

MIT FEDERAL CREDIT UNION

Certificate Accounts Disclosure

Fixed Rate Term Accounts

MIT Federal Credit Union's Board of Directors establishes all Fixed Certificate rates. Minimum Balance Requirements—The minimum deposit required to open a Fixed Rate Certificate Account is \$500 for all share certificates which are described as regular.

You must maintain a minimum daily balance of \$500.00 (for Regular share certificate types) in your account each day to obtain the disclosed annual percentage yield.

Bylaw Requirements—You must complete payment of one share (\$5.00) in your Prime Share (Savings) account as a condition of admission to membership.

Information Applicable To All Certificate Accounts

Rate margins, dividend rates and the corresponding annual percentage yields may change on any day as determined by MIT Federal Credit Union's Board of Directors. You will be paid this rate until first maturity.

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 this 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, (which is January 31 in the example above).

Compounding and Crediting

Compounding Frequency: Unless otherwise paid, dividends will be compounded every day.

Crediting Frequency: Dividends will be credited to your account every month. Alternatively, you may choose to have your dividends paid to you or to another eligible MIT FCU account every month rather than credited to this account. Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

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. Dividends will begin to accrue on the business day you place non-cash items, such as checks, to your account.

Redemptions: Certificate Accounts can be scheduled for redemption at maturity, when you make your original deposit. You may wait until you receive the maturity notice to schedule redemption or write/call us to schedule automatic maturity redemption.

Withdrawal of Dividends Prior to Maturity

The annual percentage yield is based on an assumption that dividends will remain in the account until maturity. A withdrawal will reduce earnings.

Early Withdrawal Penalties: A penalty may be imposed for making withdrawals of any amount before the maturity date of your share certificate. If the term of the share certificate is less than one year, the penalty will equal 90 days loss of dividend or, if the time surpassed is less than 90 days, forfeiture of the entire dividend earned to date. If the term of the share certificate is one year or longer, the penalty will equal 180 days loss of dividend or, if the time surpassed is less than 180 days, forfeiture of the entire dividend earned to date.

- If dividends have been transferred and therefore are no longer accessible to us, the applicable penalty amount will be deducted from the principal of your share certificate.
- 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. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

Withdrawals from Traditional IRA certificates for the satisfaction of required minimum distributions are not subject to penalty. The annual percentage yield is based on an assumption that dividends will remain in the account until maturity. A withdrawal will reduce earnings.

If earned dividends are not sufficient to cover the penalty, the early withdrawal penalty may affect principal.

Transactions Limitations

After the account is opened, you may not make additions into the account until the maturity date stated on the account. You may not make withdrawals of principal from your account before maturity.

You will have a grace period of 10 days after the maturity date to withdraw funds without penalty. You can only withdraw dividends before maturity if you make arrangements with us for periodic payments of dividends in lieu of crediting.

We reserve the right to at any time require not less than seven days notice in writing before each withdrawal from a dividend-earning account other than a time deposit or from any other savings account as defined by Regulation D.

Fees and Service Charges

Your account is subject to fees and service charges which are detailed in the Schedule of Fees.

Automatically Renewable Account

This account will automatically renew at maturity. You may prevent renewal if we receive notice from you before maturity of your intention not to renew. We can prevent renewal if we notify you at least 30 calendar days before maturity. If either you or we prevent renewal, your funds will be placed in a dividend-bearing account.

Each renewal term will be the same as the original term, beginning on the maturity date. If the term of your certificate is a special term that is not available at the time of your renewal, we will select a term that is similar in length and disclose that term to you before renewal. The dividend rate will be the same that we offer on new term share accounts on the maturity date which have the same or similar term, minimum balance (if any), and any other features as the original term share account.

There is a 10 day grace period following the maturity of this account during which you may withdraw the funds without being charged an early withdrawal penalty.

Certificate Accounts Owned by a Business or Organization: Business/Organizational accounts are subject to enhanced regulatory compliance standards related to beneficial ownership and therefore will not automatically renew. Upon maturity the balance of any certificate held in the name of a business or organization will be redeemed to the primary share account.

Other Terms and Conditions

The Credit Union may change its bylaws and any term of your account at anytime. We will give you reasonable notice in writing, unless circumstances beyond our control make such notice impractical or prior notice would represent an unreasonable security risk to the Credit Union.

If the Credit Union calls or redeems your account early, we will provide 60 days written notice to you. Should we exercise this option, your Certificate Account will be redeemed without penalty on the day specified in the notice, and the entire balance, including earned dividends, will be automatically transferred to your Share Account.

National Credit Union Administration

Member accounts in this Credit Union are federally insured by the National Credit Union Administration, a U.S. Government Agency.

Bylaw Requirements

You must complete payment of one share of (\$5.00) in your Prime Share (Savings) account as a condition of admission to membership.

