



Appendix 4: Truth in Savings Disclosure Template

1. Completing the TIS Disclosure Template

Credit unions are required to disclose certain details about any share certificate or certificate deposit account upon the time of account opening. The following template was created to help you meet your disclosure requirements. Please keep these points in mind as you update this disclosure:

- This template was drafted as a disclosure creation aide.
 - If your credit union has an existing TIS disclosure, you are not required to use this template.
 - If your credit union chooses to use this template, you are solely responsible for the accuracy of the terms noted in final disclosure.
- Several areas of this template have highlighted text that requires customization prior to being used.
 - Your final disclosure should be reviewed by your credit union's staff, legal team and/or compliance expert.
 - This template does not supersede your credit union's policies and procedures, TIS disclosures or account terms and conditions.

2. How the TIS Disclosure is used

- Your TIS disclosure should be provided to each account holder who opens a Lucky Savers share certificate or certificate of deposit.
- Your TIS disclosure should be updated any time you change the terms and conditions of your Lucky Savers share certificate or certificate of deposit.
- Your TIS disclosure is NOT posted on www.nycua.org website nor is maintained by NYCUA.

12 Month Lucky Savers **Share Certificate / Certificate of Deposit**

Truth-In-Savings Disclosure

Effective date: **October 1st, 2016**

Lucky Savers *Share Certificate or Certificate of Deposit*: Each Lucky Savers Certificate requires an initial deposit of \$25.00 and account holders may make additional deposits into that certificate throughout its term. The initial deposit and all subsequent deposits mature 12 months after the date that the initial deposit is made. Each account holder is limited to one Lucky Savers Certificate.

Interest/Dividend Rate: The **interest/dividend** rate is **x.xx%** with an Annual Percentage Yield (APY) of **x.xx%**

Rate Information: The APY is a percentage rate that reflects the total amount of interest/dividends to be paid on an account based on the rate and frequency of compounding for an annual period. For all accounts, the interest/dividend rate and APY are fixed and will be in effect for the initial term of the accounts. For accounts subject to interest/dividends, compounding the APY is based on an assumption that interest will remain on deposit until maturity. Interest/Dividends will not be paid if the account is closed at any time prior to maturity. Withdrawals will reduce earnings.

Compounding and Crediting: Interest/Dividends on the 12-Month Lucky Savers Certificate will be compounded and credited **at maturity of the certificate**.

Minimum Balance Requirements: The minimum balance requirement for the certificate is **\$25.00** and account holders must maintain a regular share account with a minimum balance of **\$5.00**.

Balance Computation Method: [Interest/Dividends] is/are calculated by the daily balance method, which applies a daily periodic rate to the balance in the account each day.

Accrual of Interest: Interest/Dividends will begin to accrue on non-cash deposits (e.g. checks) on the business day you make the deposit to your account.

Early Withdrawal & Penalty: During the term of the Lucky Savers Certificate, account holders will be allowed to make one withdrawal from the account, with a **\$25.00** penalty to be assessed at the time of withdrawal. If the early withdrawal reduces the principal below the minimum balance or a second withdrawal is performed in the 12-month term, the certificate will be closed. **The credit union will deduct from the principal amount to cover the penalty.**

Exceptions to Early Withdrawal Penalties: At our option, we may pay the account before maturity without imposing an early withdrawal penalty when an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction.

Transaction Limitations: Additional deposits are allowed during the term of this certificate. For every \$25.00 increase in month over month balance, the certificate owner will earn one entry (up to 10 entries per month/30 entries per quarter) into the Savings Promotion Raffle. The Raffle begins on **October 1, 2016** and ends **September 30, 2017**, however certificates will mature 12 months after account opening. The Official Rules can be found online at www.nycua.org and are provided upon opening the certificate.

Renewal Policy: This account type will automatically renew at maturity if the balance in the Lucky Savers Certificate is greater than \$25.00. The certificate will renew as a 12-month Lucky Savers Certificate, **with the (APY) being what is stated as our current 12 month rate**. If the balance in the certificate is less than \$25.00 or if account holders choose not to renew the certificate, the funds will be transferred to the account holder's regular savings account at the credit union. You will receive a notice from the credit union **30 days** prior to your certificate's maturity. You will have a **seven (7)** day grace period after maturity to withdraw funds without being charged an early withdrawal penalty.