

## SHARE CERTIFICATES

### Certificate of Deposits (CD's)

- Known as “time deposits”
- Safest investment, low end of risk/reward spectrum
- Has a higher interest rate than a Share (savings) account
- FDIC/NCUA insured investment available at banks, savings & loans and credit unions
- A certificate of deposit (CD's) is where consumers agree to lend money to the institutions for a certain amount of time; in exchange the consumer is paid a predetermined rate of interest
- Members can earn “loyalty rewards” by the number of years they have been with Hopewell Federal Credit Union when opening or renewing a certificate of deposit (CD)
  - Five (5) years = .05%
  - Ten (10) years = .10%
  - Fifteen (15) years = .15%
  - Twenty (20) years = .20%
  - Twenty five (25) years and over = .25%
  - If deposit amount is greater then \$50,000.00 member will receive an extra .15% for the term of the certificate of deposit (CD)
- There is a penalty if the consumer withdraws or closes the certificate of deposit (CD's) before it matures
- Penalties can be waived due to death or serious hardships with supporting documentation
- The amount of the penalty is based on the term of the certificate of deposit (CD's)
- Penalty is calculated as a forfeiture of part of the dividends that have been or would be earned (in other words, the CD has not yet earned enough dividends or if the dividends have already been paid, the penalty will be deducted from the principle)
- Penalty schedule is as follows
  - Terms of 12 months or less      90 days' dividends
  - Terms of 13 to 48 months      180 days' dividends
  - Terms longer than 48 months      360 days' dividends
- Terms and minimum balance to open is as follows
  - 3-9 month      \$ 500.00
  - 11 month (No penalty)      \$2,500.00
  - 12-18 month      \$ 500.00
  - 23 month (Bump-up)      \$2,500.00
  - 24-30 month      \$ 500.00
  - 35 month (Bump-up)      \$2,500.00
  - 36-60 month      \$ 500.00
- Certificate of Deposit (CD's) **Term, Minimum Opening Amount and Rate are subject to change**
- 11 month “No Penalty”
  - Dividends are compounded daily and paid at maturity
  - Cannot withdraw prior to maturity, have to close it out
  - Withdrawing dividends only during the grace period is permitted
  - Withdrawing principal during grace period is Not permitted
  - If member closes certificate of deposit (CD) with seven (7) days of the date it was opened there will be a penalty equal to seven (7) days' dividends