



**First Source**  
Federal Credit Union

4451 Commercial Drive, New Hartford, NY 13413

## Important Information About Your Account Term Share Certificates

**Rate Information.** Please see our current Rates and/or Fees Schedule for current Annual Percentage Yield (APY). The Annual Percentage Yield (APY) reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. The dividend rate and Annual Percentage Yield (APY) are determined at the time you open your Term Share Certificate, and remain fixed for the term of the account.

**Compounding and Crediting.** Dividends on your Term Share Certificate are compounded and credited monthly and at maturity. You may choose to have the dividends credited to your Term Share Certificate, or credited to another account with us. The Annual Percentage Yield on your Term Share Certificate assumes dividends will remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

**Minimum Balance Requirements.** The minimum balance to open a First Source Term Share Certificate and to earn dividends is \$1,000.00. The minimum balance to open an Investeroo Term Share Certificate or a My Terms Share Certificate and to earn dividends is \$500.00.

**Balance Computation Method.** We use the *Daily Balance Method* to calculate dividends. The *Daily Balance Method* applies a daily periodic rate (dividend rate divided by 365 days) to the balance in the account each day, then adds those daily calculations together and credits the amount to the balance of the account on the last calendar day of the month. Dividends are calculated using the dividend rate in place on the last calendar day of the month.

**Accrual of Dividends.** Dividends will begin to accrue on the business day that you deposit cash and noncash items (e.g. checks) to your account at any Credit Union branch office.

**Transaction Limitations.** You may not make additional deposits to your Term Share Certificate until maturity.

**Maturity and Renewal.** A maturity date will be established when you open your Term Share Certificate. Please see your Term Share Certificate Receipt, Periodic Account Statement or Renewal Notice for the maturity date. If the maturity date of your Term Share Certificate is a Sunday or Federal holiday, we will pay you dividends on your Term Share Certificate at the previous rate until the first business day after the original maturity date, and that will be deemed to be the new maturity date.

You will be notified in writing before the maturity of your Term Share Certificate. We will mail a maturity notice at least 10 days prior to the maturity date. If you do not instruct us differently, we will automatically renew your Term Share Certificate at maturity by placing the funds, plus any dividends not already paid to you, in a renewal Term Share Certificate of the same type and for the same term as your original deposit (or the closest available type and term), at the Dividend Rate and Annual Percentage Yield offered on the maturity date for your Term Share Certificate of comparable terms and amounts. You may withdraw your funds from your Term Share Certificate without penalty within 10 calendar days after the maturity date, but no dividends will be paid during this period if you do withdraw your funds.

**Early Withdrawal Penalty** — We may impose a penalty if you withdraw funds from your account before the maturity date.

**a. Amount of Penalty.** For accounts with terms of less than 12 months, the amount of early withdrawal penalty for your account is all accrued dividends up to 90 days' dividends but not less than seven (7) days' dividends. For accounts with terms of 12 months or longer, the amount of early withdrawal penalty for your account is all accrued dividends up to 180 days' dividends but not less than seven (7) days' dividends.

**b. How the Penalty Works.** The penalty is calculated as a forfeiture of part of the dividends that have been or would be earned on the account. It can apply whether or not the dividends have been earned. In other words, if the account has not yet earned enough dividends or if the dividends have already been paid, the penalty may be deducted from the principal.

**c. Exceptions to Early Withdrawal Penalties.** At our option, we may pay the account before maturity without imposing an early withdrawal penalty under the following circumstances:

(i) When an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction.

(ii) Where the account is an Individual Retirement Account (IRA) and any portion is paid within seven (7) days after the establishment of the account; or where the account is a Keogh Plan (Keogh), provided that the depositor forfeits an amount at least equal to the simple dividends earned in the amount withdrawn; or where the account is an IRA or Keogh and the owner attains age 59½ or becomes disabled.

**Fees and Charges.** We may impose fees, charges, or penalties against your account(s). Please see our Rates and/or Fees Schedule for the types, amounts, and conditions of the fees and charges.

**Nontransferable/Nonnegotiable.** Your account is nontransferable and nonnegotiable.

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