

REDSTONE FEDERAL CREDIT UNION®
NO-PENALTY SHARE CERTIFICATE ACCOUNT
TRUTH IN SAVINGS DISCLOSURE SUPPLEMENT

The No-Penalty Share Certificate is a 12-month certificate and is only available for a limited period of time. The Credit Union may stop offering this certificate at any time without notice. Only one No-Penalty Share Certificate is allowed at a time per member. No-Penalty Withdrawals are not permitted within the first six (6) days after account opening. To withdraw funds for the No-Penalty Share Certificate, the entire amount, including principal plus dividends earned, must be withdrawn in one single transaction.

OUR REGULATIONS PROHIBIT PAYMENT OF DIVIDENDS IN EXCESS OF AVAILABLE FUNDS.

TRUTH IN SAVINGS DISCLOSURES:

1. Rate information. Please refer to the Share Certificate Account Rate Sheet for the current dividend rate and annual percentage yield. For new accounts, the annual percentage yield (APY) and dividend rate are disclosed on the Share Certificate Account Rate Sheet. These rates will be in effect for the term of the account.

2. Compounding and crediting. Dividends will be compounded and credited to the share certificate account quarterly. Dividends are earned on the basis of the principal amount remaining on deposit in the share certificate account. A withdrawal will reduce earnings. If you close your certificate account before dividends are credited, you will receive dividends due at the time the account is closed. Dividends will not be earned for the day the account is closed.

3. Minimum and maximum balance requirements. The minimum balance required to open and maintain this account and obtain the disclosed APY is \$100. The maximum deposit amount for this share certificate is \$10,000. The No-Penalty Certificate is not available as a Jumbo or Member's Choice Certificate.

4. Balance computation method. Dividends are calculated by the daily balance method, which applies a daily periodic rate to the principal in your account each day.

5. Accrual of dividends. Dividends will begin to accrue on the business day you deposit noncash items (e.g., checks) to your account.

6. Transaction limitations. After the account is opened, you may not make deposits into or partial withdrawals from the account. Any withdrawal from the account must be a full withdrawal of all funds in the account and the certificate will be closed. Partial withdrawals are not allowed.

7. Maturity date. Please refer to the Member's Share Certificate Account Receipt for the correct maturity date.

8. Early Withdrawal Penalties. You may withdraw funds without a penalty on the seventh day or later after the certificate is opened. You may not make a withdrawal during the first six days that the certificate is opened. If you make a withdrawal, you must withdraw all funds in the certificate and the certificate will be closed. Partial withdrawals are not allowed.

9. Renewal policies. Your certificate is a special certificate and it will not renew automatically at maturity. All funds remaining in the share certificate at maturity will be transferred to your share account (savings) and earn dividends at the then current rate for the share account (savings).

10. Bylaw requirements. A member who fails to complete payment of one share within six (6) months of admission to membership, or within six (6) months from the increase in the par value in shares, or a member who reduces the share balance below the par value of one share within six (6) months of the reduction may be terminated from membership at the end of a dividend period. Shares may be transferred only from one member to another, by written instrument in such form as the Credit Union may prescribe. The Credit Union reserves the right, at any time, to require members to give, in writing, not more than 60 days notice of intention to withdraw the whole or any part of the amounts so paid in by them. Shares paid in under an accumulated payroll deduction plan may not be withdrawn until credited to a member's account. No member may withdraw shareholdings that are pledged as required as security on loans without the written approval of a loan officer, except to the extent that such shares exceed the member's total primary and contingent liability to the Credit Union if he/she is delinquent as a borrower, or if borrowers for whom the member is comaker, endorser, or guarantor are delinquent, without the written approval of a loan officer.

11. Par value of shares; dividend period. The par value of a regular share in RFCU is \$5. For this account type, the dividend period is quarterly, for example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the ending date of a dividend period and for the example is March 31.

12. National Credit Union Share Insurance Fund. Member accounts in this Credit Union are federally insured by the National Credit Union Share Insurance Fund.

OTHER TERMS AND CONDITIONS:

Each owner of the account agrees with the Credit Union as follows:

1. **You must have a share account (savings) and be primary on a checking account at the Credit Union before you can open a No-Penalty Share Certificate account. Your share account (savings) and checking account may not be closed prior to the closing of the share certificate account.**
2. You may only have one No-Penalty Share Certificate open at a time. Once your No-Penalty Share Certificate is closed, you may open another No-Penalty Share Certificate if the certificate is still available.
3. To the extent necessary to comply with the foregoing, deductions may be made from the principal of the account.
4. Notwithstanding the foregoing, funds in the share certificate account may be withdrawn within the first six days of opening and funding the certificate without penalty:
 - a. If the withdrawal is made subsequent to the death of any owner of the share certificate account;
 - b. If the withdrawal is made pursuant to Article III of the Bylaws of Redstone Federal Credit Union (pertaining to termination of membership under certain conditions);
 - c. Such withdrawal is made as a result of the voluntary or involuntary liquidation of Redstone Federal Credit Union.
5. On the maturity date, funds due under the certificate will be deposited to your share account (savings) at the then current dividend rate.
6. If two or more names appear on the share certificate account that is established, it shall be their joint account and subject to the joint ownership provisions which are incorporated by reference and made part of this disclosure.
7. You have twenty (20) days, from the day of receipt of monthly statement, to object to items reflected on statement of account.
8. The No-Penalty Share Certificate is not available for trust accounts or business accounts.