TRUTH IN SAVINGS

DIVIDEND BEARING ACCOUNTS

Dividend Rate and APY (Annual Percentage Yield)

The dividend rate **as of the last dividend declaration date** was .50% with a corresponding annual percentage yield of .501%. The annual percentage yield is a percentage rate that shows the total amount of dividends, based on the dividend rate and the frequency of compounding for a 365-day period.

Variable Rate Accounts

The dividend rate and annual percentage yield may change every six (6) months as determined by the credit union's Board of Directors.

Compounding

Dividends will be compounded semi-annually and credited semi-annually. The dividend period is six (6) months. The beginning date of the first dividend period of the calendar year is 01-01-07 and the ending date is 06-30-07. All other dividend periods will follow this pattern of dates. The dividend declaration date follows the ending date of a dividend period and for an example is 01-01-06 and 07-01-06. The dividend declaration date is the date the credit union's board of directors declares a dividend for the preceding dividend period.

Effect of Closing an Account

If you **close** your account before dividends are paid, you **will not** be paid the accrued dividend for the period.

Minimum Balance Requirements

To open this account, you must have a minimum amount of $5.00. To join the credit union, you must purchase a $5.00 share. To keep the account open you must maintain a minimum balance of $5.00.

How Dividends are Calculated

Dividends are calculated using the daily balance method. This method applies a daily periodic rate to the balance in the account each day.

When Dividends Begin to Accrue

Dividends begin to accrue on cash and non-cash deposits, such as checks; on the business day you make your deposit.

Nature of Dividends

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