

## Important Information About Our ADVANTAGE IRA



This disclosure provides account information about certain terms, conditions, and fees for our Advantage IRA. This account is subject to the terms and conditions for First Federal Savings and Loan of San Rafael's ("First Federal") *Statement of Information and Rules for Accounts and Schedule of Fees and Charges* which are given to you at account opening. This is a variable rate account, the interest rate and annual percentage yield (APY) disclosed are subject to change daily.

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### ELIGIBILITY

This savings account is available only to individual accountholders as an Individual Retirement Account (IRA).

### RATE INFORMATION

This account is subject to a tiered variable rate. The interest rate and annual percentage yield ("APY") may change at our discretion after the account is opened. Current rates are available at our Branch Offices.

We pay interest on the daily balance in your account. If your daily balance is \$50,000 or more, the interest rate paid on the entire balance in your account will be 0.75% with an annual percentage yield of 0.75%. If your daily balance is \$25,000 or more but less than \$50,000, the interest paid on the entire balance in your account will be 0.65% with an annual percentage yield of 0.65%. If your daily balance is \$2,500 or more but less than \$25,000, the interest paid on the entire balance in your account will be 0.50% with an annual percentage yield of 0.50%. If your daily balance is \$2,499.99 or less, you will not earn interest at the lower interest rate and annual percentage yield. Fees may reduce earnings.

### ACCOUNT FEES

For a complete list of fees refer to the disclosure entitled "Schedule of Fees & Charges."

### COMPOUNDING AND CREDITING

Interest earned will be compounded daily and credited to your Advantage IRA on a quarterly basis. The APY disclosed for your Advantage IRA assumes that all interest earned is credited to the account. Withdrawing interest from your IRA Savings Account will reduce earnings.

Note: Compounded daily means that the Association calculates interest daily on the principal balance plus any interest that is earned that has not been paid to the account.

### MINIMUM OPEN BALANCE REQUIREMENT

The minimum balance required to open an Advantage IRA is \$50. If the account balance falls below \$50, First Federal Savings & Loan Association of San Rafael (the Association) reserves the right to close your Advantage IRA Savings Account.

### MINIMUM BALANCE AND OTHER REQUIREMENTS

A minimum balance of \$2,500 must be maintained to earn the annual percentage yield.

To Earn Interest at the Premium Rate: There are 3 tiers and you will earn interest on the entire balance in your account based on whether daily balance of your account is in the higher or lower tier. To earn interest at the higher interest rate and annual percentage yield, the daily balance in your account must be \$50,000 or more. If your daily balance is \$25,000 or more but less than \$50,000, the interest paid on the entire balance in your account will be 0.65% with an annual percentage yield of 0.65%. If your daily balance is \$2,500 or more but less than \$25,000, the interest paid on the entire balance in your account

will be 0.50% with an annual percentage yield of 0.50%.

**Variable Rate Features Your Account:** Your interest rate and annual percentage yield can change daily due to the application of a higher or a lower interest rate tier, as described above, based on the daily balance in your account. In addition, we may change the interest rate that apply to the higher or lower tiers of your account at any time. Your interest rate and annual percentage yield can vary based on either of these changes: moving between tiers, or because the interest rate on a tier is changed by us at our discretion.

### **INTEREST CALCULATION METHOD BASED ON DAILY BALANCE METHOD**

We use the daily balance method to calculate the interest earned on an Advantage IRA Savings Account. This method applies a daily periodic rate to the principal in the account each day. The daily periodic rate is 1/365 of the interest rate or 1/366 of the interest rate in a leap year.

### **ACCRUAL OF INTEREST**

Interest earnings begin to accrue on your deposit, including non-cash items (such as a check deposit), on the business day of deposit. Deposits received on the weekend or bank holidays will accrue interest starting the next business day.

### **TRANSACTION LIMITATIONS**

After the account is opened, you may make additional deposits into your Advantage IRA up to the maximum contribution amount allowed by your Retirement Plan. Withdrawal of principal or interest earned from an Advantage IRA may result in adverse tax consequences unless you have reached the age of 59-1/2 or older, or are disabled (as defined under applicable federal law). Please consult your attorney or tax advisor for full details on tax implications.

Subject to the Association's funds availability policy you may make withdrawals in any manner permitted by the Association; however, distribution requests must be prepared for all withdrawals. Therefore, we do not allow telephone or automatic transfers from this account. No preauthorized ACH withdrawals may be made from this account.

### **REVOCAION OF YOUR IRA SAVINGS ACCOUNT**

You are entitled to revoke your Advantage IRA at any time within seven calendar days of the date you establish your IRA Plan. Revocation is available only when you open your IRA Plan. It is not available when you make a contribution to an existing IRA Savings Account.

### **ADDITIONAL DISCLOSURES**

This disclosure does not include all of the terms and fees applicable to your Advantage IRA Savings Account. Other important fees, terms, and conditions of your relationship with the Association are contained in the documents entitled *Statement of Information and Rules for Accounts*, *Privacy Policy*, *Schedule of Fees and Charges*, and *IRA Plan documents* in effect on the date this disclosure is provided or as amended from time to time for the account hereby established. Please read them carefully.