

First Federal Savings and Loan Association of Lakewood

Better Than A T-Bill Account Disclosure

Interest Rate and Annual Percentage Yield

The index used on the Better Than A T-Bill account is the 13-week Treasury Bill, which is auctioned every Monday in Washington D.C. The interest earned on the account will be the greater of the auction rate or the floor rate. The floor rate will be determined on the last Monday of the month. This floor rate will be 90 percent of the auction average from the last Monday of the previous month's 13 week-auction. This rate will be in effect for the ensuing month. If the Treasury Bill rate increases during subsequent weeks of the month, the interest rate will increase. If the Treasury Bill rate decreases in subsequent weeks of the month, the interest rate will not go below the floor rate established for that month. The association will establish an annual cap on the interest rate for the Better Than a T-Bill account. The annual interest rate cap will be determined on the last business day of the year for the next year. The interest rate on the Better Than a T-Bill account will not exceed the annual cap.

The initial annual percentage yield for this account is _____ %, with an interest rate of _____ %. Depending on the movement of the index, the interest rate and annual percentage yield may change weekly and will apply to the entire balance including any additions. **The interest rate cap for the Better Than a T-Bill account is 3.10% for the year 2011.**

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 not calculated for the first day of deposit, but is 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 \$10,000.00 is required to open the account.

Fees

A \$10.00 Monthly Service Fee is incurred at the end of the month if the average daily balance is calculated to be less than \$10,000.00. The average daily balance is determined by totaling the balances for each day and dividing by the number of days in the statement period.

Access Fee of \$5.00 for every withdrawal or deposit, made in person, less than \$1,500.00.

Returned Deposit Item Fee of \$10.00. Redeposit of a returned deposit item fee is \$5.00.

Foreign Item Fee of \$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.

Excessive Regulation D transfer fee is \$10.00 per occurrence.

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

Duplicate Statement Fee of \$5.00 per statement.

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

Research Fee of \$15.00 per half-hour for account research activity.

If used as an IRA an IRS penalty of 10% may be assessed on any withdrawal made before the age of 59 1/2.

Transaction Limitations

No more than a total of 6 pre-authorized, telephone, Internet or ACH withdrawals, including withdrawals for checks payable to third parties may be made from this account per month.

No ATM access.

May be subject to hold on non-cash deposits.

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.