

# Share Certificate Accounts

### Highlights

Products for small and large savers  
 Federal insurance of accounts

### Your savings will grow with Share Certificates

Navy Federal offers federally-insured Share Certificates with terms from 13 weeks to 7 years. Minimum opening balances start as low as \$100. Rate can be fixed or variable. And all Navy Federal Share Certificates have guaranteed returns.

### Fixed-rate certificates

Generally, Navy Federal Share Certificates earn higher dividend rates when the certificates have higher minimums and longer terms. Dividend rates are set by Navy Federal's Board of Directors. Dividend payments are credited monthly and are available for withdrawal without penalty at any time.

### Share Certificates

Share Certificates are issued in 1-, 2-, 3-, 4-, 5- and 7-year terms. You select the term that ensures your money is available when you need it. Minimums are \$1,000 and \$20,000.

To be prepared for any contingency, try "laddering" the maturity dates. For example, take \$5,000 or more and divide it equally into 1-, 2-, 3-, 4- and 5-year term certificates. Then, as each certificate matures, upgrade it to a higher-rate, 5-year term. That way, 20% of your certificate portfolio will mature annually, making funds available each year, while 80% is earning the highest possible dividend rate.

### Money Market Share Certificates

Money Market Share Certificates are issued in 13- and 26-week terms. Minimums are \$2,500, \$10,000 and \$100,000 (a 39-week term is also available for the \$100,000 minimum). While offering rates change weekly, once purchased the dividend rate remains the same for the entire term.

### Jumbo Share Certificates

Jumbo Share Certificates are issued in your choice of term—from any number of months between 6 and 84 months. Minimum is \$100,000. Rates are tiered to the following terms:

- 6 to 11 months
- 12 to 23 months
- 24 to 35 months
- 36 to 59 months
- 60 to 84 months

Once purchased the earning rate remains unchanged for the entire term. Jumbo Certificates are not available for Education Savings Accounts (ESAs).

### EasyStart<sup>SM</sup> Share Certificates

EasyStart Share Certificates are issued in 1-year terms and have an affordable \$100 minimum. EasyStart Share Certificates feature monthly additions of \$10 or more (required for account owners over age 18) by Direct Deposit or automatic transfer. Additional deposits can also be made in any amount, at any time.

### Custom Club<sup>®</sup> Account

Customize your savings by starting a Custom Club Account. You choose when you want it to start. You choose when you want it to end. You can even choose what you want to call it. Select any term from 3 months up to 5 years. It has a low \$5 minimum deposit and you can make deposits to your account in any amount, at any time.

### Variable-rate certificates

Three-Year Variable Rate Certificates have a \$500 minimum. Navy Federal links the dividend rate to the yield of the most recent 1-year Constant Maturity Treasury. Once a variable-rate certificate is purchased, its dividend rate remains in effect for one year. The dividend rate then changes on the certificate's anniversary dates (12 and 24 months) to the dividend rate in effect at that time. Navy Federal guarantees that the new rate will never fall more than 1/2 percentage point below the initial dividend rate. This is called the dividend rate floor. While there is a dividend rate floor for this account, there is no "ceiling."

Account inquiries  
 purchases & servicing  
 weekdays  
 7:30 am to 11:00 pm  
 Saturday  
 9:00 am to 11:00 pm  
 Eastern time  
 1-888-842-NFCU (6328)

For toll-free numbers  
 when overseas,  
 visit  
[navyfederal.org/overseas/](http://navyfederal.org/overseas/)

Collect internationally  
 1-703-255-8837

TDD for the  
 hearing impaired  
 weekdays  
 7:30 am to 7:30 pm  
 Eastern time  
 1-888-869-5863

Rates, Account Access  
 & online applications  
[navyfederal.org](http://navyfederal.org)

Or visit a branch

# Savings Programs

The Three-Year Variable Rate Certificate also accepts additional deposits—in any amount—on the certificate's first and second anniversary dates.

## Purchasing certificates

All Navy Federal Share Certificates can be purchased online at [navyfederal.org](http://navyfederal.org), by calling our main number or by visiting a branch.

Certificates can be purchased with one owner or jointly with a second owner. Navy Federal will provide you with a Confirmation Notice of the certificate purchase. All account activity will then appear on your online Account Access statement or quarterly on your paper Share Certificate Statement of Account.

## Dividends

Dividends on Navy Federal certificates are compounded daily and credited monthly. They are posted to the account on the last business day in the period in which they are earned and also at maturity.

Dividends that have been credited are available for withdrawal anytime without penalty. You can request to have the dividends remain in your certificate account; have them automatically transferred to your Navy Federal share savings, checking or Money Market Savings Account on the first of the month; or have them sent to you in the form of a check. Please note: By leaving the dividends in the certificate, you receive the highest yield due to daily compounding.

Dividends are reported for tax purposes in the year in which they are credited. The crediting of dividends (and other applicable transactions) appears on your online or paper statement.

## Early redemption

The penalties imposed for Share Certificates and Money Market Share Certificates are as follows:

- If the term (maturity) is one year or less, forfeiture of all dividends on the amount withdrawn for 90 days or since the date of purchase or renewal, whichever is less.

- If the term is greater than one year, forfeiture of all dividends on the amount withdrawn for 180 days or since the date of purchase or renewal, whichever is less.
- If the term is 7 years, forfeiture of all dividends on the amount withdrawn for 365 days or since the date of purchase or renewal, whichever is less.

The penalties imposed for Jumbo Share Certificates only are as follows:

- If the term (maturity) is 6 to 11 months, forfeiture of all dividends on the amount withdrawn for 90 days or from the date of purchase or renewal, whichever is less.
- If the term is 12 to 59 months, forfeiture of all dividends on the amount withdrawn for 180 days or from the date of purchase or renewal, whichever is less.
- If the term is 60 to 84 months, forfeiture of all dividends on the amount withdrawn for 365 days or from the date of purchase or renewal, whichever is less.

If the requested withdrawal brings the remaining certificate principal below the minimum requirements, the entire amount must be withdrawn.

In accordance with Federal Reserve Regulation D, withdrawals made within the first six days of a new certificate are subject to a seven-day early withdrawal dividend penalty. That provision of the regulation does not apply to certificates that have been renewed.

## Certificate renewal

Certificates can be renewed at maturity. At least 20 days prior to maturity, Navy Federal forwards a notice to you advising you of your certificate's maturity date and the renewal terms available. If you do not provide us with instruction through our Web site, by mail, by phone or in person at a branch, we will renew your certificate for the same term and at the current dividend rate available at maturity.

# Savings Programs

For current rate information and to renew a Share Certificate, call **1-888-842-NFCU (6328)** or go to **navyfederal.org**.

## Insurance on Share Certificates

Your certificate accounts, together with your other share accounts, are federally insured up to a total of \$100,000 by the National Credit Union Administration (NCUA), a U.S. government agency. Joint accounts are insured separately from individual accounts up to \$100,000 by the NCUA. Certificate accounts are not included under Navy Federal's complimentary Life Savings Insurance coverage.

## Certificate Pledged Loans

Navy Federal's Certificate Pledged Loan program allows you to use the funds in your Navy Federal Share Certificate as collateral to secure a low-rate loan to use for any purpose. The funds in your certificate continue to earn dividends.

You can borrow up to 100% of your certificate's principal plus paid dividends. The interest rate on your Certificate Pledged Loan is just 2 percentage points above the dividend rate on your certificate. Terms up to 5 years are available depending on the maturity date of the certificate being held as collateral for the loan.

Certificate Pledged Loans are not available on Three-Year Variable Rate or EasyStart Certificates.



This credit union is federally insured by the National Credit Union Administration

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