

A Clear and Concise Guide<sup>1</sup> to the  
**MILITARY SAVES ACCOUNT**

**WHAT YOU NEED TO KNOW ABOUT OUR ONE-TIME BONUS**

<b>Bonus Information</b>	<b>Your Military Saves Account provides you the opportunity to receive a one-time bonus if certain requirements are met.</b>	
	You will be paid a one-time bonus if you meet <u>all three</u> of the following requirements:	<ul style="list-style-type: none"> <li>Have a minimum initial opening deposit of \$20 in the Military Saves Account.</li> <li>You must maintain an FHNB checking account and the Military Saves Account for a period of one year (12 consecutive months). The one year period begins once the Military Saves Account is opened.</li> <li>For the 11 consecutive months that follow the month in which the initial opening deposit is made to the Military Saves Account, make deposits to your Military Saves Account that, in total, are at least equal to the amount of the initial opening deposit. If your initial deposit exceeds \$100, the monthly deposits must be at least equal to \$100, each month.</li> </ul>
	One-Time Bonus Amount	We will match the initial opening deposit amount up to a maximum of \$100 made in your Military Saves Account.
	How and When the One-Time Bonus will be Paid	Upon completion of the bonus requirements, the bonus will be deposited into the Military Saves Account on the 5 <sup>th</sup> calendar day of the 13 <sup>th</sup> month. If all of the bonus requirements are not met, the bonus will be forfeited.

**BASIC TERMS AND CONDITIONS**

<b>Account Opening and Usage</b>	<b>Account Eligibility: Only active military personnel and their dependents are eligible for this account.</b>	
	Minimum Deposit Needed to Open Account	<b>\$0</b>
	Minimum Balance Fee	<b>\$2.50</b>
	Assessed monthly if you do not meet the Minimum Balance requirement.	
	How to Avoid the Minimum Balance Fee	
	Maintain a balance of \$20 or more each day.	
	Per Item Withdrawal Fee	<b>\$2.50</b>
	A per item withdrawal fee will be charged on the last business day of the month. We will not assess this fee on your first debit transaction. Normal ATM owner/operator charges always apply.	
	How to Avoid the Per Item Withdrawal Fee)	
	Maintain more than \$2,000 in your Military Saves Account each day.	
Non-Gold Key ATMs (ATMs we do not own)	<b>\$2</b>	
For each withdrawal, inquiry or transfer, plus any fee charged by the ATM's owner/operator.		
Non-Sufficient Funds (NSF) Fee	<b>Up to \$34</b>	
Per item we return because you do not have enough money in your account. An item may be presented more than once for payment and we will charge you an NSF fee each time we return the item. Additional merchant fees may apply.		
Overdraft Fee	<b>Up to \$34</b>	
Per item we pay even though you do not have enough money in your account.		
Other Service Fees		
Please consult the Banking Services/Fee Schedule for a list of additional service fees.		

## WHAT YOU NEED TO KNOW ABOUT OVERDRAFT RELATED FEES

<b>Overdraft Related Fees</b>	<b>To help you avoid fees, we will not authorize a transaction if you do not have enough money in your account to cover the transaction. Everyday debit card transactions will be declined, but we will not charge you a NSF fee.</b>				
	<b>No Overdraft Privilege</b>	No Overdraft Privilege Service		All transactions that will cause an overdraft will be declined or returned. However, your account may still become overdrawn.	
		Non-Sufficient Funds (NSF) Fee	<b>Tiered</b>	You will be charged an NSF fee for each check, ACH transaction and automated bill payment that is returned because you do not have enough money in your account. An item may be presented more than once for payment and we will charge you an NSF fee each time we return the item. We will not charge this fee if the item we return is \$5 or less. Additional merchant fees may apply. Fees are tiered based on the number of "occurrences" in a rolling 12-month period. A 12-month period is defined as the current month and previous 11 months. An "occurrence" is considered a day with at least one insufficient funds item, one returned deposit item or one withdrawal transaction even if we do not charge you an NSF/overdraft fee.	
				<b>\$19</b>	First occurrence
				<b>\$29</b>	Second and third occurrence
				<b>\$34</b>	Fourth and subsequent occurrences
Maximum Number of NSF Fees per Day	<b>3</b>	We limit the number of NSF fees you will be charged to three (3) per banking day. A "banking day" is every day except Easter Sunday, Thanksgiving Day and Christmas Day.			

## WHAT YOU NEED TO KNOW ABOUT OUR PROCESSING POLICIES

<b>Processing Policies</b>	Posting Order <i>The order in which withdrawals and deposits are processed</i>	<p>We start with the account balance in your account at the beginning of the banking day, subtract holds from your account balance and make any adjustments from prior days. Next, we add credits and then subtract debits from your account balance. The following is a summary of how we generally post items and examples of some of our categories and the more common transactions we assign to each category.</p> <ul style="list-style-type: none"> <li>• First, your deposits and credits are added to your account balance.</li> <li>• Then, withdrawals made at our teller windows, transfers made with our 24-Hour Account Information Hotline, online and mobile banking systems, online and mobile banking bill payments and outgoing wire transfers are subtracted from your account balance in lowest to highest dollar amount.</li> <li>• Then, card transactions and ATM transactions are subtracted from your account balance in date and time order.</li> <li>• Then, ACH debits without a check number are subtracted from your account balance before other checks you wrote with a check number, in highest to lowest dollar amount. When we receive a check number, checks will be subtracted from your account balance in sequential check number order.</li> <li>• Finally, most fees and service charges in lowest to highest dollar amount.</li> </ul> <p>Keep in mind that we may process transactions in a different order than you made them. This may impact the total amount of fees you incur per banking day. A "banking day" is every day except Easter Sunday, Thanksgiving Day and Christmas Day.</p>
	Deposit Hold Policy <i>When funds deposited to your account are available</i>	<ul style="list-style-type: none"> <li>• <b>Electronic direct deposit</b> <ul style="list-style-type: none"> <li>○ Typically the same day we receive your deposit. In some instances, we may receive your direct deposit in advance of the release/settlement date authorized by the sender. In such cases, the direct deposit will be made available no later than the release/settlement date.</li> </ul> </li> <li>• <b>Cash deposit with teller</b> <ul style="list-style-type: none"> <li>○ Same banking day. A "banking day" is every day except Easter Sunday, Thanksgiving Day and Christmas Day.</li> </ul> </li> <li>• <b>Check deposit with teller</b> <ul style="list-style-type: none"> <li>○ Usually the next banking day. A "banking day" is every day except Easter Sunday, Thanksgiving Day and Christmas Day. In some situations, we may notify you after your deposit is made that your funds will not be available for up to seven (7) business days after the business day of your deposit. The first \$225 of that deposit may be made available the next business day after the business day of your deposit depending on the type of hold placed.</li> <li>○ If you are a new customer, within the first thirty (30) days after your account is opened, we may notify you after your deposit is made that your funds will not be available for up to nine (9) business days after the business day of your deposit.</li> </ul> </li> </ul> <p>A "business day" is a non-holiday weekday.</p>

## WHAT YOU NEED TO KNOW ABOUT TRANSACTION LIMITATIONS

<b>Transaction Limitations</b>	Regulation D limits certain types of transactions you can make out of your Military Saves Account to a maximum combined total of six (6) per month.		
	The types of transactions that are limited to a combined total of six (6) per month include:	<ul style="list-style-type: none"> <li>Transfers via Internet Banking (including Bill Pay)</li> <li>Transfers via the telephone</li> <li>Pre-authorized transfers out of your account</li> <li>Automatic transfers to cover an overdraft in another account</li> <li>Debit card purchases</li> </ul>	
	The types of transactions that <b>are not</b> limited include:	<ul style="list-style-type: none"> <li>Transactions done in person</li> <li>By messenger</li> <li>By mail</li> <li>At an ATM</li> <li>Transfers between accounts to pay loans at the same bank</li> </ul>	
	If you exceed the transaction limitations more than twice within a twelve (12) month period, your Military Saves Account will be closed. Any remaining balance will be transferred to a non-interest bearing checking account and will be subject to the terms and conditions of that account.		

## WHAT YOU NEED TO KNOW ABOUT OUR RATE INFORMATION

<b>Rate Information</b>	The interest rate and Annual Percentage Yield (APY) on this account are subject to change at any time, without notice.		
	Minimum Daily Balance to Receive the APY	<b>Tiered Rate</b>	This account earns the highest rate shown for a Savings Account as shown on the Personal Banking Rate Sheet.
	Determining the Interest Rate		Any change to the interest rate for your account is at our discretion.
	Frequency of Interest Rate Changes		We may, at any time, change the basis of payment for interest or the rate of interest.
	Compounding and Crediting		Interest is compounded daily and credited monthly. Interest earned but not credited will be paid upon closeout of the account.
	Balance Computational Method		We use the daily balance method to calculate interest. This method applies a daily periodic rate to the ending balance in your account, including any accrued but unpaid interest, using a 365 day year.
	When Interest Begins to Accrue		Interest begins to accrue on the business day you deposit cash or non-cash items (for example, checks).

<sup>1</sup> This guide highlights some of the terms of the Military Saves Account we offer. It is not the governing terms and conditions of the Military Saves Account. For the governing terms and conditions of the Military Saves Account, please see the Deposit Agreement and Account Disclosure. For more information about our overdraft fees and options, and other services we offer, please see the *What You Need to Know about Overdrafts and Overdraft Fees* disclosure and the *Banking Services/Fee Schedule*. For more information about our deposit hold policy, please see the Funds Availability Policy. For more information about our APY and interest rate, please see the Personal Banking Rate Sheet. Please be advised that different or more favorable deposit and lending products may be available at FHNB-branded branches or at [www.fhnb.com](http://www.fhnb.com).



# ACCOUNT DISCLOSURE

## MILITARY SAVES

**Account Eligibility:** Only military personnel (excluding retirees) are eligible for this account.

### Account One-Time Bonus

A one-time bonus will be paid if all three of the following requirements are met:

- Have a minimum initial opening deposit of \$20 in the Military Saves Account.
- Maintain an FHNB checking account and the Military Saves Account for a period of one (1) year (12 consecutive months).
- For the 11 consecutive months that follow the initial opening deposit in the Military Saves Account, have one deposit each month that is at least equal to the value of the initial opening deposit in the Military Saves Account.

The bank will match the initial opening deposit amount up to a maximum of \$100 made to the Military Saves Account. The one-time bonus will be deposited into the Military Saves Account on the fifth (5<sup>th</sup>) calendar day of the 13<sup>th</sup> month. The one (1) year period begins once the Military Saves Account is opened. If all of the bonus requirements are not met, the bonus will be forfeited. If the initial opening deposit exceeds \$100, the one (1) deposit each month must be at least equal to \$100.

**Minimum Required to Open the Account: \$0**

**Minimum Balance to Avoid a Minimum Balance Fee: \$20 Daily Balance**

### Rate Information:

- See the Personal Banking Bonus Rate Sheet for the annual percentage yield (APY) and interest rate for this account.
- We may, at any time, change the basis of payment for interest or the rate of interest.
- Interest is compounded daily and credited monthly. Interest earned but not credited will be paid upon closeout of the account.
- Interest begins to accrue on the business day you deposit cash and non-cash items (for example, checks). We use the daily balance method to calculate interest. This method applies a daily periodic rate to the principal in the account each day.

### Account Fees:

#### Account Fees:

- A \$2.50 minimum balance fee will be assessed each month if the balance of your account falls below \$20 any day of the month.
- **Non-Sufficient Funds (NSF) and Overdraft fees of up to \$34.00 per item apply. Avoid NSF/OD fees with AccountTRANSFER. See a personal banker for details.**
- Each AccountTRANSFER Overdraft Protection transfer is free.
- Your Military Saves Account provides one (1) FREE, non AccountTRANSFER, debit per calendar month. Except for AccountTRANSFER, beginning with the second (2<sup>nd</sup>) debit, a \$2.50 per item withdrawal fee will be charged on the last business day of the month. Normal ATM transaction fees and charges apply.
- If your account balance remains above \$2,000 each day of the month, you will not be subject to the \$2.50 per item withdrawal fee. Normal ATM transaction fees and charges apply.
- See the Banking Services/Fee Schedule for other fees applicable to this account.

### Limitations on the Number of Transactions:

Federal Regulation D limits Military Saves Accounts to a maximum combined total of six (6) transfers per month unless the transfers are done at an FHNB location, at an ATM or made between accounts to pay loans at the same bank. The types of transfers that are limited in total to six (6) are Internet Banking transfers between accounts (including mobile and text), AccountTRANSFER Overdraft Protection transfers, telephone transfers (including automated and assisted) and debit card purchases.

If the limit of six (6) allowable transfers per month is exceeded more than twice within a twelve (12) month period, your Military Saves Account will be closed and the remaining balance will be transferred to a checking account subject to the terms and conditions of that account.

### The Bank's Right to Require Notice

The bank has the right to require a minimum of seven (7) days prior written notice of withdrawal from any account that is a Military Saves Account.

