



Truth in Savings Disclosure for Member Share Certificate 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 certificate 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>

Compounding and Crediting

Interest will be compounded daily and will be credited quarterly. For example, the beginning date of the first interest period of the calendar quarter is the quarter beginning January 1, with an ending date of March 31. The second quarter is from April 1 through June 30, the third quarter is from July 1 through September 30 and the last quarter is from October 1 through December 31.

The interest posting date follows the ending date of an interest period – that is, March 31, June 30, September 30, and December 31 are interest/dividend posting dates for this account.

Balance Information

Minimum Balance Requirements

The minimum balance required to open a share certificate of deposit account is based on the term and balance criteria set forth in the rate schedule. You must deposit and maintain at least this amount in the account to obtain the annual percentage yield rate (APY) disclosed on the entire balance. Any withdrawal, which reduces the account balance below the minimum balance requirement, will cause the account to be closed. Fees may reduce earnings.

Balance Computation Method

Interest is calculated by the average daily balance method, which applies a periodic rate to the average daily balance in the account for the period. It is determined by adding the full amount of principal in the account for each day of the period and dividing that figure by the number of days in the period.

Accrual of Interest

Interest will begin to accrue no later than the business day we receive provisional credit for the deposit of cash and/or non-cash items to your account. Non-cash items include checks, money orders, wire

transfers, Cashier's Checks and are subject to Regulation CC and the Funds Availability Policy held by this credit union.

Nature of Dividends

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

Effect of Closing an Account - Penalty for Early Withdrawal

Your account will mature after the term indicated above. We will impose a penalty if you withdraw any or all of the principal in your account before the maturity date. The penalty for early withdrawal is 180 days interest on your account. In the event the account has not been active for at least 180 days, the penalty will be based on an amount equal to 180 days interest on the amount withdrawn and will be deducted from principal. A withdrawal before term maturity will reduce earnings and may invade principal.

Transaction Limitations

After your account is opened, you may not make deposits into or withdrawals from your account without penalty until the maturity date.

The credit union reserves the right to require a member intending to make a withdrawal from any Certificate of Deposit Account to give written notice of such intent not less than seven days and up to 60 days before such withdrawal.

Renewal Policies

This account will renew automatically at maturity. There will be a 10-day grace period at maturity. You will have a grace period of 10 calendar days after the maturity date to withdraw funds without a being charged an early withdrawal penalty. If you choose not to renew the account, your account will be transferred to your regular share account after the maturity date.

If your account is renewed, the renewal term will be the same as the original term, beginning on the maturity date, unless we indicate otherwise on your maturity notice. The interest rate and the APY offered on the renewal date for the amount and term of the reinvested deposit will be the same as a new certificate of deposit, which have the same term, minimum balance and other features as your original certificate of deposit.

Transferability

These accounts are non-negotiable and are non-transferable to third parties.