

Explanation of Rates & Service Charges



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As explained in the MSA, Our Rates & Service Charges disclosure applies to all the accounts we offer. Except as specifically described, the following terms apply to all of the accounts you have with us.

1. Rate Information

The Dividend Rate and Annual Percentage Yield on the accounts are set forth above. The Dividend Rates and Annual Percentage Yields were paid at the end of the quarter shown above. Primary Savings accounts are tiered rate accounts. For these accounts, if the balance in the account is within the balance range for a particular tier, the dividend rate for that tier will apply to the entire balance in the account. Youth Savings, New Member Savings, and Home Buyer Savings accounts are split rate accounts. For these accounts only the portion of the account balance within each Split Rate Tier earns dividends at the rate applicable to that Split Rate Tier. For Certificate Accounts, the Dividend Rate and Annual Percentage Yield are fixed and will be in effect for the term of the account. For Certificate accounts, the Annual Percentage Yield is based on an assumption that dividends will remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

2. Nature of Dividends

Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period. The Dividend Rate and Annual Percentage Yield identified above are the rates and yields for the last dividend period, as shown above.

3. Compounding and Crediting

Dividends will be compounded and credited as identified above. 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 an account you have with us. If you terminate the account before accrued dividends are credited, accrued dividends will not be paid.

5. Balance Information

The minimum balance required to open each account, earn the stated Annual Percentage Yield, or avoid a service charge as set forth above. If you do not maintain the minimum balance, you will not earn the stated Annual Percentage Yield. All accounts are calculated using 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.

6. Account Limitations

For a Holiday Club account, the entire balance will be transferred to the primary savings account on October 15 and the Holiday club account will stay open.

For a Vacation/Freedom Club account, deposited funds are held in the club account and can be withdrawn every six months without penalty.

A Summer Escrow account is for any employee who gets paid through direct deposit and works only 10 months of the year. Deposits must be made through direct deposit, with a maximum deposit of \$1,500 per month and \$15,000 per year. Deposits may only be made between September 1 and June 30 of each year. The entire balance will be transferred to the primary savings account on July 1, of each year. Early withdrawals for any of the above accounts will incur a penalty. You may make transfers or withdrawals in the first seven (7) days the account is open without restriction.

7. Certificate Account Features

a. Account Limitations

After you start the account, you may not make additional deposits to a Certificate Account.

b. Maturity

The Certificate Account you have with us will mature on the maturity date identified on your Account Receipt or Renewal Notice.

c. Early Withdrawal Penalty

We may impose a penalty if you withdraw any of the principal of the Certificate Account before the maturity date.

i. Amount of Penalty. The amount of the penalty is based on the account term. If the term of the certificate is one year or less, you will forfeit an amount equal to 90 days of dividends. If the term of the certificate is greater than one year, you will forfeit an amount equal to 180 days of dividends.

ii. How the Penalty Works. The penalty is calculated as a forfeiture of part of the dividends that have been or would be earned at the nominal rate on the account. It applies whether or not the dividends have been earned. In other words, if the account has not yet earned enough dividends or if the dividends have already been paid, the penalty will be deducted from the principal.

iii. Exceptions to Early Withdrawal Penalties. We reserve the right to charge early withdrawal penalties except for required minimum distributions for IRAs.

d. Renewal Policy

Certificate Accounts are automatically renewable accounts. Automatically renewable accounts will renew for another term upon maturity. You have a grace period of ten (10) days after maturity in which to withdraw funds in the account without being charged an early withdrawal penalty.

e. Nontransferable/Nonnegotiable

The account(s) you have with us is/are nontransferable and nonnegotiable. This means that an account and the funds in the account may not be pledged to secure any obligation of an owner, except obligations with the Credit Union.

8. Home Buyer Savings Account Features

a. Account Limitations.

After the account is opened, you may not make subsequent deposits of more than \$500 per calendar month. The account may remain open for a maximum of 15 months. The account will be closed and funds transferred to the primary savings at the time you close on a qualifying mortgage loan from us or 15 months after the account was opened, whichever comes first.

b. Mortgage Loan Closing Cost Credit and Qualifications.

If you satisfy the following requirements within 15 months after the account is opened, we will provide a credit of \$1000 toward closing costs on the qualifying mortgage loan from us. To qualify for the credit, you must:

i. Participate in the GreenPath Homebuyer Counseling and Education Program. GreenPath is a non-profit organization dedicated to providing consumers with assistance to live healthy financial lives. The GreenPath Program consists of a counseling session followed by online education. There is a service charge of \$25 for the online education component. GreenPath is not affiliated with Greater Alliance Federal Credit Union.

ii. Request prequalification for a mortgage loan from Greater Alliance Federal Credit Union. Qualify for and close on a mortgage loan within 15 months after the account is opened. Mortgage loan must be for the purchase of the borrower's primary residence and must be for less than \$475,000.

iii. Make net deposits (total deposits less total withdrawals) of at least \$100 each month the account is opened (one month may be skipped).

All mortgage loans are subject to our standard credit qualifications and conditions. Neither opening the Home Buyer Savings Account nor obtaining prequalification constitute a commitment by the credit union to make a loan. If all conditions are satisfied, \$1000 credit will be applied to closing costs for the mortgage. No additional cash will be paid if closing costs are less than \$1000. If the mortgage is paid off within two years, the \$1000 credit will be revoked and must be repaid when the mortgage is paid off. Only one credit will be applied to any mortgage loan, irrespective of how many borrowers there are.

If the above requirements are not satisfied within 15 months after the account is opened, the account will be closed and funds in the account will be transferred to the Primary Savings account.