

## Alabama Teachers Credit Union *nHanced Checking* Disclosures

### Qualification Cycle Requirements

“Qualification Cycle” refers to the period beginning one day prior to the first day of the current statement cycle through one day prior to the close of the current statement cycle. Alabama Teachers encourages that requirements be met during the first part of the Qualification Cycle to ensure benefits are rewarded.

- 12 posted and cleared debit card purchases – signature or pin-based (ATM transactions excluded)\*
- 1 direct deposit or 1 ACH transaction or Bill Pay (applies to your nHanced Checking account only)
- 1 Online Banking log-in
- Receive e-Statements

### nHanced Checking Benefits

- 3.00% APY\*\* paid on balances up to \$15,000
- .50% APY\*\* paid on balances exceeding \$15,000
- Unlimited nationwide ATM fees refunded to nHanced Checking account\*\*\*

### Account Stipulations

- During the first Qualification Cycle, each *nHanced Checking* account receives the higher dividend and all ATM fees refunded regardless of meeting requirements.
- Negative accounts still qualify if requirements are met, but dividends are only paid on positive balances during the Qualification Cycle.
- Dividends calculated on an average daily balance. This method applies a periodic rate to the average daily balance in the account for the period
- The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.
- Dividends automatically posted the last day of the month.
- ATM Fees refunded the day after the qualification cycle ends.
- 1099 tax form will be distributed for dividends totaling more than \$10 for the calendar year.
- Dividends for ATM fees will not be paid if an *nHanced Checking* account is closed during the Qualification Cycle.
- ATM fees for share withdrawals will be refunded manually by Alabama Teachers staff upon notification by member.

### If Requirements are NOT met

- .10% APY\*\* paid on balance
- ATM fees are not refunded
- No exceptions made if requirements are not met.

At the end of the Qualification Cycle, an email will be sent containing account details regardless if the requirements are met. Always take the opportunity to qualify each month for the rewards listed above.

### Additional account information

- No minimum balance required
- No monthly service fees
- Unlimited check writing
- Available to personal accounts only
- Only one *nHanced Checking* account per social security number
- Must have five approved ATCU services to qualify for *nHanced Checking*
- Additional fees may be incurred for the following items and could reduce earnings on the account: check orders, Courtesy Pay fees, Returned Check fees, NSF fees, Overdraft Transfer fee, Statement Copy fee (other fees may apply).

By signing below, I fully understand the requirements to be met each Qualification Cycle to earn the benefits stated above. For additional *nHanced Checking* information visit <http://www.atcu.com/personal/checking/nhanced-checking.html>.

\_\_\_\_\_  
Primary Member Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
Employee Name

\_\_\_\_\_  
Date

\*A posted transaction is when funds are actually withdrawn from the account. Posted Debit purchases may vary by merchant, therefore, ATCU has no control over these delays. Reversed Debit Card purchases will not count toward the required total.

\*\*Annual Percentage Yield (APY) accurate as of 7.6.10. 3.00% APY applies to all balances over \$15,000 as long as requirements are met each qualification cycle. 0.10% APY applies to all balances if requirements are not met.

\*\*\*Unlimited ATM fee refunds per qualification cycle when requirements are met.

Terms and conditions are subject to change without notice. Rates are subject to change without notification. Fees may reduce earnings. Must meet membership and credit requirements to obtain account. Available to personal accounts only.

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## Rewards, Requirements and Qualification Cycles

### What is nHanced Checking?

nHanced Checking is a checking account in which members receive a high-dividend rate on balances up to \$15,000 based upon fulfilling certain qualification requirements. This rate is significantly higher than what is being offered on most share certificates and money market accounts. There are no minimum balances and qualifying members will receive unlimited nationwide ATM refunds.

### What are the rewards of nHanced Checking?

nHanced Checking accounts earn interest. Generally, this interest is tiered. In other words, there is a cap to the amount of money that can earn the highest rate. No matter the total balance, the funds below that cap will always earn the highest rate when the account holder qualifies. The funds above the cap will earn what is called an "above-the-cap" rate, which is usually lower than the "below-the-cap" rate; however, the end-of-cycle statement will show only one rate, and that rate reflects a combination of the below-the-cap and above-the-cap APY. This rate, a blend of the two APYs, is known as a "blended yield."

### What are the qualification cycle requirements that must be met to qualify for the rewards?

Members must fulfill the following during each monthly qualifying cycle:

- 12 posted debit card purchases – Signature or PIN-based (excluding ATM transactions)
- One direct deposit or ACH transaction or Bill Pay
- One Online Banking log-in
- Receive e-Statements

### What is the qualification cycle for nHanced Checking?

Each qualification cycle begins one business day prior to the 1<sup>st</sup> day of the current month through one business day prior to the end of the current month.

Will all nHanced Checking members be on the same qualification cycle? Yes.

### How does the tiered dividend rate for nHanced Checking work?

Qualifying members will receive 3.00% APY dividend rate on balances up to \$15,000. Balances over \$15,000 will receive .50% APY dividend rate. On checking accounts that do not meet qualification requirements, members will receive .10% APY dividend rate paid on balance.

### How often must the requirements be met to qualify for the rewards?

Each qualification cycle period. Please note: qualification cycles will vary from statement cycles. The account disclosure outlines specific details, but below please find the general disclaimer:

Each cycle the minimum requirements are met, 3.00% APY dividend rate will be paid on balances between one penny and \$15,000, as well as 0.50% APY dividend rate paid on the portion of the balance above \$15,000. Rates as of July 7, 2010. ATCU may change the dividend rate at any time. No minimum balance required. No monthly service charge. If you do not meet the requirements per qualification cycle, your account will earn .10% APY dividend rate paid on balance, but ATM fees will not be refunded. One nHanced Checking Account per social security number. New accounts will automatically receive the higher dividend rate for the first qualification cycle of the account. See disclosure for complete details.

### Can the dividend change on the nHanced Checking account?

Yes, the rates are subject to change without notice.

### How is the dividend rate calculated?

The dividend is calculated based on the average daily balance in the nHanced Checking account.

### Is this just a "teaser" rate?

No, this is not a teaser rate. The high dividend rate is being offered to members based upon them filling certain requirements. However, as with all of our rates, this rate can change without notice.

### What happens if I don't meet the requirements for nHanced Checking?

Your account will earn .10% APY dividend rate paid on the balance; however ATM fees will not be refunded.

### If I meet the requirements, when will I receive my rewards?

Dividends will be posted on the last day of the month and ATM refunds will be posted the day after the qualification cycle ends. Rewards will be reflected on your monthly nHanced Checking e-Statement.

**Will I receive appropriate dividend information at the end of the year?**

You will receive a 1099 tax form reflecting dividend information for each account and the total annual dividends earned on each account.

**Direct deposit is one of the requirements for nHanced Checking. I requested my direct deposit be transferred to my nHanced Checking account, but it didn't happen on my next pay period. Why?**

Whenever a direct deposit is changed over, it may take one or two payroll cycles to have it transition to the new account. During the transition, you may receive a check instead of a pay statement. Please verify what you have received before discarding any pay records.

**Do I have to do anything in order to get my ATM refund?**

You must satisfy the monthly qualification requirements. Qualified ATM reimbursements will be calculated and applied automatically on a monthly basis, and reflected on your e-Statement.

**Are fees refunded on ATMs used internationally?**

No. If you meet qualification requirements, refunds are only given for ATMs in the United States.

**How will I know that I have qualified for my rewards at the end of the qualification cycle?**

You will receive an e-mail notification which details account activity and shows if qualifications have been fulfilled.

**If my account balance goes negative, will I still be able to qualify for my rewards during that qualification cycle?**

Yes, as long as the qualification requirements are met and the average daily balance for the account is positive.

**If I fail to meet the requirements during this qualification cycle, will I still have a chance to qualify during the next qualification cycle?**

Yes, each month you have a new opportunity to fulfill requirement qualifiers. However, qualification requirements do not roll over monthly.

**What if my new Debit Card doesn't arrive until late in the first qualification cycle and I don't have time to earn my rewards, will I still get them?**

Yes. Members automatically qualify for the higher rate during the first qualification cycle in which the account is opened.

**If I miss my requirements by only one debit card transaction, can I call in and get my interest and ATM refunds anyway?**

No. Rewards are awarded based upon the member fulfilling ALL of the qualification requirements.

**Why is there a \$15,000 limit on nHanced Checking Accounts?**

The nHanced Checking account offers a very attractive dividend rate and other great rewards. In order to offer that great rate, ATCU had to set certain guidelines, the \$15,000 limit being one of them. Through research, we discovered that anything higher than that would make it difficult to provide the great rates and rewards.

**Are there any additional fees with the nHanced Checking account?**

The following fees, if applicable:

- Check orders
- Courtesy Pay
- NSF Fees if applicable
- Returned Check Fee
- Overdraft Transfer Fee
- Statement Copy Fee
- Other Fees may apply

**If I close my nHanced Checking account during the qualification cycle, do I still earn my benefits for the time it was open?**

No, your account must remain open through the last day of the qualification cycle to qualify for the rewards.

## Debit Card Transactions

**If I use my debit card at an ATM, will that transaction count towards my requirements?**

No. Qualification transactions must be done at a Point-of-Sale (POS) venue using either a Personal Identification Number (PIN) or signature.

**How does a debit card reversal affect my requirements?**

You need a net of 12 debit card purchases, so a reversal (or credit) would count against the net total (i.e. you make 12 purchase transactions but return one, your net purchase transactions for the qualification cycle would be 11).

**May I “carry forward” debit card transactions in excess of the required number to the next qualification cycle?**

No.

**Why do I have to use my debit card for nHanced Checking?**

Members who have an nHanced Checking account are being rewarded for fulfilling certain activities which most are doing any way through regular checking accounts. By requesting use of more cost-effective delivery channels, such as debit/point-of-sale (POS), ATCU is able to give back to the members in the form of greater dividend returns.

**When is a debit card transaction considered “settled?”**

On the date the funds are posted to your nHanced checking account. This may not be the same date as when the card was used. ATCU has no control over these delays. The merchant (where the purchase occurred) controls when these transactions are submitted to ATCU.

### e-Statements

**What are e-Statements?**

An e-Statement is the alternative to receiving paper statements. Once signed up, you will receive a monthly e-mail notifying you that your statement is ready. You can log on to our Online Banking secure site (with a password that you create) and view your current or past statements. *A valid e-mail address is required.* This service is free.

**Must I receive my e-Statement online in order to qualify for the rewards?**

Yes. Receiving e-Statements is a requirement to earn the rewards. If you haven't signed up for e-Statements via Online Banking, now is an ideal time.

**Do I receive images or checks back with my nHanced Checking account?**

No. As with our other checking accounts, members may view and print their check images through our Online Banking system or obtain check copies at any ATCU location for a fee of \$2 per item.

**Can I have an nHanced Checking account if I don't own a computer?**

Yes. Many online providers such as Google and Yahoo offer free e-mail accounts.

**What do I do if my e-mail address changes?**

Update on Online Banking by clicking the Services tab and choose Change Email Address – or – visit your local ATCU branch.

**What if I need a printed copy of my statement?**

You can print your e-Statement. If you do not have the ability to print you can contact us at 1.800.470.0704, and a member service representative can assist you. There is a \$1.00 fee for this service.

### Account Limits

**Is there a limit on the amount of money I can keep in my nHanced Checking account?**

No. However, any balance over \$15,000 will receive the dividend rate of 0.50% APY on that portion.

**Is there a minimum balance requirement in order to receive my rewards?**

There are no minimum balances required on this account.

**Is there a limit on the number of checks you can write on an nHanced Checking account?**

No, there is unlimited check writing.

### Opening/Converting Accounts

**Is overdraft protection available for nHanced Checking accounts?**

Yes. All checking accounts are automatically covered by the member's share account unless requested otherwise. All members may apply for an Overdraft Line of Credit, subject to credit approval.

**May I convert my current checking account to an nHanced Checking account?**

Yes. Ask any of our member services representatives and they will work with you to complete the paperwork to convert your existing checking account.

**Can multiple people use the same nHanced Checking account?**

Yes, as long as that person is a joint owner or an authorized signer on the account.

**Can a "Doing Business As" (DBA) use this account?**

No.

**Can this be used as a business account?**

No, nHanced Checking is for personal accounts only.

**Will the transactions from this statement cycle on my former account carryover towards the required transactions for this statement cycle on my nHanced Checking account?**

No, however members automatically qualify for the higher rate during their first month in which the account is opened.

**Is there a limit on the number or kind of transactions you can do on a nHanced Checking account?** No.

**If I am converting a dividend-bearing term account over to an nHanced Checking account (such as a share certificate), do I need to pay the dividend penalty on the account before closing it?**

Yes, any applicable dividend penalties would be charged.

**Will I be able to use my existing debit card, checks, and account number with my nHanced Checking account or will those all change?**

Your debit card and account number will remain the same. You can also continue to utilize your existing checks from your checking account, however when you reorder, the checks will **not** be free on the nHanced Checking account.

**Can I open multiple nHanced Checking accounts under the same account?**

No, you may only have one nHanced checking account per social security number.

## TERMS

**What is a dividend?**

A dividend is the "interest" a member earns on an account during a monthly statement cycle.

**Can the dividend rate change on my nHanced Checking account?**

Yes. While rates are always subject to change depending on market conditions, the intent of this account is to provide premium dividends above most other local certificate or money market rates. Dividend rates are subject to change without notice.

**Are my funds federally insured?**

Yes. Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government, the National Credit Union Administration [NCUA], a U.S. Government Agency.