

**TRUTH IN SAVINGS ACT
(NCUA RULES AND REGULATIONS PART 707)
CHECKLIST**

	Yes	No
1. Does the credit union make the required disclosures clearly and conspicuously in writing and in a form the member may keep? [§707.3(a)]	<hr/>	<hr/>
b. If the disclosures required by the regulation are combined with the credit union's other accounts, is it clear which disclosures are applicable to the member's account? [§707.3(a)]	<hr/>	<hr/>
2. Do the disclosures reflect the terms of the legal obligation between the member and the credit union? [§707.3(b)]	<hr/>	<hr/>
3. When orally responding to a member's inquiry about dividend rates, does the credit union state the annual percentage yield? [§707.3(e)].	<hr/>	<hr/>
4. Are all annual percentage yields accurate to within .05% above or below the annual percentage yield determined in accordance with Appendix A of the regulation? §707.3(f)(2)]	<hr/>	<hr/>
 <u>Account Disclosures [§707.4]</u>		
5. Does the credit union provide initial disclosures before an account is opened or a service is provided, whichever is earlier? [§707.4(a)(1)]	<hr/>	<hr/>
b. If the member is not present, does the credit union mail or deliver the disclosures no later than 10 business days after the account is opened or a service is provided? [§707.4(a)(1)]	<hr/>	<hr/>
6. Does the credit union provide account disclosures to members upon request? [§707.4(a)(2)(i)]	<hr/>	<hr/>

- a. If the member's request is not made in person, does the credit union mail or deliver the account disclosures within a reasonable time after it receives the request? [§707.4(a)(2)(i)] _____
- b. In providing disclosures upon request, does the credit union:
- specify an interest rate and APY that were offered within the most recent seven calendar days? _____
- state that the rate and yield are accurate as of an identified date? _____
- provide a telephone number members may call to obtain current rate information? [§707.4(a)(2)(ii)(A)] _____
7. Do account disclosures include the following rate information (if applicable): [§707.4(b)(1)(i)] _____
- a. The "annual percentage yield" and "interest rate," using those terms? _____
- b. The period of time the interest rate will be in effect for fixed-rate accounts? _____
8. Do disclosures for variable-rate accounts include the following: [§707.4(b)(1)(ii)]
- a. The fact that the interest rate and APY may change? _____
- b. How the interest rate is determined? _____
- c. The frequency with which the interest rate may change? _____
- d. Any limitation on the amount the interest rate may change? _____
9. Do the account disclosures describe the frequency with which interest is compounded and credited? _____

10. Do the account disclosures include a statement that interest will not be paid if members close an account before accrued interest is credited? _____
[§707.4(b)(2)(ii)] _____
11. Do the account disclosures describe the minimum balance requirements necessary to open an account, avoid the imposition of a fee, or obtain the APY disclosed? _____

- b. Do the account disclosures state how the minimum balance requirement is determined for these purposes (except for the balance to open the account)? [§707.4(b)(3)(i)] _____

12. Do the account disclosures include an explanation of the balance computation method used to calculate interest on the account? _____
[§707.4(b)(3)(ii)] _____
13. Do the account disclosures state when dividends begins to accrue on non-cash deposits? [§707.4(b)(3)(iii)] _____

14. Do the account disclosures disclose the amount of any fee that may be imposed in connection with the account (or how the fee will be determined) and the conditions under which the fee may be imposed? [§707.4(b)(4)] _____

15. Do the account disclosures include any limitations on the number or dollar amount of withdrawals or deposits? [§707.4(b)(5)] _____

16. For time accounts, do the account disclosures include the following:
a. The maturity date? [§707.4(b)(6)(i)] _____

- b. Early withdrawal penalties?
[§707.4(b)(6)(ii)] _____

- c. If compounding occurs and dividends may be withdrawn during the term, a statement that the APY assumes dividends remains on deposit and _____

that a withdrawal will reduce earnings?
[§707.4(b)(6)(iii)] _____

d. Information regarding renewal policies
[§707.4(b)(6)(iv)]

whether the account will renew
automatically? _____

if it renews automatically, if a grace
period exists and the length? _____

If not renewed automatically, whether
dividends will be paid after maturity? _____

17. Do account disclosures state the amount or
type of bonus and the conditions under which
the bonus will be paid? [§707.4(b)(7)] _____

18. Was the notice of availability of disclosures
to existing account holders included on or with
the first periodic statement sent beginning on or
after January 1, 1995 (or first periodic statement
for a statement cycle beginning on or after that
date)? [§707.4(c)] _____

Subsequent Disclosures §707.5

19. Does the credit union provide advance
notification to depositors of any change in a
term required to be disclosed under §707.4 _____

a. if the change may reduce the APY or
adversely affect the member does the notice
include the effective date of the change? _____

b. Is the notice mailed or delivered at least 30
days before the effective date of the change?
[§707.5(a)(1)]. _____

20. Are exceptions to the notice requirements
limited to:

a. variable-rate changes?
[§707.5(a)(2)(i)] _____

b. check printing fees? [§707.5(a)(2)(ii)] _____

c. short-term time accounts (one month or less)?
[§707.5(a)(2)(iii)] _____

21. Are the proper subsequent disclosures provided for the following time accounts:

a. that renew automatically with maturities longer than one year? [§707.5(b)(1)] _____

b. that renew automatically with maturities one year or less but longer than one month?
[§707.5(b)(2)] _____

c. that renew automatically with maturities one month or less? [§707.5(a)(2)(iii)] _____

d. that do not renew automatically with maturities longer than one year?

Periodic Statement Disclosures [§707.6]

22. Is the annual percentage yield earned, using that term, disclosed on the periodic statement?

a. Is the APY earned calculated in accordance with Appendix A? [§707.6(b)(1)]

23. Is the amount of dividends earned during the statement period accurately disclosed?
[§707.6(b)(2)]

24. Are fees required to be disclosed under §707.4(b) (that were debited to the account during the statement period) itemized by dollar and type? [§707.6(b)(3)]

25. Is the total number of days in the statement period, or the beginning and ending dates of the period disclosed? [§707.6(b)(4)]

Payment Of Dividends [§707.7]

26. If the credit union uses the average daily balance method, and calculates dividends for a

period other than the statement period, was the APY earned and the amount of dividends earned based on that period rather than the statement period? [§707.6(a)]

27. Does the credit union calculate dividends on the full amount of principal in the account each day by use of either the daily balance method or the average daily balance method?

[§707.7(a)(1)]

28. Does the credit union use the same method to determine any minimum balance required to earn dividends as it uses to determine the balance on which dividends are calculated?

[§707.7(a)(2)]

29. Do dividends begin to accrue not later than the business day specified for interest bearing accounts in section 606 of the Expedited Funds Availability Act?

a. Do dividends accrue until the day the funds are withdrawn? [§707.7(c)]

30. Do the advertisements refrain from misleading or inaccurate statements and do they accurately represent the deposit contract?

a. Do the advertisements refrain from using the terms “free” or “no cost” if any maintenance or activity fee may be imposed?

b. Do the advertisements refrain from using the word “profit” when referring to interest paid on an account? [§707.8(a)]

31. If the credit union advertises rates on accounts, are the rates stated as an “annual percentage yield”?

a. If the credit union uses the abbreviation “APY”, has the term annual percentage yield” been stated at least once in the advertisement?

b. If the credit union states the dividend rate,

using that term, in conjunction with the APY, is it not more conspicuous than the APY?

[§707.8(b)]

c. Are the annual percentage yields and dividend rates rounded to the nearest one-hundredth of one percentage point (.01%) and expressed to two decimal places? [§707.3(f)(1)]

32. If the credit union advertises “tiered rate” accounts, does the credit union state all of the APYs, including ranges where applicable, as well as the corresponding minimum balance requirements? [§707.8(c)(3)]

Advertising Requirements [§707.8]

33. If the credit union advertises “stepped rate” accounts, does the credit union accurately disclose the APY? [§707.8(b)]

34. If the deposit advertisements placed by the credit union state the APY, are the following disclosures stated clearly and conspicuously to the extent applicable?

a. variable rate notice [§707.8(c)(1)]

b. time APY is offered [§707.8(c)(2)]

c. minimum balance to obtain the APY
[§707.8(c)(3)]

d. minimum opening deposit [§707.8(c)(4)]

e. effect of fees [§707.8(c)(5)]

f. the following features of time accounts
[§707.8(c)(6)]:

time requirements[§707.8(c)(6)(i)]

notice of early withdrawal penalties
[§707.8(c)(6)(ii)]

35. If a bonus is stated in an advertisement, does the advertisement state the following information, as applicable:

a. the “annual percentage yield,” using that term? [§707.8(d)(1)]

b. time requirement to obtain the bonus
[§707.8(d)(2)]

c. minimum balance required to obtain the bonus [§707.8(d)(3)]

d. minimum balance required to open the account (if it is greater than the minimum balance necessary to obtain the bonus)
[§707.8(d)(4)];

e. when the bonus will be provided.
[§707.8(d)(5)]

36. Are exemptions to the requirements made for those media set forth under §707.8(e)?

Record Retention Requirements

37. Has the credit union maintained evidence of compliance for a minimum of 2 years after the date disclosures are required to be made or action is required to be taken? [§707.9(c)]

Comments
