



ALLEGACY FEDERAL CREDIT UNION
TRUTH IN SAVINGS DISCLOSURE

Except as specifically described, the following disclosures apply to Allegacy Federal Credit Union's ("Credit Union") share savings, money market, checking, Health Savings Account ("HSA"), Individual Retirement Account ("IRA"), Holiday Club and Vacation Club retail account types. The member is sometimes referred to as "member" and sometimes "you" in this disclosure as the context may warrant.

1. Rate Information. The Annual Percentage Yield is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. The Dividend Rate and the Annual Percentage Yield may change daily as determined by the Credit Union in its discretion without prior notice. All rates are variable unless otherwise stated. The Dividend Rates and Annual Percentage Yields are the prospective rates and yields that the Credit Union anticipates paying for the applicable dividend period. For all Tiered rate accounts, except the SmartRate Checking Account, once a particular balance range is met, the Dividend Rate and Annual Percentage Yield for that balance range will apply to the full balance of your account. The Credit Union may offer special rate promotions from time to time based on your account relationship with us. All current rates with tiers, if applicable, may be found on the Credit Union's most current Rate Schedule. You may obtain the most current Rate Schedule and Fee Schedule for your Credit Union accounts, by calling the Credit Union at 1.800.782.4670/336.774.3400 or by visiting www.allegacy.org or a Credit Union financial center.

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

3. Compounding and Crediting. The compounding and crediting frequency of dividends and the dividend period applicable to each account type are set forth in the Rate Schedule. For dividend bearing accounts, the Dividend Period begins on the first calendar day of the period and ends on the last calendar day of the period.

4. Accrual of Dividends. Dividends will begin to accrue on noncash deposits (e.g. checks) on the business day you make the deposit to your account.

5. Minimum Balance. To open and maintain any account at the Credit Union, you must deposit or already have on deposit at least the par value of one full share (\$5.00) in a share account. Some accounts

may have additional minimum opening account requirements. The minimum balance requirements applicable to the account type are set forth in the Rate Schedule. If you fail to maintain the minimum required balance, then you will not earn the annual percentage yield stated in the Rate Schedule.

6. Balance Computation Method. Dividends are calculated using the daily balance method which applies a daily periodic rate to the balance in the account each day.

7. Transfers to Third Parties (Regulation D). You may make no more than six (6) withdrawals and transfers from your share savings or money market account to another account of yours or to a third party in any month by means of a preauthorized, automatic, or computer transfer, telephonic order or instruction, whether initiated by check, draft, debit card or similar order during any calendar month, statement cycle, or similar periods of at least four (4) weeks. If you exceed these limitations, your account may be subject to a fee or be closed. Credit Union accounts affected by this limitation are Beginners Best Kids Savings, Daily Access, Daily Access Secured, Certificate Rollover Savings, Retail Money Market, and Retail High Tier Money Market accounts.

8. Fees for Overdrawing Accounts. Fees for overdrawing your account may be imposed on each check, draft, item, ATM transaction and one-time debit card transaction (if member has consented to overdraft protection plan for ATM and one-time debit card transactions), preauthorized automatic debit, telephone initiated withdrawal or any other electronic withdrawal or transfer transaction (collectively "Item") that is drawn on an insufficient available account balance. The entire balance in your account may not be available for withdrawal, transfer or paying a check, draft or item. You may consult the Funds Availability Policy Disclosure for information regarding the availability of funds in your account. Fees for overdrawing your account may be imposed for each overdraft, regardless of whether we pay or return the draft, item or transaction. If we have approved an overdraft protection limit for your account, such fees may reduce your approved limit. Please refer to the Fee Schedule for current fee information. Services and fees for overdrafts are shown in the document the credit union uses to capture the member's opt-in choice for overdraft protection and the Schedule of Fees. Please note that a separate fee will be charged to you one-time for the same Item that is presented or re-presented against insufficient funds. The payee or the payee's institution may re-present a previously returned item several times for payment; these re-presentments are outside of the Credit Union's control. If the second and any subsequent presentments are returned unpaid, we will not charge a NSF fee for each time, after the first attempt by the merchant.

9. Bylaws Requirements. A member who fails to complete payment of one share within 60 days of admission to membership, or within 60 days from the increase in the par value of shares, or a member who reduces the share balance below the par value of one share and does not increase the balance to at least the par value of one share within 60 days of reduction will be terminated from

membership. Subscription to shares are payable at the time of subscription. The Credit Union reserves the right, at any time, to require members to give not more than 60 days' written notice of intention to withdraw the whole or any part of the amounts so paid by them. No member may withdraw shareholdings that are pledged as required for security on loans without the approval of the Credit Union, except to the extent such shares exceed the member's total primary and contingent liability to the Credit Union. No member may withdraw shareholdings below the amount of the member's primary or contingent liability to the Credit Union if the member is delinquent as a borrower, or if borrowers for whom the member is a co-maker, endorser, or guarantor are delinquent.

10. Membership. As a condition of membership, you must purchase and maintain the minimum required shares as set forth below:

Par Value of One Share: \$ 5.00

Number of Shares Required: 1

The accounts qualifying as share accounts (and thereby enable one to join the Credit Union) are the share savings accounts, the HSA accounts, and the All Health Wellness accounts. If you fail to maintain Par Value in your share account, then the Credit Union has the right to revoke your membership as set forth in the Membership and Account Agreement.

11. Fees. Consult the separate fee schedule for a listing of fees and charges applicable to your account(s) ("Fee Schedule"). Fees are subject to change by the Credit Union.

12. National Credit Union Share Insurance Fund. The Credit Union is federally insured by the National Credit Union Administration.

13. Allegacy Accounts. Below are listed specific Credit Union accounts controlled by this Truth In Savings Disclosure. These accounts may have different features, which are disclosed below. Regardless, unless specifically disclosed, each share the common features disclosed in paragraphs 1 through 12.

ALLEGACY PREFERRED CHECKING ACCOUNT:

Rate Information. The Allegacy Preferred Checking Account is a Tiered Rate account. The balance ranges and corresponding rates and Annual Percentage Yields applicable to each tier are disclosed in the Rate Schedule.

Balance Information. The minimum balance requirements for the Allegacy Preferred Checking Account are set forth in the Rate Schedule.

ALLHEALTH WELLNESS (AHW) ACCOUNT:

Rate Information. The AllHealth Wellness Account is a Tiered rate share savings account that utilizes the number of qualifying visits the member makes in the previous month to determine the member's applicable rate. The balance ranges, number of requisite Qualifying Visits, corresponding rates and Annual Percentage Yields applicable to each tier are disclosed in the Rate Schedule.

Compounding and Crediting. The standard dividend and the AHWD will be posted at different times each month.

All Balances. All balances earn the APY as set forth in the Rate Schedule. The APY is calculated using the daily balance method. The dividend will post to the account and show on the statement at the end of the month.

AllHealth Wellness Dividend. The AllHealth Wellness

Dividend (AHWD) APY is calculated as detailed above in Rate information. The AHWD will post to the account mid-month. For example, your "AHWD" earned for January, will post to your February statement on or about the 15th of February. All AHWD periods will follow this pattern.

Transfer Limitations. The AHW Account has transfer limitations (Regulation D) as set forth in Paragraph 7.

Qualifying Facilities. Qualifying fitness facilities are defined as: (1) YMCA of Northwest North Carolina and (2) Leonard J. Kaplan Center of Wellness. The Credit Union has the right to change what are Qualifying Facilities in its discretion.

Qualifying Visits/Levels. Only visits to Qualifying Facilities will be included in your AllHealth Wellness Dividend calculation. Dividends depend on the number of visits the member made in the previous month, based on the data provided by the Qualifying Facilities. Members are allowed to combine Qualifying Visits to one account; however, only one Qualifying Visit is allowed per household per day. (A household is defined as the combining of cards or accounts as a household or family account at the Qualifying Facility.) Credit Union has the right to change the levels and requisite number of Qualifying Visits in its discretion.

DAILY ACCESS, DAILY ACCESS SECURED, SHARE SAVINGS ACCOUNTS AND CERTIFICATE ROLLOVER SAVINGS:

Rate Information. These accounts are share savings accounts and are Tiered Rate accounts.

Transfer Limitations. These accounts have transfer limitations (Regulation D) as set forth in Paragraph 7 (Transfer to Third Parties).

BEGINNERS BEST KIDS SAVINGS:

General Information. This is a share account available to children under 13 years of age. The account must be opened by a parent or legal guardian who will serve as the joint account holder. At age 13, the account will be changed to a Daily Access Savings account under the same ownership.

Rate Information. The Beginners Best Kids Savings Accounts are share savings accounts and are Tiered Rate accounts.

Transfer Limitations. These accounts have transfer limitations (Regulation D) as set forth in Paragraph 7 (Transfer to Third Parties).

HEALTH SAVINGS ACCOUNT (HSA):

General Information. An HSA is used in conjunction with a high deductible health care plan and requires a separate application or membership agreement. An HSA allows you to make deductible contributions which can be used to pay for qualified medical expenses. You should contact your tax accountant or attorney for questions regarding setting up your HSA. The Credit Union will not give tax or legal advice regarding your HSA.

Rate Information. The HSA account is a Tiered Rate account. The balance ranges and corresponding rates and Annual Percentage Yields applicable to each tier are disclosed in the Rate Schedule.

HOLIDAY CLUB AND VACATION CLUB ACCOUNTS:

Rate Information. The Holiday Club and Vacation Club accounts are Tiered accounts. The balance ranges and corresponding rates and Annual Percentage Yields applicable to each tier are disclosed in the Rate Schedule.

Transfer Limitations. The entire balance of the Holiday

Club account will be transferred to another of yours on or after the first business day of October and the account will remain open. If you wish to access the funds in your account at any other time, you may close it. For Vacation Club Accounts, the entire balance will be transferred to another of yours on or after the first business day of April and the account will remain open. If you wish to access the funds in your account at any other time, you may close it.

Minimum Deposits. The minimum deposits into the Holiday Club and Vacation Club Accounts are \$10.00 per week.

Limitation. A member is limited to only one Holiday Club and one Vacation Club account. We reserve the right to close any account that violates this limitation.

INDIVIDUAL RETIREMENT ACCOUNT (IRA):

General Information. The Credit Union offers Traditional, Roth, and Coverdell Education Savings Account (ESA). You should contact your tax accountant or attorney for questions regarding setting up your IRA. The Credit Union will not give tax or legal advice regarding your IRA.

Transfer Limitation. For IRA accounts, you may not make any preauthorized, automatic or telephone transfers from your account at any time.

IRA Agreement and Disclosure Statement. All other terms and disclosures for Credit Union IRAs are set forth in the Credit Union's IRA Agreement and Disclosure, which is incorporated herein. This is provided to you when you open your Credit Union IRA. If you need another copy, please contact the Credit Union.

MONEY MARKET FUND, RETAIL MONEY MARKET, HIGH TIER MONEY MARKET ACCOUNTS:

Rate Information. The Money Market Fund, Retail Money Market, and Retail High Tier Money Market are all Tiered Rate accounts. The balance ranges and corresponding rates and Annual Percentage Yields are applicable to each tier and are disclosed in the Rate Schedule.

Transfer Limitations. These accounts have transfer limitations (Regulation D) as set forth in Paragraph 7 (Transfer to Third Parties).

DIGITAL BEST CHECKING ACCOUNT:

Rate Information. This is a non-dividend bearing account.

Balance Information. The minimum balance requirements applicable to the Digital Best Checking account are set forth in the Rate Schedule.

Printed Statement. There is a monthly fee for printed statements. The monthly printed statement fee is set forth on the Fee Schedule. You can avoid this monthly fee by enrolling in e-statements. You may call the Credit Union for assistance in selecting e-statements and registering for online banking.

Check Writing Privileges. There are no check writing privileges on this account. The Credit Union will not provide checks to you and you should not order third party vendor checks for this account. If you order checks from an outside vendor on this account, the Credit Union reserves the right not to honor the checks and to assess a fee for using or attempting to use checks with this account. Any fee will be set forth on the Fee Schedule. Furthermore, if a check is not honored by the Credit Union, you will be solely

responsible for any third-party fees or costs associated with it in addition to any fee assessed by the Credit Union.

Fees for Overdrawing Accounts. No Overdraft fees apply to this Checking Account. You may not use this account or debit card to perform transactions that exceed your available funds. There is no credit line associated with this account. Transaction(s) in excess of the available balance will ordinarily be declined by the Credit Union and/or the merchant. If, however, the Credit Union settles such transaction(s), you remain responsible for the transaction(s) and agree to repay us the amount of any transaction(s) that exceed the available balance without further demand by us. At our option, we may deduct the amount due from you from the account balance, now or in the future. If the account balance remains negative for more than 45 days, the Credit Union has the right to close the account without further notice. For the definition of available or actual balance, please consult the Membership and Account Agreement.

SMARTRATE CHECKING ACCOUNT:

Rate Information. The SmartRate Checking is a Tiered Rate checking account contingent on you qualifying during each cycle.

Qualifying Characteristics. To qualify for the Tier 1 rates, you must perform the following:

- a. Be enrolled and receive e-statements;
- b. Have at least one (1) ACH (Automated Clearing House) debit post and settle to your account or receive full qualifying direct deposit;
- c. Make at least twenty (20) VISA debit POS transactions per Qualification Cycle. (A "Qualification Cycle" is a period starting on the first business day of the month, to the last business day of the month uniform to the statement cycle.)

Balance Information. The minimum balance requirements applicable to the SmartRate Checking Account are set forth in the Rate Schedule.

Printed Statement. There is a monthly fee for printed statements. The monthly printed statement fee is set forth on the Fee Schedule. You can avoid this monthly fee by enrolling in e-statements. You may call the Credit Union for assistance in selecting e-statements and registering for online banking.

Limitation. This account is limited to two per member. We reserve the right to close any accounts that violate this limitation.

