

DISCLOSURE FOR POLICE FEDERAL CREDIT UNION SHARE CERTIFICATES

RATE INFORMATION

The annual percentage yield and dividend rate assume that dividends are to be added to the principal and remain in the account until maturity. Rates are fixed for the term of the Share Certificate. Any early withdrawal will reduce earnings. Rates may change daily. For current dividend rates and annual percentage yields for Share Certificate accounts, call Police FCU at:

877-ARU-PFCU or 301-817-1200.

The dividend rate and annual percentage yield applicable to your Share Certificate will be provided upon receipt of your application.

NATURE OF DIVIDENDS

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

Accrual of Dividends: Dividends will accrue from the date of deposit to the date of maturity.

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

Compounding and Crediting of Dividends: Dividends are compounded monthly and credited to the account at the end of each month and at maturity. If the maturity date is a Saturday, a Sunday or a holiday, the funds will be credited to your account on the following business day.

Dividend Payment Options: You may choose to have the dividends automatically transferred to a share account each month, or you may make individual requests for the funds as desired. However, if dividends are withdrawn prior to maturity, the stated annual percentage yield will not apply.

MATURITY AND RENEWAL POLICIES

Your Share Certificate will mature on the date provided to you upon receipt of your application. Your Share Certificate account will automatically renew at maturity and roll into a similar term at the dividend rate then being offered for the respective type and term of the Share Certificate, unless you withdraw the funds at maturity. You will have a grace period of 10 business days after the maturity date to withdraw the funds in the account without being charged an early withdrawal penalty.

MINIMUM BALANCE REQUIREMENTS

The minimum balance required to open a Share Certificate account is \$500.00

TRANSACTION LIMITATIONS

After a Share Certificate is established, you may not add funds to the account until the maturity date. The Share Certificate is non-redeemable during the first six days of issuance.

EARLY WITHDRAWAL PENALTIES

A penalty will be imposed for early withdrawal. This penalty will be assessed at the time of withdrawal and is calculated as follows:

- For Share Certificates with terms up to and including 2 years, you will forfeit the lesser of 90 days of dividends on the original deposit amount or the amount of dividends earned since the date of issuance.
- For Share Certificates with terms over 2 years up to and including 4 years, you will forfeit the lesser of 180 days of dividends on the original deposit amount or the amount of dividends earned since the date of issuance.

• For Share Certificates with terms over 4 years, you will forfeit the lesser of 365 days of dividends on the original deposit amount or the amount of dividends earned since the date of issuance.

• If you have elected to have your dividends transferred to Share Savings or paid by draft, applicable early withdrawal penalties will be deducted from the principal.

• No penalty will be imposed if the withdrawal is the result of liquidation of the Credit Union or upon the death of any owner.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Member accounts in this Credit Union are federally insured up to \$250,000 by the National Credit Union Share Insurance Fund.

FEES

There are no fees associated with the Share Certificates. There is a \$5.00 non-refundable membership fee to become a member of the Credit Union and there is a requirement that a minimum balance of \$5.00 (the par value of one share) be maintained in a primary savings account.

BYLAW REQUIREMENTS

The par value of a share in this Credit Union is \$5.00.

JOINT ACCOUNT (MULTIPLE PARTY) AGREEMENT

This account is governed by the laws of the state of Maryland. The Police Federal Credit Union is hereby authorized to recognize any of the signatures appearing on the application in payment of funds or the transaction of any business for this account. The joint owners of the account agree with each other and with Police FCU that all sums, now or in the future, paid on this account by any or all of the joint owners to their credit as joint owners with all additions and adjustments, are and shall be owned by them jointly, and are subject to the withdrawal or receipt of any of them. Payments to any of them or the survivor(s) shall be valid and discharge Police FCU from any liability whatsoever. Unless contrary direction is given, upon the death of a party to the account the funds shall belong to the surviving party or parties. Any or all of said joint owners may pledge all or any part of the funds in the account as collateral security to a loan or loans. A joint owner may be removed from this account only at the express written authorization of that joint owner. The right or authority of Police FCU under this agreement shall not be changed or terminated by any of the owners, except by written notice to Police FCU. Such written notice shall not affect any previous transactions.

*APY=Annual Percentage Yield

