

## ACCOUNT DISCLOSURES (continued)

**8. MATURITY** — Your account will mature as indicated on this Truth-in-Savings Disclosure or on your Account Receipt or Renewal Notice. Additional deposits can be made at maturity.

**EARLY WITHDRAWAL PENALTY** — We may impose a penalty if you withdraw any of the principal before the maturity date.

**AMOUNT OF PENALTY** — For all Certificate accounts, the amount of the early withdrawal penalty is based on the term of your account. The penalty schedule is as follows:

Terms of under 1 year	90 days' dividends
Terms of 1 year to 3 years	180 days' dividends
Terms of greater than 3 years	365 days' dividends

**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 applies whether or not the dividends have been earned. In other words, if the account has not yet earned enough dividends or if the dividend has already been paid, the penalty will be deducted from the principal.

**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.
- (ii) Where the account is an Individual Retirement Account (IRA) and any portion is paid within seven (7) days after establishment.

**RENEWAL POLICY** — For all accounts, your account will automatically renew for another term upon maturity. You have a grace period of seven (7) days after maturity in which to withdraw funds in the account without being charged an early withdrawal penalty.

**NONTRANSFERABLE/NONNEGOTIABLE** — Your account is nontransferable and nonnegotiable. The funds in your account may not be pledged to secure any obligation of an owner, except obligations with the Credit Union.

The rates and fees appearing with this Schedule are accurate and effective for accounts as of the effective date indicated on this Truth-in-Savings Disclosure. If you have any questions or require current rate and fee information on your accounts, please call the Credit Union.

# Truth-in-Savings Disclosure

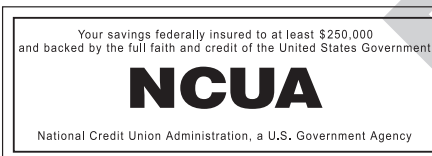
## Term Certificate Accounts



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# TRUTH-IN-SAVINGS DISCLOSURE

Member Number:

The rates, fees, and terms applicable to your account at the Credit Union are provided in this Truth-in-Savings Disclosure. The Credit Union may offer other rates for these accounts from time to time.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Social Security Number:

## RATE SCHEDULE

ACCOUNT TYPE	<input type="checkbox"/> Term Certificate	<input type="checkbox"/> IRA Term Certificate	<input type="checkbox"/> 2 Year Step-Up Certificate	<input type="checkbox"/> 5 Year Step-Up Certificate
Minimum Opening Deposit:	\$500.00	\$500.00	\$500.00	\$500.00
Dividends Compounded:	Daily	Daily	Daily	Daily
Dividends Credited:	Monthly	Monthly	Monthly	Monthly
Dividend Period:	Account's Term	Account's Term	Account's Term	Account's Term
RATE TYPE	Fixed	Fixed	Varied – Based on Member Discretion	Varied – Based on Member Discretion
Effective Date:				
<b>TERM</b>	Dividend Rate (%)	Annual Percentage Yield (APY) (%)	Dividend Rate (%)	Annual Percentage Yield (APY) (%)
<b>Certificate Account</b>				
<b>Opening Balance</b>				
<input type="checkbox"/> 3 Month	_____	_____		
<input type="checkbox"/> 6 Month	_____	_____		
<input type="checkbox"/> 1 Year	_____	_____		
<input type="checkbox"/> 2 Year	_____	_____		
<input type="checkbox"/> 2 Year Step-Up	_____	_____		
<input type="checkbox"/> 3 Year	_____	_____		
<input type="checkbox"/> 5 Year	_____	_____		
<input type="checkbox"/> 5 Year Step-Up	_____	_____		
<input type="checkbox"/> _____ Month	_____	_____		
Maturity Date:				
Additional Deposits:	Not Allowed	Not Allowed	Not Allowed	Not Allowed
Withdrawals:	Allowed – With Penalty	Allowed – With Penalty	Allowed – With Penalty	Allowed – With Penalty
Renewable:	Automatic	Automatic	Automatic	Automatic

## ACCOUNT DISCLOSURES

**Except as specifically described, the following disclosures apply to all of the accounts. All accounts described in this Truth-in-Savings Disclosure are share accounts.**

**1. RATE INFORMATION** — The annual percentage yield is a percentage rate that 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. For Term Certificate and IRA Term Certificate accounts, the dividend rate and annual percentage yield is fixed and will be in effect for the term of the account. For accounts subject to dividend compounding, the annual percentage yield is based on an assumption that dividends will remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

If you have a qualifying relationship under our Advantage Pricing program, your rate will be 25 basis points higher than the actual rate of a member without Advantage Pricing. (For a full description of the Advantage Pricing program, please see Section 1, Sub-Section 12 in the 3/20/06 revised, or later edition of the Palisades Federal Credit Union Membership Booklet.)

If you had that qualifying relationship at the inception of a term certificate or IRA and your Advantage Pricing relationship changes during the term of your certificate or IRA, we reserve the right to adjust your originally contracted rate and yield by reducing it 25 basis points.

**2. THE STEP-UP CERTIFICATE ACCOUNTS** — The 2 Year Step-Up Certificate and 5 Year Step-Up Certificate accounts will have a fixed rate for the term of the certificate, unless the member exercises in writing a one (1) time option to have the rate increased to the rate then being offered.

**3. NATURE OF DIVIDENDS** — Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period.

**4. DIVIDENDS COMPOUNDING AND CREDITING** — The compounding and crediting of dividends applicable to each account is set forth in the Rate Schedule. The dividend period begins on the first calendar day of the dividend period and ends on the last calendar day of the dividend period.

**5. BALANCE INFORMATION** — The minimum balance requirements applicable to each account are set forth in the Rate Schedule. To open any account, you must deposit or already have on deposit at least the par value of one (1) full share in any account. The par value amount is stated in the Fee Schedule. For all accounts, dividends are calculated by the daily balance method which applies a daily periodic rate to the principal in the account each day.

**6. ACCRUAL OF DIVIDENDS** — For all accounts, dividends will begin to accrue on noncash deposits (e.g. checks) on the business day you make the deposit to your account.

**7. TRANSACTION LIMITATIONS** — For all accounts, after your account is opened you may make withdrawals subject to the early withdrawal penalties stated below. If your account balance falls below the minimum opening balance requirement, your account will be closed.