

TRUTH IN SAVINGS DISCLOSURES

The Truth-in-Savings Act (TIS) was implemented in 1991 to help simplify comparisons of various accounts at different financial institutions by requiring disclosures of interest rates payable and fees assessable against these accounts.

The following disclosure information illustrates the various savings and checking accounts available to members of GraCo Federal Credit Union (GFCU). The dividend rate sheets and fee schedules referenced in this document can be viewed at www.gracofcu.org or in our office. If you would like to receive this information by mail, please contact our office at 989-463-1247.

Common Features

All accounts at GFCU share several common features. These features are as follows:

Membership: You must be a member in good standing with GFCU by purchasing a \$10.00 par value share of GFCU.

Dividends: Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period. The dividend rate and annual percentage yield may change at the end of each dividend period for all accounts except term share certificates. Dividend rates on term share certificates may change upon maturity if the certificate is renewed.

Federal Deposit Insurance: Accounts are federally insured by the National Credit Union Share Insurance Fund (NCUSIF) which is administered by the National Credit Union Administration, an Agency of the United States Government.

Transaction Limitations: We reserve the right to, at any time, require not less than 60 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.

Compounding and Crediting of Dividends: Unless otherwise specified below, dividends will be compounded and credited to your account on a quarterly basis.

Dividend Period: The dividend period is quarterly for all accounts except those specified as monthly below. For example, the beginning date of the first dividend period of the calendar year is January 1 through March 31 (January 1 – January 31 for monthly dividend accounts). All other dividend periods follow this same pattern of dates.

Balance Computation for Dividends: Dividends are calculated using the average daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of Dividends: Dividends will begin to accrue on the business day that you deposit cash or non-cash items to your account.

SHARE ACCOUNT

The minimum balance required to open this account is the purchase of a share in the credit union. You must maintain a minimum average balance of \$10.00 in your account to obtain the disclosed annual percentage yield and remain a member in good standing with GFCU.

Transaction limitations: During any calendar 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 preauthorized or automatic transfer, online transfer, or telephonic order or instruction. No more than three of the six transfers may be made by debit card or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to excess transaction fees, possible return items, and closure by this credit union.

SHARE DRAFT ACCOUNT

No minimum balance requirements apply to this account. No dividends are paid on this account. No transaction limitations apply to this account unless otherwise stated in the Common Features section above.

MONEY MARKET SHARE ACCOUNT

Dividends are compounded and paid monthly on this account.

Minimum Balance Requirement: The minimum balance required to open this account is \$1,500.00. You must maintain a minimum average daily balance of \$1,500.00 in your account to obtain the disclosed annual percentage yield. A fee of \$5.00 will be assessed at month end if the balance falls below the minimum at any time during the month.

Transaction limitations: During any calendar 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 preauthorized or automatic transfer, online transfer, or telephonic order or instruction. No more than three of the six transfers may be made by debit card or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to excess transaction fees, possible return items, and closure by this credit union.

MONEY MARKET SHARE DRAFT ACCOUNT

Dividends are compounded and paid monthly on this account.

Minimum Balance Requirement: The minimum balance required to open this account is \$1,500.00. You must maintain a minimum average daily balance of \$1,500.00 in your account to obtain the disclosed annual percentage yield. A fee of \$5.00 will be assessed at month end if the balance falls below the minimum at any time during the month.

Transaction limitations: No transaction limitations apply to this account unless otherwise stated in the Common Features section above.

IRA SHARES ACCOUNT

No minimum balance requirements apply to this account.

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

CHRISTMAS CLUB ACCOUNT

No minimum balance requirements apply to this account. Christmas Club funds are available on October 15th of each year (or the 1st business day preceding the 15th) and will be automatically transferred to the GFCU account designated at account opening on that date.

Transaction Limitations: You may not make any withdrawals or transfer to another credit union account of yours or to a third party by means of a preauthorized or automatic transfer, online transfer, telephonic order or instruction, or similar order to a third party. If any withdrawal is made from this account before the end of the club term, an early withdrawal fee will be deducted from the account. Please refer to the Fee Schedule for the current fee amount. This account may be closed with frequent withdrawals.

VACATION CLUB ACCOUNTS

No minimum balance requirements apply to this account. Funds may be withdrawn at anytime throughout the year with no penalties.

Transaction Limitations: You may not make any withdrawals or transfer 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.

TERM SHARE CERTIFICATES (CDs)

Dividends on term share certificates are compounded and paid quarterly on the anniversary date of the certificate rather than the end of the calendar quarter. Dividends will be added to your account quarterly unless you choose to have the dividends paid to another account at GFCU.

The minimum balance on a term share certificate depends on the term of the account. Three (3) and six (6) month CDs require a minimum balance of \$500.00 and longer terms require a \$1,000.00 minimum balance to obtain the disclosed annual percentage yield.

Transaction Limitations: After the account is opened, you may not make additions into the account until the maturity date stated on the account. You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. Principal withdrawn before maturity is included in the amount subject to an early withdrawal penalty. You can withdraw dividends credited in the term before maturity of that term without penalty.

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 of dividends will reduce earnings.

Early Withdrawal Penalties: A penalty is imposed for withdrawals made before the maturity date. If your account has an original maturity of one (1) year or less, the penalty we may impose is the lesser of:

- * All dividends earned since last crediting on the amount withdrawn (or seven days dividends on the amount withdrawn if earned dividends are less than seven days dividends), or
- * 90 days dividends on the amount withdrawn.

If your account has an original maturity of more than one (1) year, the penalty we may impose is the lesser of:

- * all dividends earned since last crediting on the amount withdrawn (or seven days dividends on the amount withdrawn if earned dividends are less than seven days dividends), or
- * 180 days dividends on the amount withdrawn.

There are certain circumstances, such as the death or incompetence of an owner, where we may waive or reduce this penalty. See your plan disclosure if this account is part of an IRA or other tax qualified plan.

Automatically Renewable Account: This account will automatically renew at maturity. You may prevent renewal if you notify us of your intention not to renew before maturity or within the 10 day grace period after maturity. 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. Each renewal term will be the same as the original term, beginning on the maturity date which will have the same term, minimum balance and other features as the original term share account. The renewal dividend rate will be the available rate offered at maturity.

FUNDS AVAILABILITY

Our policy is to make funds from your deposits available to you immediately. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit. A returned check fee may be assessed. Please refer to our Fee Disclosure for the current fee amount.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 4:30 PM on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 4:30 PM or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If you make a deposit at an ATM before 4:00 PM on a business day that we are open, we will consider that day to be the day of your deposit, provided that the deposit is transmitted to us by the financial institution that owns the ATM. However, if you make a deposit at an ATM after 4:00 PM or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If we cash a check for you that is drawn on another bank, we may withhold 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 in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

Longer Delays May Apply

In some cases, we will not make all of the funds that you deposit by check available to you immediately. Depending on the type of check that you deposit, funds may not be available until the sixth business day after your deposit.

If we are not going to make all of your funds from your deposit available immediately, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you need funds from the deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- * We believe the check you deposit will not be paid.
- * You deposit checks totaling more than \$5,000.00 on any one day.
- * You redeposit a check that has been returned unpaid.
- * You have overdrawn your account repeatedly in the last six months.
- * There is an emergency, such as a failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the eleventh business day after the day of your deposit.

CHECK 21 – SUBSTITUTE CHECKS AND YOUR RIGHTS

Federal law permits financial institutions to replace original checks with “substitute” checks or electronic checks to make check processing quicker. Substitute checks are very similar to regular checks except that the image is smaller and the face of the check states that “This is a legal copy of your check. You can use it the same way you would your original check”. If you request a copy of your cleared check and it is a substitute check, it can be used as proof of payment just as an original check would be used.

Federal law also permits you request a refund for losses suffered because of a posting error of a substitute check such as the substitute check cleared for the wrong amount or cleared twice, for example. The losses you may attempt to recover include the amount that was withdrawn from your account in error and any fees that were caused by that withdrawal (NSF charges, for example).

The amount of your refund is limited to the amount of your loss or the amount of the substitute check, whichever is less. You are also entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under the law. If you use procedure, you may receive up to \$2,500.00 of your refund (plus interest if your account earns interest) within 10 days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 days after we received your claim. We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact GFCU at 305 W Downie, Alma, MI 48801 or at 989-463-1247. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered to you by means that you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

- * A description of why you have suffered a loss (for example, you think the amount is incorrect);
- * An estimate of the amount of your loss; and
- * A copy of the substitute check and/or the following information to help us identify the substitute check: identifying information (check number, for example), the name of the person to whom you wrote the check, the amount of the check