

# AAFES FEDERAL CREDIT UNION TERM SHARE CERTIFICATE APPLICATION

*This Certificate may not be pledged, transferred, or assigned to any party except the Credit Union. Any Owner of this Certificate may redeem or pledge this Certificate as collateral security for one or more Credit Union loans without the consent of the other Owners.*

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING AN ACCOUNT:** To help the government fight the funding of terrorism and money laundering activities, Federal Law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. **WHAT THAT MEANS TO YOU:** When you open an account, we will ask for your name, physical address, date of birth, and other information that will allow us to identify you. We may also ask to see or have a copy of your driver's license or other identifying documents.

Name: \_\_\_\_\_ Account No.: \_\_\_\_\_  
Last Name, First Name, Middle Initial

Date Issued: \_\_\_\_\_ Certificate Type: \_\_\_\_\_ Certificate Number: \_\_\_\_\_ Maturity Date: \_\_\_\_\_  
(To Be Assigned By Credit Union)

Amount: \_\_\_\_\_ Rate/APY\*\*: \_\_\_\_\_ % / \_\_\_\_\_ % Delivery: ☐ Mail ☐ Pick-Up

\*\* The Rate and Annual Percentage Yield (APY) assume that dividends are to be ☐ added to principal or ☐ paid to Share Type \_\_\_\_\_. If the dividends are to be added to principal, the APY assumes that dividends will remain in the account until maturity, a withdrawal would reduce earnings.

Mailing Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_ SSN: \_\_\_\_\_

## ACCOUNT OWNERSHIP (See Type of Account Description Below)

- ☐ Single Party Account without "P.O.D." (Payable on Death) Designation.  
☐ Certificate for Minor
- ☐ Single Party Account with "P.O.D." (Payable on Death) Designation  
☐ Certificate for Minor
- ☐ Multiple Party Account with Right of Survivorship and without "P.O.D." (Payable on Death) Designation  
☐ Certificate for Minor
- ☐ Multiple Party Account with Right of Survivorship and with "P.O.D." (Payable on Death) Designation  
☐ Certificate for Minor

## JOINT OWNER SECTION

Name: \_\_\_\_\_ SSN/TIN: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_ Sex: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Driver's License No.: \_\_\_\_\_ State: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Employer: \_\_\_\_\_ Position: \_\_\_\_\_

Member Name: \_\_\_\_\_ Account No.: \_\_\_\_\_

**JOINT OWNER SECTION**

Name: \_\_\_\_\_ SSN/TIN: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_ Sex: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Driver's License No.: \_\_\_\_\_ State: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Employer: \_\_\_\_\_ Position: \_\_\_\_\_

**P.O.D. BENEFICIARIES**

If you have made a "P.O.D." (Payable on Death) designation in the Account Ownership Section, then upon the death of the last account owner, ownership of the account passes to the following P.O.D. beneficiaries.

Name	Address	Telephone	SSN/TIN Or Relationship

**SIGNATURES AND AUTHORIZATIONS**

By signing below, you hereby make application for a Term Share Certificate in AAFES Federal Credit Union. You acknowledge and agree that the ownership and P.O.D. beneficiaries apply only to this sub-account. Ownership and beneficiaries of other sub-accounts will be determined by their specific Application. If you have designated your Term Share Certificate to be opened as a Joint or Multiple Party Certificate with Right of Survivorship, then on the death of one party to the Certificate, all sums in the account on the date of death vest in and belong to the surviving joint owners as their separate property and estate. You agree to conform to the credit union's bylaws, policies, and procedures now in effect and as amended or adopted hereafter. You acknowledge receipt of and agree to be bound by AAFES Federal Credit Union Account Agreement, Term Share Certificate Agreement and Rate and Fee Schedule, all of which may be amended from time to time and are incorporated herein.

**X** \_\_\_\_\_ **X** \_\_\_\_\_  
Primary Owner's Signature Date Joint Owner's Signature Date

**X** \_\_\_\_\_  
Joint Owner's Signature Date

**CERTIFICATE REDEMPTION  
(To Be Completed at Final Maturity)**

Redeeming Party: \_\_\_\_\_ SSN: \_\_\_\_\_

Address: \_\_\_\_\_ Date: \_\_\_\_\_

**X** \_\_\_\_\_  
Signature

**FOR CREDIT UNION USE ONLY**

Opened By: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_  
(Authorized Credit Union Signature)

\_\_\_\_\_  
(Authorized Credit Union Signature)

Closed By: \_\_\_\_\_ Date: \_\_\_\_\_

## TYPE OF ACCOUNT

1. **Single Party Certificate without “P.O.D.” (Payable on Death) Designation.** The party to the account owns the account. One the death of the party, ownership of the account passes as a part of the party’s estate under the party’s will or by intestacy.
2. **Single-Party Account with “P.O.D.” (Payable on Death) Designation.** The party to the account owns the account. One the death of the party, ownership of the account passes to the P.O.D. beneficiaries of the account. The account is not part of the party’s estate.
3. **Multiple-Party Account with Right of Survivorship.** The parties to the account own the account in proportion to the parties’ net contributions to the account. The credit Union may pay any sum in the account to a party at any time. On the death of a party, the party’s ownership of the account passes to the surviving parties.
4. **Multiple-Party with Right of Survivorship and “P.O.D.” (Payable on Death) Designation.** The parties to the account own the account in proportion to the parties’ net contributions to the account. The credit union may pay any sum in the account to a party at any time. On the death of the last surviving party, the ownership of the account passes to the P.O.D. beneficiaries.
5. **Certificates for Minors.** For any Certificate established by a minor, the Credit Union reserves the right to require the minor Certificate to be a multiple party Certificate with an owner who has reached the age of majority under state law. The Credit Union may make payments of funds directly to the minor without regard to his or her minority. Unless a guardian or parent is a Certificate owner, the guardian or parent shall not have any right to access the Certificate. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or any Certificate owner. The Credit Union shall not change the account status when the minor reaches the age of majority, unless authorized in writing by all Certificate owners.

**AAFES FEDERAL CREDIT UNION**  
**TERM SHARE CERTIFICATE AGREEMENT**

Term Share Certificates (TSC) are the savings of members accepted by agreement for a specific amount, for specific periods of time, at agreed dividend rates. Your TSC will be governed by the terms and conditions set forth in this Agreement, your Account Agreement which is incorporated herein, our Term Share Certificate Rate Schedule, and the terms and conditions set forth in the Term Share Certificate Application. Dividend rates for Term Share Certificates are established weekly. When you purchase a Term Share Certificate, the current rate is fixed until the Certificate reaches maturity. The current dividend rates and Annual Percentage Yield (APY) on AAFES Federal Credit Union Term Share Certificates are set forth in the Term Share Certificate Rate Schedule which accompanies this Term Share Certificate Agreement. For purposes of this disclosure, those rates and yields were offered within the most recent seven (7) calendar days and were accurate as of the date set forth in the Term Share Certificate Rate Schedule. Please call (214) 337-0090 or (800) 452-7333 to obtain current rate information.

- (a) **Compounding and Crediting.** Dividends on Six (6) Month Term Share Certificates will be credited monthly. Dividends earned on other Term Share Certificates will be credited quarterly. You may choose to have the dividends credited to another of your Savings or Checking Accounts or you may choose to have the dividends credited back to the certificate. Choosing to have the dividends credited to another of your Savings or Checking Accounts will result in a lower APY. *Please see the Term Share Certificate Rate Schedule.*
- (b) **Withdrawal of Dividends Prior to Maturity.** The Annual Percentage Yield disclosed for Certificates with compounding assumes that dividends will remain in the Certificate Account until maturity. A withdrawal of dividends that are credited to the Certificate will result in reduced earnings. Dividends credited to the Certificate may be withdrawn before maturity without penalty if you have so designated this option on the Application.
- (c) **Balance Computation Method.** Dividends are calculated by the daily balance method, which applies a daily periodic rate to the balance in your Account each day.
- (d) **Accrual of Dividends.** Dividends will begin to accrue on the business day you deposit cash and/or non-cash items (such as checks) to your Account.
- (e) **Transaction Limitations.** After the certificate is opened, you may not make deposits into the Account until the maturity date stated on the Certificate. We reserve the right to require a member intending to make a withdrawal to give written notice of such intent up to sixty (60) days prior to any such withdrawal.
- (f) **Early Withdrawal Penalties.** We may impose a penalty if you withdraw any of the original principal value in your Account before the maturity date. The penalty for certificates of one (1) year or less will be equal to ninety (90) days' dividends, whether earned or not. Certificates with terms greater than one (1) year will be subject to penalties totaling one-hundred eighty (180) days' dividends, whether earned or not. We will waive an early withdrawal penalty in certain circumstances such as death or incompetency of an Account owner.

In the event an early withdrawal brings the Certificate's balance below the original principal value at Account opening, early withdrawal penalties will be assessed and the Certificate will be closed and the funds returned to you. If sufficient funds are available to meet the minimum balance requirements, a new Certificate can be issued at the current Certificate Rate.
- (g) **Renewal Policies.** Your Certificate will automatically renew at maturity for a like term, with the same account-crediting feature, and at the dividend rate and Annual Percentage Yield (APY) then in effect. You will have a grace period of ten (10) calendar days after the maturity date on your Certificate to withdraw the funds in the Account without being charged an early withdrawal penalty. You will be required to sign the Certificate Redemption Section of the Application and return it to the credit union before the tenth business day after the last renewal to prevent a penalty.
- (h) **Ownership of Term Share Certificate.** The Account Ownership Provision chosen on your Term Share Certificate Application governs the ownership of the Certificate.
- (i) **Par Value of Shares.** The par value of a regular share in AAFES Federal Credit Union is \$25.00. You will be required to maintain a primary share account with at least a balance of \$25.00 to purchase a Term Share Certificate.
- (j) **National Credit Union Share Insurance Fund (NCUSIF).** Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States of America. The \$250,000 insurance limit applies until December 13, 2013. The insurance limit may be different after that date, but should not fall below \$100,000.

**AAFES FEDERAL CREDIT UNION**  
**TERM SHARE CERTIFICATE RATE SCHEDULE**

This Rate Schedule sets forth the dividend rate and Annual Percentage Yield (APY) for all AAFES Federal Credit Union Term Share Certificates. For purposes of this Disclosure, these are the Rates and Annual Percentage Yields that were offered within the most recent seven (7) days and were accurate as of:

**February 2, 2010**

Please call (214) 337-0090 or (800) 452-7333 to obtain current rate information. This Rate Schedule is incorporated into and made a part of your Term Share Certificate Agreement and your Account Agreement with AAFES Federal Credit Union.

<b>Term Share Certificate</b>	<b>Dividend Rate</b>	<b>Annual Percentage Yield (APY) (without Compounding)</b>	<b>Annual Percentage Yield (APY) (with Compounding)</b>
<b>6 Month</b>	<b>0.85 %</b>	<b>0.85 %</b>	<b>0.85 %</b>
<b>1 Year</b>	<b>1.00 %</b>	<b>1.00 %</b>	<b>1.00 %</b>
<b>2 Year</b>	<b>1.49 %</b>	<b>1.49 %</b>	<b>1.50 %</b>
<b>3 Year</b>	<b>1.98 %</b>	<b>1.98 %</b>	<b>2.00 %</b>
<b>5 Year</b>	<b>2.23 %</b>	<b>2.23 %</b>	<b>2.25 %</b>

**COMPOUNDING.**

- (a) **With Compounding.** If you choose to have the dividends earned on your certificate remain with the certificate upon crediting, your return will usually be higher than if those dividends that are credited to a savings or checking account upon crediting.
- (b) **Without Compounding.** If you choose to have the dividends earned on your certificate post to a savings or checking account upon crediting, your return will usually be lower than if you had the dividends posted to the certificate.

**CREDITING.**

- (a) **Six (6) Months Term Share Certificate.** For this certificate type, the dividend period is monthly; 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 January 31. All other dividend periods follow the same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example is February 1.
- (b) **All Other Term Share Certificates.** For this certificate 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 the same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example is April 1.

**MINIMUM BALANCE REQUIREMENTS.**

The minimum balance to open your Term Share Certificate Account is \$500.00. You must maintain a minimum daily balance of the original face value of your Certificate in your Certificate Account each day to obtain the disclosed Annual Percentage Yield. In the event that you withdraw funds bringing your Certificate below its original face value, early withdrawal penalties set forth in your Term Share Certificate Agreement will be imposed and you will be required to surrender your Certificate.