

## Certificate Accounts Disclosure

### 1-Year and 3-Year Variable Rate Term Accounts (Discontinued. No longer available.)

The 1- and 3-Year Variable Rate Certificate Accounts are variable dividend rate accounts. The dividend rates and annual percentage yields may change on the first day of each calendar month based upon the previous month's most recently auctioned 1- and 2-Year Treasury Notes interest rate plus or minus a specified percentage. For a 1-Year Variable Rate Certificate Account, the interest rate is equal to that of a 1-Year Treasury Note. For a 3-Year Variable Rate Certificate Account, the interest rate is equal to that of a 2-Year Treasury Note plus a margin of ¼%.

**Minimum Balance Requirement:** The minimum balance required to open a Variable Rate Certificate Account is \$500.

### Fixed Rate Term Accounts

USALLIANCE Financial's Asset/Liability Committee establishes all Fixed Certificate rates.

**Minimum Balance Requirements:** The minimum deposit required to open a Fixed Rate Certificate Account is \$500.

### Step-Up Account

If rates rise, you can execute the STEP-UP option once to increase your dividend rate during the term of your certificate by communicating your request to the USALLIANCE Financial. The term of the account will remain the same. You may also add to the account one time during the term of the account. Any additional deposits will be limited to a maximum of \$250,000. Once the rate has changed, the new interest rate will be paid on the existing balance through the remaining term.

### CD Saver

You can add to this special certificate at any time during the term. There is no minimum or maximum limitations. Please note that the CD Saver is not available for retirement certificates (IRAs).

### No Penalty CD

An early withdrawal of principal requested prior to the maturity date will be processed as an account closeout for the entire balance with no early withdrawal penalty imposed. A withdrawal prior to maturity will reduce earnings and therefore your APY will be lower than the disclosed yield. Withdrawals and account closeouts are not permitted to be made within the first 7 calendar days of opening the account, beginning on the date of deposit. Partial early withdrawals are not permitted during the term of this certificate. The No Penalty CD is not available for retirement certificates (IRAs).

### Information Applicable To All Certificate Accounts

**Transaction Limitations:** You may not add to any Certificate Account except day of maturity unless otherwise noted (i.e., CD Saver).

**Conversions:** No conversions of Certificate Accounts are allowed prior to the maturity of the account.

**Dividends:** The dividend rate and corresponding annual percentage yield for each account is available on the Current Savings Rates and Yields schedule.

Rate margins, dividend rates and the corresponding annual percentage yields may change on any day (within the stated parameters above) as determined by the

USALLIANCE Financial Asset/Liability Committee and authorized by the Board of Directors. The Credit Union's investment policy is governed by the Federal Credit Union Act which generally limits investments to federally issued, insured or guaranteed instruments and institutions, and loans to members.

Every member is a shareholder of the Credit Union, and hence, a part owner. Thus, your earnings are based on your Credit Union deposits with USALLIANCE Financial.

**Withdrawal of Dividends Prior to Maturity:** You may withdraw any and all earned dividends previously credited to your account without incurring a penalty or you may elect to have earned and credited dividends transferred to your Share Management Checking, Share Management Savings Account or MyLife Account (Checking or Savings) each month. The annual percentage yield, which is shown on each statement, is based on the assumption that dividends will remain in the account until maturity. A withdrawal will reduce earnings.

**Maturities:** Most Certificate Accounts are offered for a range of maturity dates. This allows you to schedule maturity of your Certificate Account for a business day. The exact maturity date of each Certificate Account is shown on your receipt and on each statement.

**Redemptions:** Certificate Accounts can be scheduled for redemption at maturity, when you make your original deposit. You may wait until you receive the maturity notice to schedule redemption or write/call us to schedule automatic maturity redemption.

**Transfer Upon Maturity:** If prior to maturity you elect to redeem your Certificate Account or the Credit Union does not automatically renew your account, the entire balance will be automatically transferred to your Share Management Checking, Share Management Savings, STAR Account or MyLife Account (Checking or Savings) for easy access. **Please note: Jumbo Certificates do not renew automatically.**

**Early Withdrawal Penalties:** When you open a Certificate Account, you agree to keep your funds on deposit until maturity. You may make withdrawals of principal on a Certificate Account at the discretion and approval of USALLIANCE Financial. With the exception of No Penalty CDs, the Credit Union will impose a penalty if a withdrawal of principal is made prior to the maturity date. A withdrawal prior to maturity will reduce earnings and your APY therefore will be lower than the disclosed yield. The Credit Union will close the account if a withdrawal of principal reduces the balance below the minimum required account balance.

- If your Certificate Account has an original maturity date of less than 18 months the early withdrawal penalty will equal 180 days dividends on the amount withdrawn.
- If your Certificate Account has an original maturity date of 18 months or longer, the penalty amount will equal 360 days of dividends on the amount withdrawn.

**If earned dividends are not sufficient to cover the penalty, the early withdrawal penalty may affect principal.**

Withdrawals from Traditional IRA certificates for the satisfaction of required minimum distributions are not subject to penalty.

Early withdrawal penalties will be waived only upon the death of a natural person account holder or upon the voluntary or involuntary liquidation of the Credit Union.

**Compounding and Crediting:** Dividends are compounded daily and credited monthly on the last calendar day. The daily rate is the stated dividend rate divided by 365 (366 during a leap year).

**Balance Computation Method:** Dividends are calculated by the daily balance method which applies a daily periodic rate to the collected balance in the account each day.

**Accrual of Dividends:** Dividends begin to accrue no later than the business day the Credit Union receives provisional credit through the Federal Reserve System for the deposit of non-cash items, such as checks, to your account.

**Fees and Service Charges:** Your account is subject to fees and service charges which are detailed in the Fees and Service Charges schedule. Call 800.431.2754 for a copy of the schedule.

**Automatic Renewal Upon Maturity:** With the exception of Jumbo Certificates, you will be notified by your elected delivery method at least 25 days prior to maturity of your Certificate Account. At the Credit Union's option, if you do not redeem your Certificate Account, it will be automatically renewed upon maturity for the minimum equivalent term at the then prevailing rate. You will have a grace period of 7 calendar days, beginning on the maturity date, to withdraw funds without being charged an early withdrawal penalty. **Please note: Early withdrawal penalties will not be assessed on No Penalty CDs.**

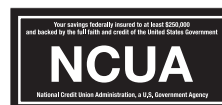
**Certificate Accounts Owned by a Business or Organization:** Business/Organizational accounts are subject to enhanced regulatory compliance standards related to beneficial ownership and therefore will not automatically renew. Upon maturity the balance of any certificate held in the name of a business or organization will be redeemed to the primary share account.

**Other Terms and Conditions:** The Credit Union may change its bylaws and any term of your account at anytime. We will give you reasonable notice in writing, unless circumstances beyond our control make such notice impractical or prior notice would represent an unreasonable security risk to the Credit Union.

If the Credit Union calls or redeems your account early, we will provide 60 days written notice to you. Should we exercise this option, your Certificate Account will be redeemed without penalty on the day specified in the notice, and the entire balance, including earned dividends, will be automatically transferred to your Share Management Checking, Share Management Savings, STAR Account or MyLife Account (Checking or Savings) for easy access.

In the event the U.S. Treasury suspends or delays the auction of Treasury Bills or Notes, the Credit Union may substitute the annualized yield, adjusted for constant maturity, of Treasury Bills or Notes as reported by the Federal Reserve Board on a weekly-average basis (Report H.15) as published in the Wall Street Journal on the last Tuesday of the previous month.

800.431.2754 | USALLIANCE.ORG



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USAlliance Federal Credit Union is doing business as USALLIANCE Financial.

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