



*Covenant Bank*

## TRUTH-IN-SAVINGS DISCLOSURE

### *NOW ACCOUNT CHECKING*

**Rate Information** - Your interest rate and annual percentage yield may change.

**Frequency of rate changes** - We may change the Interest rate on your account at any time.

**Determination of rate** - At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** - Interest will be compounded every day. Interest will be credited to your account every month. If you close your account before interest is credited, you will receive the accrued interest.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** - Interest begins to accrue on the business day you deposit noncash items (for example, checks).

### *MONEY MARKET ACCOUNT*

**Rate Information** - Your interest rate and annual percentage yield may change.

**Frequency of rate changes** - We may change the interest rate on your account at any time.

**Determination of rate** - At our discretion, we may change the interest rate on your account.

**Compounding and crediting frequency** - Interest will be compounded every day. Interest will be credited to your account every month. If you close your account before interest is credited, you will receive the accrued interest

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** - Interest begins to accrue on the business day you deposit non-cash items (for example, checks).

**Transaction limitations**- Transfers from a Money Market account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer or by check or similar order to third parties are limited to six per statement cycle.

### *CERTIFICATE OF DEPOSIT*

**Rate Information** - You will be paid the disclosed rate until first maturity.

**Compounding frequency** - Interest will be compounded every day.

**Crediting frequency** - Interest will be credited to your account every quarter. Other frequency terms are available.

**Minimum balance to open the account** -Please refer to our separate rate sheet.

**Daily balance computation method** - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

**Accrual of interest on noncash deposits** – Interest begins to accrue on the business day you deposit non-cash items (for example, checks).

**Transaction limitations:**

You may not make any deposits into your account before maturity. You may make withdrawals of principal from your account before maturity. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty. You can withdraw interest accrued in the term before maturity of that term without penalty. You can withdraw interest any time during the term of crediting after it is credited to your account.

**Early withdrawal penalties** (a penalty may be imposed for withdrawals before maturity) -

- If your account has an original maturity of 12 months or less:
  - The fee we may impose will equal 3 months interest on the amount withdrawn subject to penalty.
- If your account has an original maturity of greater than 12 months but less than 36 months:
  - The fee we may impose will equal 6 months interest on the amount withdrawn subject to penalty.
- If your account has an original maturity of 36 months or more:
  - The fee we may impose will equal 12 months interest on the amount withdrawn.
- An early withdrawal penalty will not apply to a Withdrawable CD for a one-time full or partial withdrawal.
  - However, after that you will be subject to the penalty described above for the applicable term.

In certain circumstances such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

**Withdrawal of interest prior to maturity** - The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Automatically renewable time account** - This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below, if any) or we receive written notice from you within the grace period mentioned below, if any. If you prevent renewal, interest will not accrue after final maturity. Each renewal term will be the same as the original term, beginning on the maturity date (unless we notify you, in writing, before a maturity date, of a different term for renewal). The interest rate will be the same we offer on new time deposits on the maturity date which have the same term, minimum balance (if any) and other features as the original time deposit.

You will have ten calendar days after maturity to withdraw the funds without a penalty.

## **COMMON FEATURES**

Please refer to our separate rate sheet for current rate information.