

REDSTONE FEDERAL CREDIT UNION®
TRUTH IN SAVINGS DISCLOSURE SUPPLEMENT
TRADITIONAL AND ROTH INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)

TRADITIONAL AND ROTH INDIVIDUAL RETIREMENT ACCOUNT (IRA) CERTIFICATE

1. **Rate Information.** Please refer to the Individual Retirement Account Rate Sheet for the current dividend rate and APY. For new accounts, the dividend rate and annual percentage yield (APY) are disclosed on the Individual Retirement Account Request Form. For renewing accounts, please refer to the IRA Certificate Maturity Letter for the new APY and dividend rate information. These rates will be in effect for the term of the account.
2. **Compounding and crediting.** Dividends will be calculated daily and compounded and credited 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 and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the ending date of a dividend period and for the example is March 31. If you close your IRA before dividends are credited, you will receive dividends due at the time the account is closed. Dividends will not be earned for the day the account is closed.
3. **Minimum balance requirements.** The minimum balance to open and maintain a 12 or 18 month IRA and obtain the disclosed APY is \$5.00. The minimum balance to open and maintain a 24, 36, 48, 60, 72, 84, 96, 108, 120, and 144 month IRA and obtain the disclosed APY is \$500.00.
4. **Balance computation method.** Dividends are calculated by the daily balance method, which applies a daily periodic rate to the principal in your account each day.
5. **Accrual of dividends.** Dividends will begin to accrue on the business day you deposit non-cash items (i.e., checks) to your account. Dividends will begin to accrue on the date of issuance and shall be credited to the IRA account quarterly. Dividends are earned on the basis of the principal amount remaining on deposit in the IRA account. A withdrawal will reduce earnings.
6. **Transaction Limitations.** After the account is opened, you may make additional deposits into the 12 and 18-month IRAs ONLY. No additional deposits may be made into the 24, 36, 48, 60, 72, 84, 96, 108, 120, and 144 month IRAs. If you make any additional deposits, it will not extend the maturity date. The additional deposits will earn dividends, at the rate in effect for funds already in the Certificate, from the date they were deposited. No withdrawals may be made from the account until the maturity date of the IRA account. ANY WITHDRAWAL (INCLUDING REQUIRED MINIMUM DISTRIBUTIONS) WHICH REDUCE THE REMAINING BALANCE BELOW THE MINIMUM MAY BE TREATED AS A COMPLETE WITHDRAWAL AND THE IRA WILL BE CLOSED AND FEDERAL WITHHOLDING TAX (10%) WILL BE TAKEN IF NO OTHER INSTRUCTIONS ARE ON FILE.
7. **Maturity Date.** Please refer to the Individual Retirement Account Request Form for the correct maturity date on new accounts and to the IRA Certificate Maturity Letter for the maturity date on renewing accounts.
8. **Early withdrawal penalties.** A penalty will be imposed if you withdraw any of the funds before the maturity date. If the IRA is issued for a period of 12 months, the early withdrawal penalty will be 90 days' dividends. If the IRA is issued for a period of 18, 24, or 36 months, the early withdrawal penalty will be 180 days' dividends. If the IRA is issued for a period of 48 or 60 months, the early withdrawal penalty will be 270 days' dividends. If the IRA is issued for a period of 72 or 84 months, the early withdrawal penalty will be 365 days' dividends. If the IRA is issued for a period of 96 or 108 months, the early withdrawal penalty will be 540 days' dividends. If the IRA is issued for a period of 120 or 144 months, the early withdrawal penalty will be 730 days' dividends. The early withdrawal penalty will be calculated using the dividend rate in effect on the date the certificate was issued, or if the Certificate automatically renews, the rate in effect on any subsequent renewal date. If the funds on deposit have not earned sufficient dividends or if dividends have previously been withdrawn, the penalty will, to the extent necessary, be assessed against the principal of the account and will be deducted from the amount requested to be withdrawn. (Please refer to the IRA Custodial Agreement or Roth IRA and Disclosure Statement for further details on penalties and exceptions.)
9. **Renewal policies.** Your IRA account will renew automatically at the then current rate at maturity. You will have a grace period of five (5) calendar days after the maturity date to withdraw the funds in the account without being charged an early withdrawal penalty. Your IRA account will automatically renew for another term equal to the original term unless one of the following happens. 1) This Certificate is presented for payment on the maturity date or within 5 calendar days (grace period) thereafter; 2) you, the Account Owner, send written notice to the Credit Union at least 15 days before the original or any subsequent maturity date of your intention not to renew this Certificate; 3) At least 30 days before the original or any subsequent maturity date, Redstone Federal Credit Union mails to you, the Account Owner, written notice of its intention not to renew this Certificate. If this Certificate does not automatically renew, no dividend will be paid after the maturity date stated above or any subsequent maturity date.
10. **Bylaw requirements.** A member who fails to complete payment of one share within six (6) months of his admission to membership, or within six (6) months from the increase in the par value in shares, or a member who reduces his share balance below the par value of one share within six (6) months of the reduction may be terminated from membership at the end of a dividend period. Shares may be transferred only from one member to another, by written instrument in such form as the Credit Union may prescribe. The Credit Union reserves the right, at any time, to require members to give, in writing, not more than 60 days' notice of intention to withdraw the whole or any part of the amounts so paid in by them. Shares paid in under an accumulated payroll deduction plan may not be withdrawn until credited to a member's account. No member may withdraw shareholdings that are pledged as security on loans without the written approval of a loan officer, except to the extent that such shares exceed the member's total primary and contingent liability to the Credit Union if he/she is delinquent as a borrower, or if borrowers for whom he/she is co-maker, endorser, or guarantor are delinquent, without the written approval of a loan officer. IRAs may not be pledged as collateral/security for loans.
11. **Par Value of Shares; Dividend period.** The par value of a regular share in this Credit Union is \$5.00. The dividend period for this account is quarterly.
12. **National Credit Union Share Insurance Fund.** Member accounts are federally insured by the National Credit Union Share Insurance Fund.

TRADITIONAL AND ROTH SAVINGS INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)

1. **Rate Information.** Please refer to the Individual Retirement Account Rate Sheet for the current dividend rate and annual percentage yield (APY). The dividend rate and APY may change every month, as determined by the Credit Union's Board of Directors.
2. **Compounding and crediting.** Dividends will be calculated daily and compounded and credited quarterly. 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 March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the ending date of a dividend period, and for the example is March 31. If you close your IRA before dividends are credited, you will receive dividends due at the time the account is closed. Dividends will not be earned for the day the account is closed.
3. **Minimum balance requirement.** The minimum balance required to open this account and earn the disclosed APY is \$5.00.
4. **Balance computation method.** Dividends are calculated on the daily balance method, which applies a daily periodic rate to the principal in your account each day.
5. **Accrual of dividends.** Dividends will begin to accrue on the business day you deposit non-cash items (e.g., checks) to your account.
6. **Transaction Limitations.** Redstone Federal Credit Union charges no penalty for early withdrawals from your Savings IRA; however, the Federal government may impose a penalty tax for early withdrawals. (Please refer to the IRA Custodial Agreement or Roth IRA and Disclosure Statement for further details on penalties and exceptions.) **ANY WITHDRAWAL (INCLUDING REQUIRED MINIMUM DISTRIBUTIONS) THAT REDUCE THE IRA BALANCE BELOW THE MINIMUM SHALL BE TREATED AS A COMPLETE WITHDRAWAL AND THE IRA WILL BE CLOSED AND FEDERAL WITHHOLDING TAX (10%) WILL BE TAKEN IF NO OTHER INSTRUCTIONS ARE ON FILE.**
7. **Nature of dividends.** Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.
8. **Bylaw requirements.** Please refer to Traditional and Roth Individual Retirement Account (IRA) Certificate, section no. 10 entitled "Bylaw requirements."
9. **Par value of shares; Dividend period.** The par value of a regular share in this Credit Union is \$5.00. The dividend period for this account is quarterly.
10. **National Credit Union Shares Insurance Fund.** Member accounts are federally insured by the National Credit Union Share Insurance Fund.

OTHER TERMS AND CONDITIONS FOR TRADITIONAL AND ROTH IRA CERTIFICATES AND SAVINGS ACCOUNTS:

1. You must have a Share Account (Savings) at Redstone Federal Credit Union before you can open an IRA at the Credit Union. Your Share Account (Savings) may not be closed prior to closing the IRA account.
2. The Credit Union may make changes in the terms and conditions of an IRA by giving thirty (30) days prior written notice. The Credit Union has the right to change the dividend rate, the method of compounding dividends and/or the terms of dividend payment. **For IRA Certificates**, these changes can only be made on a maturity date and only if written notice is sent to you at least 30 days prior to the original or any subsequent maturity date. This notice will be sent by first class mail to you at the last address you have given us. We must make any such changes if we are required to do so by applicable Federal law or regulation.
3. **For IRA Certificates:** You cannot withdraw any portion of the principal before the first or any subsequent maturity dates without our consent. We can only give our consent to such early withdrawal at the time the request is made. If we consent to the early withdrawal, we must assess a penalty unless one of the "Exceptions" listed below applies. For Roth Individual Retirement Accounts, refer to the Roth IRA and Disclosure Statement for further details on penalties and exceptions.
Exceptions:
 - 1) We must consent to your request for early withdrawal and no penalty will be assessed if you die or are declared incompetent.
 - 2) We must consent to the withdrawal if the request is made within seven calendar days after the account is established. In this event, the early withdrawal penalty will be the loss of all dividends that has been earned from the date of deposit.
 - 3) We will waive the early withdrawal penalty if you are at least age 59 1/2 or are disabled, as defined by the Internal Revenue Code, at the time the request is made.
 - 4) We will waive the early withdrawal penalty if you instruct us to redeem an existing IRA certificate and purchase a new IRA certificate of at least the same deposit amount, but only if you are at least age 59 1/2 and have not completed a similar rate change transaction prior to maturity in the preceding 365 days with respect to the same Individual Retirement Agreement.
4. Unless you qualify under one of the exceptions for withdrawals from IRA accounts, there may be additional Internal Revenue Service penalties on the amount withdrawn. You, the Account Owner, cannot transfer an IRA Certificate or any rights you have under it without our written consent. All certificates are non-negotiable.
5. All IRA Accounts are issued in accordance with and regulated by all applicable Federal laws and regulations governing Redstone Federal Credit Union and its accounts. Funds are subject to collection.
6. Your IRA will be closed if you are subject to the required distribution rules and your balance (fair market value) is less than \$100 as of December of any given year. You authorize us to (a) close the IRA before December 31 of such year and deposit the funds to any non-IRA account you maintain with us or (b) distribute following your periodic payment instructions already on file.
7. You expressly acknowledge that you should consult with your tax advisor before making almost any IRA transaction. You are responsible for the tax consequences of any contribution or distribution, including: rollovers, transfers, re-characterizations, conversions, excess contributions, and prohibited transactions. You acknowledge that you have not relied on us for any advice concerning such tax consequences.
8. All automatic deposits from payroll deduction, direct deposit, periodic payments, automated clearing house (ACH) deposits, and online banking deposits to an IRA must be credited to the calendar year in which we receive it.
9. If any payroll deduction, direct deposit, periodic payments and automated clearing house (ACH) deposit will cause the current year-to-date IRA deposits to exceed the annual contribution limit applying to you, the deposit will not be made to the IRA.

10. Unless you instruct us otherwise in writing, you are solely responsible for making your required minimum distribution (RMD) before the IRS mandated deadline. We have the right but not the duty to make the distribution for you if you have not made the distribution before the IRS mandated deadline.
11. We shall have the right to correct any error we make with respect to your IRA unless IRS rules and procedures would not permit us to do so. Such errors include both reporting errors and non-reporting errors.
12. Upon your death your IRA, will be converted into one or more inherited IRAs. The number of inherited IRAs created depends on the number of primary beneficiaries alive as of your date of death.
13. It is the beneficiary's sole responsibility to take the RMD amount from the inherited IRA before the IRS mandated deadline unless we receive written instruction giving us permission to make the RMD on their behalf.
14. We will furnish you our privacy policies as required by applicable banking laws and regulations.
15. We may request a written certification acceptable to us before we will accept any rollover or transfer contribution. We reserve the right to refuse to accept any such transaction. We reserve total discretion whether or not we will transfer your IRA assets to another custodian or trustee. You also expressly state that you have the sole responsibility to comply with all IRS rules and regulations governing rollovers.
16. We reserve the right to request a physician certification of disability before we will consent to a withdrawal using the IRS code "Disability".
17. We shall have the right to withhold payments from your IRA assets if there is a dispute or uncertainty with respect to these assets until such time that payment is expressly authorized and the dispute is settled to all parties' satisfaction. For example: a divorce situation or different individuals could claim to be your beneficiaries. We reserve the right to request a judicial determination of ownership of assets by a court of law at any time. You agree that any fees and expenses associated with the dispute will be paid from your IRA assets.
18. We reserve the right to deny any power of attorney presented to the Credit Union.
19. Rollover re-deposits will not be permitted to a non-add-on certificate (see Traditional and Roth Individual Retirement Account (IRA) Certificate Transaction Limitations). A new IRA certificate will be required to be opened at the current rate.

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