



Frequently Asked Questions (FAQ)

High Rate Checking

Freedom is introducing a new Checking Account type called **High Rate Checking**. This is the result of several years of research, and designed to meet the needs of members. This product is designed to help build full relationships with active participating members. And Freedom will provide the best-in-market dividend rates to our members.

Every Freedom Checking account has distinct advantages. Classic and Youth Checking Accounts will remain the same, while Rewards Checking will be “sunsetting” (that is no new Rewards Checking accounts will be opened, while existing Rewards Checking Accounts will continue to be served as is).

Any member with checking may decide to convert to a High Rate Checking account product if it meets their needs.

1. What are the advantages of the new High rate Checking Account?

There are key advantages:

- High dividend rate - This account earns dividends based on a tiered balance and when requirements are met or not met.
- 1.25% APY on balances up to \$25,000 when certain conditions are met. (See #2)
- .25% APY on any balance over \$25,000
- .05% APY on any balance when conditions are not met during the month or reporting period.

The high rate is on average 11 times better than any checking account rate in the Baltimore metropolitan region. This is based on a Datatrac study of competitors in the area. A “widget” on Freedom’s web site will help prove this fact. Members may plug in their zip code and a product to determine how good Freedom’s product rate is.

2. What are the requirements to earn the top rate, 1.25% APY?

- Member must enroll in e-Statements.
- Member must complete a minimum of 15 Point-Of-Sale (POS) transactions per month using a Freedom MasterCard Debit Card (Both Signature or PIN based transactions are applicable. ATM transactions do not qualify).
- There is also a qualification cycle schedule for both the amount of dividend to be earned, and if the member has completed the required 15 POS transactions. See IMPORTANT NOTE and #3.

IMPORTANT NOTE - Dividends are compounded and paid monthly. Dividends are calculated on an average daily balance method, and the dividend rate may fluctuate based on the balance in the account. (See example) The dividend rate will be determined, based on whether all other qualifications are met during a qualification period or cycle. That is e-Statement enrollment, and 15 POS debit transactions. See #3 and Schedule. Monthly POS transaction counts will also be totaled three (3) days prior to the end of the specific calendar month. Any transactions completed on the last three (3) days of the month, will count towards the following month’s debit card transaction requirements.

- A. When an account balance has up to \$25,000, and all qualifications have been met, the dividend paid will be the high rate 1.25% Annual Percentage Yield (APY).
 - B. When an account balance has over \$25,000, and all qualifications have been met, the dividend will be the second highest rate or .25% APY.
 - C. When the account does not meet qualifications, the account balance will earn .05% APY.
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3. What is the qualifying period?

The qualifying period for the member to qualify to earn the top dividend available, and achieve the 15 point-of-sale debit transactions is, as of three days prior to the end of the calendar month. This is the schedule, which will be placed on Freedom's web site, and posted to the Intranet:

For example:

In the fifth period on the schedule for 2019 (4/29/19 to 5/29/19), if a member completes their 15 POS transactions and has enrolled in e-Statements by April 29, they will earn 1.25% APY.

If they change their e-Statement enrollment to receive paper, during the posting period (4/29/19 to 5/29/19) they will not earn the top rate, but will earn .05% APY.

If they only perform 12 POS debit transactions during the qualification period (4/29/19 to 5/29/19) they will not earn the top dividend, but will earn .05% APY.

IMPORTANT NOTE – When the balance goes over \$25,000 in the same dividend period.

If in any qualification period, their balance goes over \$25,000, in the same dividend qualification period, they will not earn the top dividend rate, but will earn .25% APY on that portion of the balance over \$25,000, which will be calculated and posted as an average or combination of the two dividend rates.

For example: if the account has a \$25,000 balance for 31 days, the dividend is calculated at \$25,000 x 1.250% to equal \$ 26.40. If also, the account has an additional \$22,790.27 for 31 days, the dividend is calculated at \$22,790.27 x 0.250% to equal \$4.83. The total dividend earned is \$31.23 on the average balance of \$47,790.27 x 1,000 to equal a rate of 0.770%.

4. What happens to Rewards Checking?

Rewards Checking will no longer be offered as a new account. Existing Rewards Checking accounts will continue to be served exactly as before.

5. Can members with existing Freedom checking accounts convert to the High Rate Checking?

Yes! Members may simply let Freedom know, and a representative of the Contact Center can help by phone, or the change may be handled in-person.

6. Are there any changes to Classic or Youth Checking Accounts?

No, they remain exactly the same.

7. What are benefits available to ALL Freedom Checking Accounts?

All Freedom options provide:

- FREE MasterCard Debit Card Transactions (Signature and PIN Based)
- FREE Online banking
- FREE Mobile banking
- FREE Online bill payer*
- FREE e-Statements
- FREE Nationwide ATM access at over 24,000 MoneyPass ATMs.
- 0.25% rate discount on select Freedom loans with e-Statements and automated payments.

* Bill Payer is free when the account is active with a transaction performed each month. If Bill Payer is not active, a \$5 monthly service charge is applied.

Other advantages:

- Secure Online Purchasing —Add extra security to your Freedom MasterCard Debit Card when making purchases online with MasterCard SecureCode.
- Save yourself the cost and embarrassment of overdrafts! Learn more about Freedom's convenient overdraft protection options.
- Want to re-order checks? Go online to the Deluxe Check site. For Classic Checking, members pay only for printed checks after their first order is free. Youth Checking gets unlimited free printed checks.

Note: A key difference in High Rate Checking is that all printed orders of checks are at cost.

All checking types, **Classic, Youth, High Rate and Rewards Checking** members continue to get .25% discount off select loan products when the member enrolls in e-Statements, and automated payment is used to pay a loan. Note the automated payment must be enough to equal the loan payment each month. Mortgages, Credit Cards, variable rate personal lines of credit and Home Equity Lines of Credit are not eligible for these discounts.

Rewards Checking AND now Youth Checking, continue to provide 6 free foreign ATM transactions every month.

8. If I have Rewards Checking, and want to compare with the High Rate Checking, what should I do? Keep the current account, or convert to the new High Rate Checking?

It's totally your choice. If you can meet the requirements of e-Statements and the 15 POS debit transactions a month, you may want to switch to High Rate Checking to earn the highest rate.

- If you can't meet those qualifications, you may consider that even not meeting the qualifications, can earn you .05% APY with a High Rate Checking Account.

- And you may even want to consider a **Money Market Account**, now that Freedom is adding access to this account by checks. Members who want a higher dividend for higher balances will be encouraged to open a Money Market Account which pays dividends on balances over \$2,500 at very competitive rates, and are tiered with higher dividends for higher balances. Ask a Freedom representative for details because certain limitations apply to the number of checks available each month.
- Remember since Freedom is not offering any new rewards Checking Accounts, if you switch, you cannot switch back at a later date.

9. What if I'd like to change the Checking option I am in?

It's easy! Just let a Freedom representative know in-person, by mail or by phone and we can change your option from Rewards to High Rate, or from Classic to High Rate.

10. When do these changes go into effect?

It is effective February 18, 2015.

11. At a glance, what are the differences between the Checking options?

Compare Freedom's Checking Account options to choose which is best for you.

Checking Comparison Chart	High Rate Checking	Classic Checking	Youth Checking
Checking balance required to earn dividends	\$1*	No dividends earned	\$100
Requirements	See qualifications to earn monthly dividend*	None	Must be Choices or CU Succeed Club Member 16-25 years old
Check Printing (Specialty Grey)	All printed checks are at cost	FREE one box at account opening	FREE (unlimited)
Online Banking	FREE	FREE	FREE
Mobile Banking	FREE	FREE	FREE
Online Bill Payer¹	FREE	FREE	FREE
In-network ATM transactions²	FREE	FREE	FREE
Out-of-network ATM transactions³	\$1 balance inquiry \$1.50 per transaction	\$1 balance inquiry \$1.50 per transaction	6 FREE per month
POS transactions	FREE	FREE	FREE
Loan Rate Discount with e-Statements and Automated Loan Payments⁴	.25%	.25%	.25%

Notes:

1 Bill Payer is free when the account is active with at a transaction performed each month. If Bill Payer is not active, a \$7 monthly service charge is applied.

2 In-network includes ATMs at Freedom branches or other locations, MoneyPass®, and select Baltimore area credit unions.

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3 Freedom does not have control over fees that may be charged by other financial institutions, third party service providers, or ATM owners.

4 Mortgages, credit cards, variable lines of credit, and home equity lines of credit are not eligible for loan discount. (The .25% APR loan rate discount is applied to Freedom's rate.) Eligibility requirements include having a checking account with e-Statements, and automated monthly loan payments. The amount of the automated payment must be sufficient to make the loan payment each month.

All rates and terms are subject to change without notice.

*High Rate Checking Qualifications

- Member must enroll in e-Statements from Freedom and complete a minimum of 15 Point-Of-Sale (POS) transactions per month using a Freedom MasterCard Debit Card (Both Signature or PIN based transactions are applicable) to earn high rate (ATM transactions do not qualify).

- For monthly dividend computing, monthly transaction counts will be totaled three (3) days prior to the end of the specific calendar month. See IMPORTANT NOTE and schedule in #2 and #3. Any transactions completed on the last three (3) days of the month, will count towards the following month's debit card transaction requirements.

Dividends are calculated on an average daily balance method, and the dividend rate may fluctuate based on the balance in the account.

- Maximum balance that can earn the high rate is \$25,000.99. No penalty fees will be assessed.

- Balances up \$25,000 per month will earn 1.25% APY.

- Any balance over \$25,000 will earn 0.25% APY.

- Balances on accounts that fail to meet the account requirements for a given month will earn 0.05%APY.

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