$4.11 for the period, and the annual percentage yield earned (using the special formula above) is 5.00%:

\[ \text{APY Earned} = \frac{100}{1} \left( \frac{4.11}{1000} \right) \left( \frac{365}{365} \right) - 1 \]

APY Earned = 5.00%


**APPENDIX B TO PART 230—MODEL CLAUSES AND SAMPLE FORMS**

**Table of contents**

B–1—Model Clauses for Account Disclosures (Section 230.4(b))
B–2—Model Clauses for Change in Terms (Section 230.5(a))
B–3—Model Clauses for Pre-Maturity Notices for Time Accounts (Section 230.5(b)(2) and 230.5(d))
B–4—Sample Form (Multiple Accounts)
B–5—Sample Form (Now Account)
B–6—Sample Form (Tiered Rate Money Market Account)
B–7—Sample Form (Certificate of Deposit)
B–8—Sample Form (Certificate of Deposit Advertisement)
B–9—Sample Form (Money Market Account Advertisement)
B–10—Sample Form (Aggregate Overdraft and Returned Item Fees)

**B–1—MODEL CLAUSES FOR ACCOUNT DISCLOSURES**

(a) Rate information

(i) Fixed-rate accounts

The interest rate on your account is ___% with an annual percentage yield of ___%. You will be paid this rate (for time period/ until (date) for at least 30 calendar days).

(ii) Variable-rate accounts

The interest rate on your account is ___% with an annual percentage yield of ___%.

Your interest rate and annual percentage yield may change.

**Determination of Rate**

The interest rate on your account is based on (name of index) [plus/minus a margin of ___%].

or

At our discretion, we may change the interest rate on your account.

**Frequency of Rate Changes**

We may change the interest rate on your account (every (time period) at any time).

**Limitations on Rate Changes**

The interest rate for your account will never change by more than ___% each (time period).

The interest rate will never be [less/more] than ___%.

The interest rate will never [exceed ___% above/drop more than ___% below] the interest rate initially disclosed to you.

(iii) Stepped-rate accounts

The initial interest rate for your account is ___%. You will be paid this rate (for time period/ until (date)). After that time, the interest rate for your account will be ___% and you will be paid this rate (for time period/ until (date)). The annual percentage yield for your account is ___%.

(iv) Tiered-rate accounts

**Tiering Method A**

- If your [daily balance/average daily balance] is $___ or more, the interest rate paid on the entire balance in your account will be ___% with an annual percentage yield of ___%.
- If your [daily balance/average daily balance] is more than $___, but less than $___, the interest rate paid on the entire balance in your account will be ___% with an annual percentage yield of ___%.
- If your [daily balance/average daily balance] is $___ or less, the interest rate paid on the entire balance will be ___% with an annual percentage yield of ___%.

**Tiering Method B**

- An interest rate of ___% will be paid only for that portion of your [daily balance/average daily balance] that is greater than $___.
- The annual percentage yield for this tier will range from ___% to ___%, depending on the balance in the account.
- An interest rate of ___% will be paid only for that portion of your [daily balance/average daily balance] that is greater than $___, but less than $___.
- The annual percentage yield for this tier will range from ___% to ___%.
Federal Reserve System

Pt. 230, App. B

% to %, depending on the balance in the account.

- If your (daily balance/average daily balance) is $ or less, the interest rate paid on the entire balance will be % with an annual percentage yield of %.

(b) Compounding and crediting

(i) Frequency

Interest will be compounded [on a basis/every (time period)]. Interest will be credited to your account [on a basis/every (time period)].

(ii) Effect of closing an account
If you close your account before interest is credited, you will not receive the accrued interest.

(c) Minimum balance requirements

(i) To open the account
You must deposit $ to open this account.

(ii) To avoid imposition of fees
A minimum balance fee of $ will be imposed every (time period) if the balance in the account falls below $ any day of the (time period).

A minimum balance fee of $ will be imposed every (time period) if the average daily balance for the (time period) falls below $. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

(iii) To obtain the annual percentage yield disclosed
You must maintain a minimum balance of $ in the account each day to obtain the disclosed annual percentage yield.

You must maintain a minimum average daily balance of $ to obtain the disclosed annual percentage yield. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

(d) Balance computation method

(i) Daily balance method
We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

(ii) Average daily balance method
We use the average daily balance method to calculate interest on your account. This method applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

(e) Accrual of interest on noncash deposits
Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). or

Interest begins to accrue on the business day you deposit noncash items (for example, checks).

(f) Fees
The following fees may be assessed against your account:

<table>
<thead>
<tr>
<th>Fee Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

(conditions for imposing fee) % of

(g) Transaction limitations

The minimum amount you may [withdraw/write a check for] is $.

You may make [deposits into/withdrawals from] your account each (time period).

You may not make [deposits into/withdrawals from] your account until the maturity date.

(h) Disclosures relating to time accounts

(i) Time requirements
Your account will mature on (date).

Your account will mature in (time period).

(ii) Early withdrawal penalties

We [will/may] impose a penalty if you withdraw [any/all] of the (deposited funds/principal) before the maturity date. The fee imposed will equal _____ days/week(s)/month(s) of interest.

or

We [will/may] impose a penalty of $ if you withdraw [any/all] of the (deposited funds/principal) before the maturity date.

If you withdraw some of your funds before maturity, the interest rate for the remaining funds in your account will be % with an annual percentage yield of %.

(iii) Withdrawal of interest prior to maturity

The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

(iv) Renewal policies

(1) Automatically renewable time accounts

This account will automatically renew at maturity.

You will have [____ calendar/business] days after the maturity date to withdraw funds without penalty.

or

There is no grace period following the maturity of this account to withdraw funds without penalty.

(2) Non-automatically renewable time accounts

This account will not renew automatically at maturity. If you do not renew the account, your deposit will be placed in [an interest-bearing/a noninterest-bearing] account.

(v) Required interest distribution

This account requires the distribution of interest and does not allow interest to remain in the account.
(i) Bonuses
You will [be paid/receive] [$____/(description of item)] as a bonus [when you open the account/on (date)____].
You must maintain a minimum [daily balance/average daily balance] of $____ to obtain the bonus.
To earn the bonus, [$____/your entire principal] must remain on deposit [for (time period)/until (date)____].

B–2—MODEL CLAUSES FOR CHANGE IN TERMS

On (date), the cost of (type of fee) will increase to $____.
On (date), the interest rate on your account will decrease to _____ % with an annual percentage yield of ____%.
On (date), the minimum [daily balance/average daily balance] required to avoid imposition of a fee will increase to $____.

B–3—MODEL CLAUSES FOR PRE-MATURITY NOTICES FOR TIME ACCOUNTS

(a) Automatically renewable time accounts with maturities of one year or less but longer than one month
Your account will mature on (date).
If the account renews, the new maturity date will be (date).
The interest rate for the renewed account will be _____ % with an annual percentage yield of ____%

or
The interest rate and annual percentage yield have not yet been determined. They will be available on (date). Please call (phone number) to learn the interest rate and annual percentage yield for your new account.

(b) Non-automatically renewable time accounts with maturities longer than one year
Your account will mature on (date).
If you do not renew the account, interest [will/will not] be paid after maturity.
B-4 – SAMPLE FORM (MULTIPLE ACCOUNTS)

BANK ABC

DISCLOSURE OF ACCOUNT TERMS

This disclosure contains information about your:

X NOW Account

- Your interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on your account daily. The interest rate for your account will never be less than 2.00%.
- Interest begins to accrue on the business day you deposit noncash items (for example, checks).
- Interest is compounded daily and credited on the last day of each month. If you close your account before interest is credited, you will not receive the accrued interest.
- We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

___ Passbook Savings Account

- The interest rate on your account will be paid for at least 30 days.
- Interest begins to accrue on the business day you deposit noncash items (for example, checks).
- Interest is compounded daily and credited on the last day of each month. If you close your account before interest is credited, you will not receive the accrued interest.
- We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Additional disclosures for your account are included on the attached sheets.
Money Market Account

- Your interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on your account daily.
- The interest rate on your account will never be less than 3.00%.
- You may make six (6) transfers from your account, but only three (3) may be payments by check to third parties.
- Interest begins to accrue on the business day you deposit noncash items (for example, checks).
- Interest is compounded daily and credited on the last day of each month. If you close your account before interest is credited, you will not receive the accrued interest.
- We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Certificates of Deposit

- The interest rate for your account will be paid until the maturity date of your certificate.
- Interest is compounded daily and will be credited to your account monthly.
- Interest begins to accrue on the business day you deposit noncash items (for example, checks).
- This account will automatically renew at maturity. You will have ten (10) calendar days from the maturity date to withdraw your funds without being charged a penalty.
- After the account is opened, you may not make deposits into or withdrawals from this account until the maturity date.
- We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.
- If any of the deposit is withdrawn before the maturity date, a penalty as shown below will be imposed:

<table>
<thead>
<tr>
<th>Term</th>
<th>Early Withdrawal Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-month CD</td>
<td>30 days interest</td>
</tr>
<tr>
<td>6-month CD</td>
<td>90 days interest</td>
</tr>
<tr>
<td>1-year CD</td>
<td>120 days interest</td>
</tr>
<tr>
<td>2-year CD</td>
<td>180 days interest</td>
</tr>
</tbody>
</table>

Additional disclosures for your account are included on the attached sheets.
Federal Reserve System

(Fee Schedule Insert)

BANK ABC
FEE SCHEDULE

NOW Account

- Monthly minimum balance fee if the daily balance
  drops below $500 any day of the month ......................... $7.50

Passbook Savings Account

- Monthly minimum balance fee if the daily balance
  drops below $100 any day of the month ....................... $6.00
- You may make three (3) withdrawals per quarter
  Each subsequent withdrawal ..................................... $2.00

Money Market Account

- Monthly minimum balance fee if the daily balance
  drops below $1,000 any day of the month ..................... $5.00

Other Account Fees

- Deposited checks returned ........................................ $5.00
- Balance inquiries (at a branch or at an ATM) .................. $1.00
- Check printing♦ ................................................... (Fee depends on style of check ordered)
- Your check returned for insufficient funds (per check)♦ ........................................ $16.00
- Stop payment request (per request)♦ ................................ $12.50
- Certified check (per check)♦ ..................................... $10.00

♦ Fee does not apply to Passbook Savings Accounts or Certificates of Deposit.

Additional disclosures for your account are included on the attached sheet.
(Rate Sheet Insert)

**BANK ABC**  
**RATE SHEET**

<table>
<thead>
<tr>
<th>ACCOUNT TYPE</th>
<th>MINIMUM DEPOSIT TO OPEN ACCOUNT</th>
<th>MINIMUM BALANCE* TO OBTAIN ANNUAL PERCENTAGE YIELD</th>
<th>INTEREST RATE</th>
<th>ANNUAL PERCENTAGE YIELD</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOW</td>
<td>$500</td>
<td>$2,500</td>
<td>4.00%</td>
<td>4.08%</td>
</tr>
<tr>
<td>PASSBOOK SAVINGS</td>
<td>$100</td>
<td>$500</td>
<td>3.50%</td>
<td>3.56%</td>
</tr>
<tr>
<td>MONEY MARKET</td>
<td>$1,000</td>
<td>$1,000</td>
<td>4.15%</td>
<td>4.24%</td>
</tr>
<tr>
<td>3-MONTH CD</td>
<td>$1,000</td>
<td>$1,000</td>
<td>4.20%</td>
<td>4.29%</td>
</tr>
<tr>
<td>6-MONTH CD</td>
<td>$1,000</td>
<td>$1,000</td>
<td>4.25%</td>
<td>4.34%</td>
</tr>
<tr>
<td>1-YEAR CD</td>
<td>$1,000</td>
<td>$1,000</td>
<td>5.20%</td>
<td>5.34%</td>
</tr>
<tr>
<td>2-YEAR CD</td>
<td>$1,000</td>
<td>$1,000</td>
<td>5.80%</td>
<td>5.97%</td>
</tr>
</tbody>
</table>

* Daily balance (the amount of principal in the account each day)
B-5 – SAMPLE FORM (NOW ACCOUNT)

BANK XYZ

DISCLOSURE OF INTEREST, FEES AND ACCOUNT TERMS

NOW ACCOUNT

Fee schedule

- Monthly minimum balance fee if the daily balance drops below $1,000 any day of the month ........................................ $ 7.00
- Fee to stop payment of a check ........................................... $ 12.50
- Fee for check returns (insufficient funds – per check) .............. $ 16.00
- Certified check (per check) ................................................. $ 10.00
- Fee for initial check printing (per 200) .................................. $ 12.00
  (Cost for check printing varies depending on the style of checks ordered.)

Rate information

- The interest rate for your account is _4.00_ % with an annual percentage yield of _4.08_ %. Your interest rate and annual percentage yield may change. At our discretion, we may change the interest rate for your account at any time. The interest rate for your account will never be less than 2% each year.

Minimum balance requirements

- You must deposit $500 to open this account.
- You must maintain a minimum balance of $2,500 in the account each day to obtain the annual percentage yield listed above.

Balance computation method

- We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Compounding and crediting

- Interest for your account will be compounded daily and credited to your account on the last day of each month.

Accrual of interest on deposits other than cash

- Interest begins to accrue on the business day you deposit noncash items (for example, checks).
B-6 – SAMPLE FORM (TIERED-RATE MONEY MARKET ACCOUNT)

BANK ABC

DISCLOSURE OF INTEREST, FEES AND ACCOUNT TERMS

MONEY MARKET ACCOUNT

Fee schedule

- Check returned for insufficient funds (per check) ........................................ $16.00
- Stop payment request (per request) ............................................................... $12.50
- Certified check (per check) ........................................................................... $10.00
- Check printing .......................... (Fee depends on style of checks ordered)

Rate information

- If your daily balance is $15,000 or more, the interest rate paid on the entire balance in your account will be 5.75% with an annual percentage yield of 5.92%.
- If your daily balance is more than $2,500, but less than $15,000, the interest rate paid on the entire balance in your account will be 5.50% with an annual percentage yield of 5.65%.
- If your daily balance is $2,500 or less, the interest rate paid on the entire balance will be 5.25% with an annual percentage yield of 5.39%.
- Your interest rate and annual percentage yield may change. At our discretion, we may change the interest rate for your account at any time. The interest rate for your account will never be less than 2.00%.
- Interest begins to accrue on the business day you deposit noncash items (for example, checks).
- Interest is compounded daily and credited on the last day of each month.

Minimum balance requirements

- You must deposit $1,000 to open this account.

A minimum balance fee of $5.00 will be imposed every month if the balance in your account falls below $1,000 any day of the month.

Balance computation method

- We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Transaction limitations

- You may make six (6) transfers from your account, but only three (3) may be payments by check to third parties.
B-7 -- SAMPLE FORM (CERTIFICATE OF DEPOSIT)

XYZ SAVINGS BANK
1 YEAR CERTIFICATE OF DEPOSIT

Rate information

The interest rate for your account is 5.20 % with an annual percentage yield of 5.34 %. You will be paid this rate until the maturity date of the certificate. Your certificate will mature on September 30, 1993. The annual percentage yield assumes interest remains on deposit until maturity. A withdrawal will reduce earnings.

Interest for your account will be compounded daily and credited to your account on the last day of each month.

Interest begins to accrue on the business day you deposit any noncash item (for example, checks).

Minimum balance requirements

You must deposit $1,000 to open this account.

You must maintain a minimum balance of $1,000 in your account every day to obtain the annual percentage yield listed above.

Balance computation method

We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Transaction limitations

After the account is opened, you may not make deposits into or withdrawals from the account until the maturity date.

Early withdrawal penalty

If you withdraw any principal before the maturity date, a penalty equal to three months interest will be charged to your account.

Renewal policy

This account will be automatically renewed at maturity. You have a grace period of ten (10) calendar days after the maturity date to withdraw the funds without being charged a penalty.
B-8 -- SAMPLE FORM (CERTIFICATE OF DEPOSIT ADVERTISEMENT)

**BANK XYZ**

ALWAYS OFFERS YOU COMPETITIVE CD RATES!!

<table>
<thead>
<tr>
<th>CERTIFICATES OF DEPOSIT</th>
<th>ANNUAL PERCENTAGE YIELD (APY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 YEAR</td>
<td>6.31%</td>
</tr>
<tr>
<td>4 YEAR</td>
<td>6.07%</td>
</tr>
<tr>
<td>3 YEAR</td>
<td>5.72%</td>
</tr>
<tr>
<td>2 YEAR</td>
<td>5.52%</td>
</tr>
<tr>
<td>1 YEAR</td>
<td>4.54%</td>
</tr>
<tr>
<td>6 MONTH</td>
<td>4.34%</td>
</tr>
<tr>
<td>90 DAY</td>
<td>4.21%</td>
</tr>
</tbody>
</table>

APYs are offered on accounts opened from 5/9/93 through 5/18/93.

The minimum balance to open an account and obtain the APY is $1,000. A penalty may be imposed for early withdrawal.

For more information call:

202-123-1234
B-9 -- SAMPLE FORM (MONEY MARKET ACCOUNT ADVERTISEMENT)

## BANK XYZ

ALWAYS OFFERS YOU COMPETITIVE RATES!!

<table>
<thead>
<tr>
<th>MONEY MARKET ACCOUNTS</th>
<th>ANNUAL PERCENTAGE YIELD (APY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts with a balance of $5,000 or less</td>
<td>5.07%*</td>
</tr>
<tr>
<td>Accounts with a balance over $5,000</td>
<td>5.57%*</td>
</tr>
<tr>
<td>APYs are accurate as of April 30, 1993</td>
<td>The rates may change after the account is opened.</td>
</tr>
</tbody>
</table>

Fees could reduce the earnings on the account.

For more information call:

**202-123-1234**

B-10 Aggregate Overdraft and Returned Item Fees Sample Form

<table>
<thead>
<tr>
<th></th>
<th>Total For This Period</th>
<th>Total Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Overdraft Fees</td>
<td>$60.00</td>
<td>$150.00</td>
</tr>
<tr>
<td>Total Returned Item Fees</td>
<td>$0.00</td>
<td>$30.00</td>
</tr>
</tbody>
</table>