

An agent is someone who you authorize to have access to this account on your behalf. (We, however, have no duty or agreement whatsoever to monitor or insure that the acts of the agent are for your benefit). This may be done by allowing your agent to sign on the space as an "agent" on your signature card, or by separate for (such as a power of attorney). An agent is not an owner of the account. We may refuse to accept an agent, or an agency account.