



FedStar Credit Union Truth in Savings Disclosure for Member Share Draft Checking Accounts

Our credit union is dedicated to providing our members with service, loyalty and commitment. This disclosure contains the terms, conditions and fees that are associated with the regular share draft checking accounts that are offered through FedStar Credit Union.

After reading this disclosure statement and fee schedule, if you have any questions, please contact the credit union to ask for clarification. We can also provide you with information on our other rates, products and services.

This account is subject to the credit union's charter and bylaws, and all applicable laws and rules of the United States, and the State of Texas, applicable clearing house rules and the schedule of service charges and fees, rates of earnings and minimum balance requirements, which may change from time to time by the credit union. The credit union reserves the right to change the rates and fee schedules at any time.

Your accounts are federally insured to at least \$ 250,000.00. This \$250,000 share insurance coverage is provided by the National Credit Union Share Insurance Fund and backed by the full faith and credit of the United States Government. Your share insurance is similar to the deposit insurance protection offered by the Federal Deposit Insurance Corporation (FDIC). For additional information on insurance coverage, please log on to <http://www.ncua.gov/Resources/ShareInsuranceToolkit.aspx>

Share Draft Checking Account Terms, Conditions and Fees

This checking account provides basic share draft checking account privileges plus earns a competitive rate of interest on the account. We also offer the convenience of a free debit card for Point of Sale (Purchase) and ATM usage.

There is no monthly service charge on this share draft checking account.

- ✓ The minimum balance requirement to open this account is \$100.00. You can write unlimited checks on the account with no service charge.
- ✓ Interest will be paid on Average Daily Balances over \$1,500.00. Interest will be compounded and credited to your account monthly. No interest will be paid on accounts that have an Average Daily Balance of less than \$1,500.00. The dividend period is the calendar month. The dividend period begins on the first day of the month and ends on the last calendar day of the period. The Average Daily Balance your account is calculated as follows: Add the daily balances for each day of the period and divide by the number of days in the period to get the average daily balance. The divide the Dividend Rate by 365 and multiply by the number of days in the period. Dividends are compounded and credited monthly. If you close your account before dividends are credited, you will not receive the accrued dividends.
- ✓ The Dividend rate and APY reflect the last dividend rate paid on the account. The last dividend rate paid on this type of account may be found on the Rate Schedule. This rate may change from time to time as set by the board of directors. Dividends and interest rates on this type of account are paid from current income and available earnings, after required

reserve transfers at the close of a dividend period. The dividend rate and annual percentage yield shown in publications and on website information reflect the last dividend posting to the account.

- ✓ If any account has remained overdrawn for 30 or more days, with no member deposit or transfer made during that time, the credit union may terminate or close the account without prior notice to the member. Such termination shall be evidenced by a final regular statement mailing and all checks will be returned as "Account Closed".
- ✓ Overdraft protection is available from your share account for a low transfer fee of \$5.00 per item transferred. In the event that an item is presented for payment and there are insufficient funds in the account, funds will be automatically transferred from the related share account to cover the insufficient items.
- ✓ Normal transfer fees will apply. If sufficient funds are not available in the related account to cover all presented items, no transfer will occur and the item will be considered NSF.

ATM and Debit card usage:

- ATM Withdrawals are free at the ATM at our location as well as Pulse Select™, or Co-Op Network™ ATM's. Additionally, FedStar Credit Union has entered into an arrangement with Aggieldand Credit Union so that our members can use their ATMs at no charge. (For more information, see our ATM Locator service on our website for more details!)
- FedStar Credit Union does not charge its members to make withdrawals from any ATM or through a PIN-based transaction at a retailer.

Locally, some banks offer free withdrawals from their ATMs. This may change at any time. Please contact us to see which financial institutions offer this complementary service to our members.

Checks and Check copies:

Share Drafts are convenient to use and contain carbon less copies so that you have an immediate record to balance your account. You will receive a monthly statement. The credit union will provide Automatic Safekeeping of your paid checks at no cost to you.

If necessary, the credit union may provide a check image for your additional information. Please check our complete and current rate and fee schedule for costs of this service.

Protect unused share draft checks by keeping them in a safe place. Do not assume that missing checks are safe, even if you do not think that they are stolen. If you have discovered that unused checks disappear, either individually or a pad at a time, call us immediately. We can place a stop payment on those items that are lost or stolen.

Check specifications:

All checks, withdrawal forms and deposit slips used in connection with your account must be on forms authorized by the credit union. We may refuse to accept checks someone else provides because our procession agents may not be able to read them. The credit union is not responsible for any costs or losses you may suffer due to improper printing on forms not obtained through the credit union.

Temporary checks imprinted with your name and account number will be provided at the time your share draft checking account is opened. Additional temporary checks are available at nominal cost. You should receive your custom checks within 5-8 working days. To reorder, you may do so by phone, internet connection or by contacting the credit union in person.

A share draft check order may also be completed. The information you want shown on the checks must be detailed and accurate. Check orders will be entered daily via a secure internet website with FedStar's designated check printer. FedStar strives to provide the most affordable and complete suite of checking account products to its members.

A check order will contain 150 duplicate checks and deposit slips. Remember, you are producing a copy each time you write a draft. The copy is retained for your records. Be sure to date the draft, fill in the "Pay to the Order of" with the proper payee information, show the amount as numerals and in written form, and sign the draft with your proper signature. Immediately post the draft amount in your check register so that you can balance your checkbook easily.

Safeguarding your account:

Never give out your account number or other information to telephone solicitors or other unknown third parties. We may deny a claim of monetary loss due to forged, altered or unauthorized checks if you do not guard against improper access to your checks or account information. Because the credit union processes checks via automation, it is critical for you to take care of your checks and account information.

Promptly review all statements and report any suspicious activity to the credit union. You must notify the credit union within sixty (60) days from the date such statements are mailed to you or to your last address furnished to us. Your failure to report any losses may exempt us from any liability.

Direct Deposit or Payroll Allotment:

Direct Deposit of your net paycheck makes your life so much easier. Your funds are in your account when you need them! Deposits may be made through payroll deduction and the payroll voucher you receive from your employer will show the amount deposited into your share draft account. The amount should be posted as a regular deposit, effective the day of your regular payday. Other deposits may be made in person or by mail. All deposits are insured by the National Credit Union Share Insurance Fund (NCUSIF), an arm of the NCUA. Your share insurance coverage is similar to the deposit insurance protection offered by the Federal Deposit Insurance Corporation (FDIC).

Online Bill Payment Service:

The credit union offers its members online bill payment free of charge as long as a member actively uses the service. It is easy, secure and provides a detailed record of transactions to help with account reconciliation. If a member opts-in to this service, the only requirement is that it must be used at least once every 90 days. Otherwise, an inactivity charge will be assessed on the account. Please see our current rate and fee disclosure for this fee.

Closing your Account:

You must notify the credit union in writing that you wish to close your checking accounts. Make sure that you have accounted for any items outstanding. Any checks or electronic items will be returned unpaid. It is your responsibility to honor those items and pay any additional servicing fees.