

Approved by Board of Directors 2/7/98, Reviewed and Approved by Board of Directors 11/25/13, Reviewed and Approved by Board of Directors 01/20/2014, B.O.D. Approved 02/29/2016, B.O.D. Approved 5/22/18, B.O.D. review/approved 11/29/2022

WOLVERINE STATE CREDIT UNION TRUTH IN SAVINGS POLICY

The Truth in Savings Act (T-I-S) is a section of the Federal Deposit Insurance Corporations Improvement Act of 1991. The National Credit Union Administration is charged with enforcing the act which applies to ALL credit unions.

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/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 Wolverine State Credit Union to maintain compliance with this federal law pertaining to full disclosure regarding the terms and conditions of all savings alternatives available at Wolverine State Credit Union.

SECTION 1

SAVINGS

The credit union shall encourage systematic share savings from all members Credit Union policies shall encourage member thrift.

There shall be no restrictions on the amount of share savings a member may deposit or on the total he/she may have in his/her share account in the Wolverine State Credit Union.

Members shall be authorized to purchase one or more shares in the credit union. Such share purchases may be treated as the members share account.

Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. Dividends shall be at a rate that will commensurate with those prevailing in the savings community.

COMPOUNDING & CREDITING

Dividends on this account will be calculated daily and will be compounded and credit quarterly.

For this account type, the dividend period is quarterly, for example, the beginning date of the first dividend period of the calendar year is January 1, 20XX and the ending date of such dividend period is March 31, 20XX. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example is April 1, 20XX.

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If a member closes their account before dividends are paid, they will not receive the accrued dividends.

Regular Shares Account/Special Shares/Taxes and Insurance/Christmas Club and Vacation Club Accounts will be considered Transactional Accounts.

ACCOUNT RESTRICTIONS & FEATURES – This applies to Special Deposit –Money Market. During any statement period, a member may not make more than six withdrawals or transfers to another credit union account of theirs or to a third party by means of a pre-authorized or automatic transfer or telephonic order or instruction. No more than three of the six transfers may be made by check, draft, debit card, if applicable, or similar order to a third party. If they exceed the transfer limitations set forth above in any statement period, their account may be closed.

BALANCE COMPUTATION METHOD

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

MINIMUM BALANCE REQUIREMENTS

The minimum required to open an account is the purchase of a \$5.00 par value share in the credit union.

ACCRUAL OF DIVIDENDS ON NON-CASH DEPOSITS

Dividends on non-cash items will begin to accrue on the business day they are deposited to a members account. (e.g./ checks)

SPECIAL ACCOUNTS

The Wolverine State Credit Union shall accept funds from groups of members for special purposes and for community organizations and associations of members.

SECTION 2

WOLVERINE STATE CREDIT UNION SHARE DRAFT POLICY

Wolverine State Credit Union Drafts are processed through Wesco, balances cleared through Alloya Corporate Federal Credit Union.

OVERDRAFT POLICY

An overdraft charge **per item** that overdraws the draft account on any given day will be assessed.

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To cover the overdraft, in order of availability, the Credit Union will:

1. Transfer funds from the member's regular share account; a notice will be sent to the member advising of the action.
2. If funds are not available in the member's shares, and the member has qualified for a line of credit loan on the share account, the credit union will transfer from the line of credit loan and a notice will be sent to the member advising of the action
3. Failing 1 or 2 above, the credit union will then return the item(s) as non-sufficient item(s) and the member will be charged the fee related to this action.

CONSISTENT OVERDRAFTS WILL RESULT IN THE CLOSING OF THE MEMBER DRAFT ACCOUNT.

Charges for draft purchase will be taken from member savings account. If there are not sufficient funds in share draft account monies will be withdrawn from the share account.

Share Draft Accounts may be made available with overdraft protection. The maximum credit amount granted is at the option of the Credit Committee or Loan Officer.

Dividends **may** be paid on the share draft account at the direction of the Board of Directors. Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. Currently Wolverine State Credit Union is not paying dividends on share draft accounts.

COMPOUNDING AND CREDITING

Dividends on this account will be compounded quarterly and will be credited quarterly. For this account type, this dividend period is quarterly, for example, the beginning date of the first dividend period of the calendar year is January 1, 20XX and the ending date of such dividend period is March 31, 20XX. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example is April 1, 20XX.

If the member closes an account before dividends are paid, they will not receive the accrued dividends.

BALANCE COMPUTATION METHOD

Dividends are calculated by average daily balance method which applies a periodic rate to the average balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

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ACCRUAL OF DIVIDENDS ON NON-CASH DEPOSITS

Dividends on non-cash items (e.g., checks) will begin to accrue on the business day they are deposited to a members account.

SECTION 3

MONEY MARKET ACCOUNT

095 suffix accounts

For this tiered-rate account the interest rate to be paid on the individuals tiers will be compounded daily and credited quarterly. The tier structure shall be as follows:

\$2,000.00 to \$19,999.00
\$20,000.00 to \$49,999.00
\$50,000.00 and over

See below Reg “D” withdrawal rule**

In consumer banking, "Regulation D" often refers to §204.2(d)(2) of the regulation, which places a limit of six withdrawals or outgoing transfers per month from savings or money market accounts via several transaction methods. Transactions counted against the limit include "preauthorized or automatic transfer, or telephonic (including data transmission) agreement, order or instruction, or by check, draft, debit card, or similar order made by the depositor and payable to third parties." Transactions not counted against the limit include "mail, messenger, automated teller machine, or in person or when such withdrawals are made by telephone (via check mailed to the depositor)."

The number of deposits or incoming transfers into savings or money market accounts is not limited.

The interest rate applied to the entire balance in the account will be whatever rate is currently being paid on the above listed tiers.

The interest rate and annual percentage yield (APY) may change every quarter based on the determination of the credit union Board of Directors. The rates on the Special Deposit accounts will be announced for the next dividend period at the last board meeting of the present dividend period. Example: The interest rate for the second quarter of the year would be determined at the last board of directors meeting held in the first quarter.

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**[en.wikipedia.org/wiki/Regulation_D_\(FRB\)](https://en.wikipedia.org/wiki/Regulation_D_(FRB))