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PIONEER MUTUAL FEDERAL CREDIT UNION

TRUTH IN SAVINGS

The Truth-in-Savings Act (TIS) requires credit unions, banks and non-credit union financial institutions to disclose the terms and conditions of all their accounts to both members and prospective members. The purpose of TIS is to assist consumers in comparing accounts offered by all depository institutions.

Pioneer Mutual Federal Credit Union's staff will be responsible for giving the required TIS brochures to members and responding to members orally in the manner Truth in Savings requires. The credit union staff will be provided Truth in Savings training on a regular basis.

All disclosures, marketing and advertising information will follow Truth in Savings.

It is the policy of Pioneer Mutual Federal Credit Union (PMFCU) to comply with NCUA's Rules and Regulations, Part 707 (Truth-in-Savings) and its disclosure requirements.

General Disclosures for PMFCU Deposit Accounts

The general disclosures apply to all Pioneer Mutual deposit accounts.

We permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal. Drafts, other transfers or payment orders, which are drawn against insufficient funds, may be subject to a service charge as set forth in the Fee Schedule. We may refuse to allow a withdrawal in some situations and will advise you; accordingly, for example, a dispute between owners, a legal garnishment or attachment is served upon the Credit Union, the account secures an obligation to us, required documentation or identification has not been presented, a loan or credit card payment is past due or one of your accounts is overdrawn. We reserve the right to require you to give written notice of seven (7) to sixty (60) days before any intended withdrawal.

The minimum daily average balance required to earn dividends, on dividend bearing deposit accounts, is stated on the current Rate Sheet. Rates are available at the PMFCU's website, www.pioneeronline.org, the main office or by calling 281-566-8000.

The Annual Percentage Yield (APY) is a percentage rate that reflects the total amount of dividends to be paid on a dividend bearing account based on the dividend rate and frequency of compounding for an annual period. The annual period refers to 365 days year: or 366 days in a leap year.

Accrual of Dividends on Non-Cash Deposits: Dividends will begin to accrue on the business day you place non-cash items (for example, checks) to your dividend bearing account.

Average Daily Balance Computation Method: Dividends calculated by the average daily balance method applying a periodic rate to the average daily balance in the dividend bearing account for the period. The average daily balance is calculated by adding the balance in the dividend bearing account

for each day of the period and dividing that figure by the number of days in the period.

Monthly Dividend Period: The beginning date of the first monthly dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period. Dividends are credited the first day of the next period; for this example, February 1.

Quarterly Dividend Period: The beginning date of the first quarterly dividend period of the calendar year is January 1, and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. Dividends are credited the first day of the next period; for this example, April 1.

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

You will earn the last declared dividend rate, as of the last dividend declaration date, see the current rate sheet for the dividend rate and annual percentage yield on your account.

For dividend bearing accounts, the dividend rate and annual percentage yield may change at any time, without notice as determined by the Credit Union Board of Directors.

Any fees and charges that may be assessed against your account are disclosed on the Fee Schedule.

Members under the age of eighteen (18) must have parent, legal guardian or relative over the age of majority as joint owner or as custodian of the account. The parent, legal guardian or relative assumes responsibility for any overdrafts, returned items, unpaid items or unpaid charges on the account.

The PMFCU reserves the right to close any account up to and including your credit union membership account when there are excessive and/or returned unpaid items on your checking account or repeated abuse of other credit union accounts or services.

BUSINESS/CHECKING ACCOUNTS

Personal Dividend Bearing Checking Business Dividend Bearing Checking

General Business/Checking Account Disclosures

You authorize us to pay checks signed by you, joint owner(s) or authorized account signer(s) and charge the payments against your account. Only checks or other methods approved by the credit union may be used to withdraw funds from your checking account. In the event your account only has sufficient funds to cover some but not all of items presented, we reserve the right to honor items in any order we may choose.

We are under no obligation to pay any item that exceeds the balance of the account upon which it is drawn. In the event we pay such an item, we will not waive our right to dishonor any subsequent items presented. If we do pay an item, which exceeds the balance in your account, you agree to pay us immediately the amount by which the account is overdrawn together with any fees and charges which may be assessed as set forth in the Fee Schedule. If we have approved Overdraft Protection Plan for

your account, we will honor drafts drawn on insufficient funds by transferring available funds in accordance with the Overdraft Protection Agreement on file. By entering Overdraft Protection Plan, you agree that the Credit Union may apply any deposit to cover overdrafts and overdraft fees, including deposited benefit payments such as Social Security, Supplemental Security Income or Child Support. Your account may be assessed a Non-Sufficient Funds (NSF) fee and or transfer fee. See the Fee Schedule.

The PMFCU may, at its own discretion, pay a check drawn on your account that is presented for payment more than six (6) months after the date written.

We may pay any check, without regard to its date, unless you notify us in writing of a postdated check. The written notice must be received by us in a timely manner and must accurately describe the item including, check number, date written and amount. PMFCU is not responsible for payment of the item if inaccurate or incomplete information is provided. A written notice is effective for 6 months from date of notice. If the date of the check is presented for payment later than six (6) months from the date of notice, then the notice must be renewed in writing. A fee may be assessed for processing the written notice of postdated checks, see Fee Schedule.

You may request a stop payment order on any check drawn on your account whether you signed the item or not. A verbal stop payment order is binding upon us for fourteen (14) days when you accurately describe the item by check number, amount, date written, and payable to. A written stop payment order is binding upon us for six (6) months when you accurately describe the item by check number, amount, date written, and payable to. A written stop payment may be renewed, in writing from time to time. Only the person who initiated a stop payment order may initiate its release. We are not responsible for the payment of the item if you give us incomplete or inaccurate information. If the stop payment order is not received in time for us to act upon the order, we will not be liable to you or any other party for payment of the item. We are under no obligation to notify you when a stop payment order expires. Any fee assessed for a stop payment order may not be refunded. See Fee Schedule for applicable fee.

If a member closes their checking account prior to the regularly scheduled posting of dividends, the accrued dividends will not be paid.

Minimum Balance Requirements: The minimum balance required to open a dividend bearing business/checking accounts is \$100.00.

Business/Checking Share Savings account will not be allowed to deposit any additional savings amount in their Dividend Bearing accounts.

You need to maintain a minimum balance of \$300.00 to earn the interest as per the disclosed annual percentage yield, see current rate sheet.

Transaction Limitations: Generally, none.

The dividend rate and annual percentage yield may change quarterly. We may change the dividend rate at any time, without notice for these accounts as determined by the PMFCU Board of Directors.

The dividend period, for personal and business dividend bearing checking accounts, is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1, and the

ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates.

Compounding and Crediting: Dividends are compounded monthly. Dividends are credited to your account monthly.

You will earn the last declared dividend rate, as of the last dividend declaration date. See the current rate sheet for the dividend rate and annual percentage yield on your entire balance.

SAVING ACCOUNTS

General Savings Account Disclosures

You authorize us to pay debits signed or authorized by you, joint owner(s) or authorized account signer(s) and charge the payments against your account. Only debits or other methods approved by the credit union may be used to withdraw funds from your savings account. In the event your account only has sufficient funds to cover some but not all of items presented, we reserve the right to honor items in any order we may choose.

We are under no obligation to pay any item that exceeds the balance of the account upon which it is drawn. In the event we pay such an item, we will not waive our right to dishonor any subsequent items presented. If we do pay an item, which exceeds the balance in your account, you agree to pay us immediately the amount by which the account is overdrawn together with any fees and charges which may be assessed as set forth in the Fee Schedule.

The dividend rate and annual percentage yield may change at any time, without notice, as determined by the PMFCU Board of Directors.

If the member closes their savings account or IRA savings account, accrued dividends will be paid to date at the last declared dividend rate, as of the last dividend declaration date.

ADDITIONAL DISCLOSURES

Regular Saving Account

Minimum Balance Requirements: The minimum balance required to open this account is \$100.00.

Transaction Limitations: During any month, you may not make more than six withdrawals or transfers to another credit union account of yours 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 or similar order to a third party. Failure to adhere to transaction limitations may subject your account to an excessive transaction fee and/or closure.

Member may deposit a maximum of \$500.00 per month in their Individual Share Savings account. (Business Share Savings Account excluded).

Rate Information: The dividend rate and annual percentage rate may change quarterly (every three months).

Compounding and Crediting: Dividends are compounded quarterly. Dividends are credited to your account quarterly.

Dividend Period: The beginning date of the first quarterly dividend period of the calendar year is January 1, and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. Dividends are credited the last day of the period; for this example, March 31.

Average Daily Balance Computation Method: Dividends are calculated by the average daily balance method, which applies a periodic rate to the average daily 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. The period we use is the quarterly statement cycle.

You will earn the last declared dividend rate, as of the last dividend declaration date. See the current rate sheet for the dividend rate paid and annual percentage yield paid on your entire balance.

You must always maintain a minimum of \$100 to keep this account open. If you do not maintain the minimum balance or do not increase the balance to the required minimum balance within 30 days of the reduction, you may be terminated from membership at the end of the dividend period in which the 30 days elapses.

You need to maintain a minimum balance of \$100.00 to earn the interest as per the disclosed annual percentage yield, see current rate sheet.

Pioneer Education Savings (PES)

The applicant must be a member of PMFCU to open Pioneer Education Savings Account.

Minimum Balance Requirements: The minimum balance required to open this account is \$100.00.

Transaction Limitations: Withdrawal payment will be made through check/cashier's check in favor of educational institution based in USA only. No transfer of funds allowed within PMFCU other accounts.

If the funds are withdrawn for personal use, then PMFCU will charge 20% early withdrawal penalty on the dividend/interest earned.

Parents/Guardians may deposit a maximum of \$1,000.00 per month in their minor's Pioneer Education Savings account.

Rate Information: The dividend rate and annual percentage rate may change quarterly (every three months). PMFCU may pay 1.00% higher dividend on PES accounts than regular savings accounts.

Compounding and Crediting: Dividends are compounded quarterly. Dividends are credited to your account quarterly.

Dividend Period: The beginning date of the first quarterly dividend period of the calendar year is

January 1, and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. Dividends are credited the last day of the period; for this example, March 31.

Average Daily Balance Computation Method: Dividends are calculated by the average daily balance method, which applies a periodic rate to the average daily 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. The period we use is the quarterly statement cycle.

You will earn the last declared dividend rate, as of the last dividend declaration date. See the current rate sheet for the dividend rate paid and annual percentage yield paid on your entire balance.

You must always maintain a minimum of \$100 to keep this account open. If you do not maintain the minimum balance or do not increase the balance to the required minimum balance within 30 days of the reduction, we may close the PES account and transfer fund to saving's account.

You need to maintain a minimum balance of \$100.00 to earn the interest as per the disclosed annual percentage yield, see current rate sheet.

Certificate of Deposit Account (CD)

Minimum Balance Requirements: The minimum balance required to open this account is \$1,000.00.

Transaction Limitations: Additional deposits are not permitted during the term. Withdrawals of principal are not allowed. Withdrawals of interest are only allowed for the Savings Certificate, but you must elect to receive the interest payments when the Savings Certificate is purchased. You will receive a maturity notice at least 30 days prior to CD maturity. You may not withdraw deposits that are pledged as required security on your loans. This account is non-transferable and non-negotiable.

Rate Information: This is a fixed rate account. The interest rate that will apply to the account balance is a single rate applied to the entire balance and will be as per the Rate and Fees schedule.

Interest Crediting: Dividends are paid on options of monthly or quarterly basis. Dividends are credited to your account monthly or quarterly as per the option selected. The interest period is monthly or quarterly from the date of purchase and interest is credited on the last day of the interest period. The interest will be paid by check or by transfer to account as per the instructions.

Renewals: CD Account may or may not automatically be renewed upon maturity for the renewal term and on the maturity date of any renewal term unless it is withdrawn within the seven-day grace period. There is a seven-day grace period within which a withdrawal can be made without a penalty. Interest will not be paid on funds withdrawn during the grace period. You will receive a maturity notice at least 30 days prior to CD maturity. Each account that automatically renews, the renewal term will be the same as per previous term.

Early Withdrawal: Early withdrawal of a CD may result in a loss of principal. If you withdraw any of the principal amounts before the maturity date, an early withdrawal penalty will be charged to your account. The penalty is three months interest on the total principal. If the penalty exceeds the interest earned at the time of the withdrawal, the difference will be deducted from the amount withdrawn.

Statements: A statement of your account will be available online banking or mailed to you periodically, at least quarterly.

Individual Retirement Account (IRA) Saving Account

Minimum Balance Requirements: The minimum balance required to open this account is \$100.00.

You need to maintain a minimum balance of \$100.00 to earn the interest as per the disclosed annual percentage yield, see current rate sheet.

Transaction Limitations: You may not make any withdrawals or transfer to another credit union account of yours or to a third party by means of a pre-authorized or automatic transfer, telephonic order, by instruction, or similar order to a third party.

Dividend Period: The beginning date of first quarterly dividend period for the IRA savings account is January 1, and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. Dividends are credited the last day of the period; for this example, March 31.

The dividend rate and annual percentage yield may change at any time, without notice, as determined by the Credit Union Board of Directors.

For the last declared dividend rate, as of the last dividend declaration date, see the current rate sheet for the dividend rate paid and annual percentage yield paid on your entire balance.

Compounding and Crediting: Dividends are compounded quarterly. Dividends are credited to your account quarterly.

You must always maintain a minimum of \$100 to keep this account open. If you do not maintain the minimum balance or do not increase the balance to the required minimum balance within 30 days of the reduction, you may be terminated from membership at the end of the dividend period in the 30 days elapsed.