

Truth In Savings Disclosure

The Truth-in-Savings Act (T-I-S) is a section of the Federal Deposit Insurance Corporation Improvement Act of 1991. The purpose of T-I-S is to promote and simplify comparisons among accounts at all financial institutions. T-I-S enables consumers to make informed choices and comparisons among competing claims of financial institutions by requiring disclosure of the interest rates payable on these accounts and the fees assessable against these accounts. It is the intent of Michigan Educational Credit Union (MECU) to maintain compliance with this federal law pertaining to full disclosure regarding the terms and conditions of all savings programs. The following disclosure information illustrates the various savings alternatives available at MECU.

Savings at MECU are federally insured up to \$250,000 by the National Credit Union Administration (NCUA), a U.S. Government agency. Individual Retirement Accounts are insured separately up to \$250,000 by the NCUA. Dividends are paid from current income and available earnings, after required transfers to reserve at the end of a dividend period.

You will receive a periodic statement (normally monthly) for your Share Draft Account. You will receive a periodic statement (normally quarterly) for your Share Savings Account or other savings accounts unless you have an electronic funds transfer transaction during a monthly period (in which case you will receive a monthly statement) or you will receive a combined statement on a monthly basis if you have a Share Draft Account and other savings accounts. Each such statement shall show the transactions on your accounts and any charges. We reserve the right not to send statements for accounts we consider inactive, or for those accounts on which we do not have a valid address on file.

Primary Share Savings Account

Dividend Rate: The dividend rate and annual percentage yield (APY) may change each month as determined by the Board of Directors. Refer to the Rate Sheet for current rates and annual percentage yields.

Dividend Payment Method: Dividends are calculated using the average daily balance method which applies a periodic rate to the average daily balance in the account period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that number by the number of days in the period. The dividends period is monthly. Dividends are compounded and credited monthly. Dividends begin to accrue on non-cash deposits (checks) on the first business day after the deposit.

Minimum Balance Requirements: The par value of a share in this credit union is \$5.00. You earn dividends on your Primary Share Savings Account each day that your account balance is more than \$5.00.

Service Fee: Refer to the Fee Schedule for any applicable fees.

Transaction Limitations: If you close your account before dividends are credited, you will not be paid any dividend for the dividend period.

Christmas Club, Vacation Club & Additional Share Savings Accounts

Dividend Rate: The dividend rate and annual percentage yield (APY) may change each month as determined by the Board of Directors. Refer to the Rate Sheet for current rates and annual percentage yields.

Dividend Payment Method: Dividends are calculated using the average daily balance method which applies a periodic rate to the average daily balance in the account period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that number by the number of days in the period. The dividends period is monthly. Dividends are compounded and credited monthly. Dividends begin to accrue on non-cash deposits (checks) on the first business day after the deposit.

Minimum Balance Requirements: You earn dividends on your Christmas Club, Vacation Club and additional Share Savings Accounts each day that your account balance is more than \$5.00.

Service Fee: Refer to the Fee Schedule for any applicable fees.

Transaction Limitations: If you close your account before dividends are credited, you will not be paid any dividend for the dividend period.

Share Draft/Checking Account

Dividend Rate: The dividend rate and annual percentage yield (APY) may change each month as determined by the Board of Directors. Refer to the Rate Sheet for current rates and annual percentage yields.

Dividend Payment Method: Dividends are calculated using the average daily balance method which applies a periodic rate to the average daily balance in the account period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that number by the number of days in the period. The dividends period is monthly. Dividends are compounded and credited monthly. Dividends begin to accrue on non-cash deposits (checks) on the first business day after the deposit.

Minimum Balance Requirements: You earn dividends on your Draft/Checking Account by maintaining a minimum average daily balance of \$5.00. There are no other minimum balance requirements.

Service Fee: Refer to the Fee Schedule for any applicable fees.

Transaction Limitations: If you close your account before dividends are credited, you will not be paid any dividend for the dividend period.

Individual Retirement Account (IRA) Share Account

Dividend Rate: The dividend rate and annual percentage yield (APY) may change each month as determined by the Board of Directors. Refer to the Rate Sheet for current rates and annual percentage yields.

Dividend Payment Method: Dividends are calculated using the average daily balance method which applies a periodic rate to the average daily balance in the account period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that number by the number of days in the period. The dividends period is monthly. Dividends are compounded and credited monthly. Dividends begin to accrue on non-cash deposits (checks) on the first business day after the deposit.

Minimum Balance Requirements: There is a \$50 initial deposit requirement to open a Roth IRA account. You earn dividends on your IRA Share Account each day that your account balance is more than \$5.00.

Service Fee: None.

Transaction Limitations: IRA withdrawals before age 59½ are subject to certain IRS penalties.

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

Share Certificate & IRA Share Certificate Accounts

Dividend Rate: The dividend rate and annual percentage yield (APY) may change from time to time as determined by the Board of Directors. Certificate of Deposit rates are fixed and will be in effect for the term of the Certificate. Refer to the Rate Sheet for current rates and annual percentage yields.

Dividend Payment Method: Dividends are calculated using the average daily balance method which applies a periodic rate to the average daily balance in the account period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that number by the number of days in the period. The dividends period is quarterly. Dividends are compounded and credited quarterly, and at maturity.

Minimum Balance Requirements: The minimum balance required to open a Certificate for a term of 12 months or less is \$2,500. The minimum balance required to open a Certificate for a term of more than 12 months is \$5,000. The minimum required amount for an IRA Share Certificate is \$2,000 with additional increments of \$500.

Service Fee: None.

Renewal Policies: If a Certificate account is not withdrawn within 10 days after it matures, it will automatically renew, from its last maturity date. Renewed Certificates will be reinvested in another Certificate of equal term at the interest rate and annual percentage yield in effect on the date of maturity.

Transaction Limitations: After you have established a Certificate, you may not make additional deposits into that account. If you withdraw any principal before the maturity date of the Certificate, you will be assessed a penalty of: all accrued interest for terms of 3 months and 6 months certificates; 6 months of accrued interest for term of 12 months to 30 months; and 9 months of accrued interest for terms of 36 months to 60 months. If you decide to redeem a Certificate before its maturity period, you may face penalties that could invade on principal.

IRA Share Certificates are also subject to limitations and/or penalties imposed by the IRS.