

First Federal Savings and Loan Association of Lakewood

Premium Checking Account Disclosure

Interest Rate and Annual Percentage Yield

The interest rate on this account will never be greater than an annual cap, which will be determined by First Federal on the last business day of each year for the next year. The current annual interest rate cap is 2.79% for the year 2010.

For balances equal to or greater than \$5,000.00: **The initial Annual Percentage Yield will be _____ % with an interest rate of _____ %** The interest rate earned on qualifying balances will be the greater of 90% of the current auction rate for the 13 week Treasury Bill (T-Bill) or the current floor rate. This interest rate may change weekly as the T-Bill auction rate changes. The 13 week T-Bill auctions occur every week in Washington, D.C. The interest rate will take effect the Wednesday following a Monday auction or the Thursday following a Tuesday auction. The current floor rate changes monthly on the last Monday of each month and equals 80% of that Monday's 13 week T-Bill auction rate. If the T-Bill rate increases during subsequent weeks of the month, the interest rate on this account will increase (limited to the annual cap). If the T-Bill rate decreases in subsequent weeks of the month, the interest rate will not go below the floor rate established for that month.

For balances less than \$5,000.00: The interest rate and annual percentage yield may change at any time at the discretion of this Association and will apply to the entire balance including any additions. **The initial Annual Percentage Yield will be .10 % with an interest rate of .10 % for balances less than \$5,000.00 but equal to or greater than \$2,500.00. The initial Annual Percentage Yield will be .05 % with an interest rate of .05 % for balances less than \$2,500.00.**

Interest Compounding and Calculation

Interest is earned for each day the account balance is \$1.00 or more. Interest earnings are compounded monthly and credited to this account on the last business day of each month.

Interest is calculated on the daily balance. This method applies a daily periodic rate to the balance in the account each day.

Interest is calculated for the first day of deposit, but is not calculated for the day a withdrawal is made. Interest begins to accrue on the next business day a non-cash item is deposited (for example, checks).

Minimum Balance Requirements

A minimum deposit of \$5,000.00 is required to open the account.

Fees A \$10.00 Monthly Service Fee is incurred at the end of the statement cycle if the average daily balance is calculated to be less than \$5,000.00.

The average daily balance is determined by totaling the balances for each day and dividing by the number of days in each statement cycle.

NSF or uncollected funds fee is \$30.00 per item returned. Overdrafts may be paid at the discretion of the Association. Customers will be notified when overdrafts are paid. A fee of \$33.00 will be charged for each transaction posted (checks paid, ATM withdrawals, debit card purchases, preauthorized automatic debits, telephone-initiated transfers, or other on-line banking transfers) that results in a negative account balance. Transactions may not be processed in the order they occur. Checks will be paid in order of largest to smallest dollar amount. ATM withdrawals and debit card purchases cannot be returned due to insufficient funds. Accounts overdrawn more than 5 consecutive days may be charged a daily overdraft fee of \$5.00. Accounts overdrawn 60 consecutive days may be closed. If unable to verify information obtained at account opening or notification is received that leads the Association to believe the account will not be handled in an appropriate manner, the Association reserves the right to terminate the automatic overdraft protection program. First Federal of Lakewood will not report negative information to consumer reporting agencies for overdrafts repaid in accordance with program guidelines. Accountholders may opt-out of the automatic overdraft protection program by notifying First Federal of Lakewood in writing.

Rejected Automatic Withdrawal Fee is \$30.00 per return. Stop Payment Fee is \$30.00 per check.

Automatic Withdrawal Stop Payment Fee is \$30.00 for each automatic withdrawal stop payment request.

Check Printing Fee depends on the style of checks ordered. Returned mail fee (after 2 occurrences) is \$5.00 per item.

A Check Reject Fee is \$1.00 per item for manual processing due to reasons such as, invalid account number or alien media.

Returned Deposit Item Fee is \$10.00. Fee to redeposit a returned deposit item is \$5.00.

Foreign Item Fee is \$5.00 for a deposit item sent for collection plus any additional cost as incurred to this institution by the collecting agent.

After 5 years of no activity, a \$50.00 dormant account fee will be charged and funds will be subject to escheat.

If the account is closed within six months of opening, an early account closing fee of \$50.00 plus any promotional premiums will be charged.

The following fees may be applied against your account should you use any of the following services:

Out-of-state STAR ATM Fee is \$1.00 per transaction. Money Station ATM Fee is \$.50 per transaction. Cirrus ATM Fee is \$1.50 per transaction, including inquiries. Huntington Bank ATM Fee is \$1.50 per withdrawal. Huntington Bank ATM Fee is waived for student checking and qualified multiple relationship households. Card replacement fee is \$5.00.

Fee for larger check images (4 to a page) is \$1.00 per statement.

Duplicate Statement Fee is \$5.00 per statement. Copy of cancelled check is \$3.00 per check.

Special handling fee to verify 2 signatures required is \$2.00 per check.

Account Balancing Assistance is \$15.00 per half-hour to reconcile an account. Research Fee of \$15.00 per half-hour for account research activity.

Account History Fee is \$3.00 per month of historical account information.

Transaction Limitations

No more than a total of 6 pre-authorized, telephone, Internet or ACH transfers may be made to this account from accountholder's FFL savings or passbook account per month.

Can not be used as collateral for Share Loans. No monthly interest checks.

FFL reserves the right to require that a customer give 7 days prior written notice of any intended withdrawal.