

National Credit Union Share Insurance Fund Coverage Scenarios

At Bay Federal Credit Union, your deposit accounts are federally insured by the National Credit Union Share Insurance Fund (NCUSIF). Similar to the Federal Deposit Insurance Corporation (FDIC), the NCUSIF is backed by the full faith and credit of the United States Government. What's more, not one penny of insured savings has ever been lost by a member of a federally insured credit union.

We have created this illustrative guide to show members how they may be able to qualify for additional NCUA insurance coverage through different types of account structures.

This guide is for illustrative purposes only. All insurance coverage is determined by the NCUA and their decisions are final. Please see NCUA's "Your Insured Funds" brochure for complete details and restrictions regarding your individual insurance coverage.

Meet John and Sally!



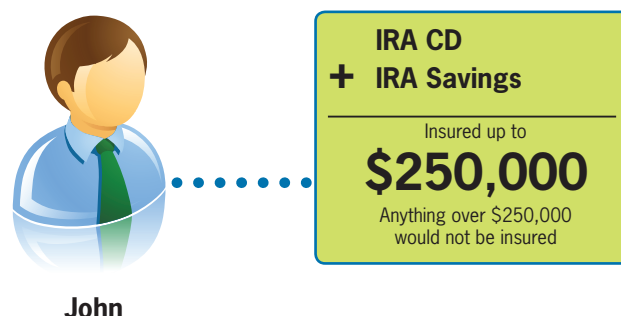
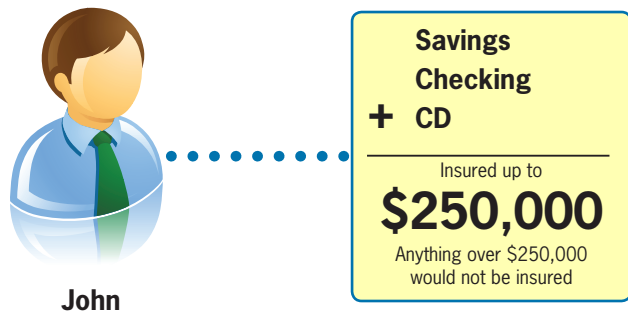
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NCUSIF Coverage Scenarios for individuals:

1 Individual Account with no beneficiaries

John Smith has a Membership Savings, a Free Checking and a 1 year Certificate. He is the only signer of those accounts and has no beneficiaries. For these accounts, John is insured up to a combined total of **\$250,000**.

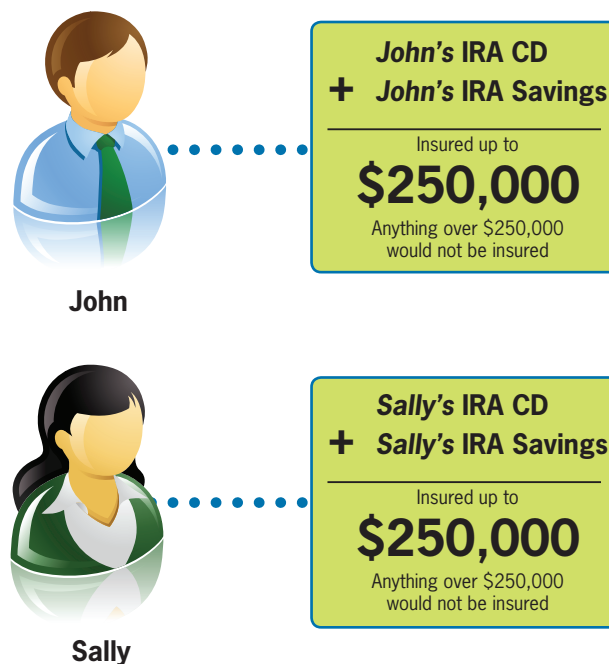
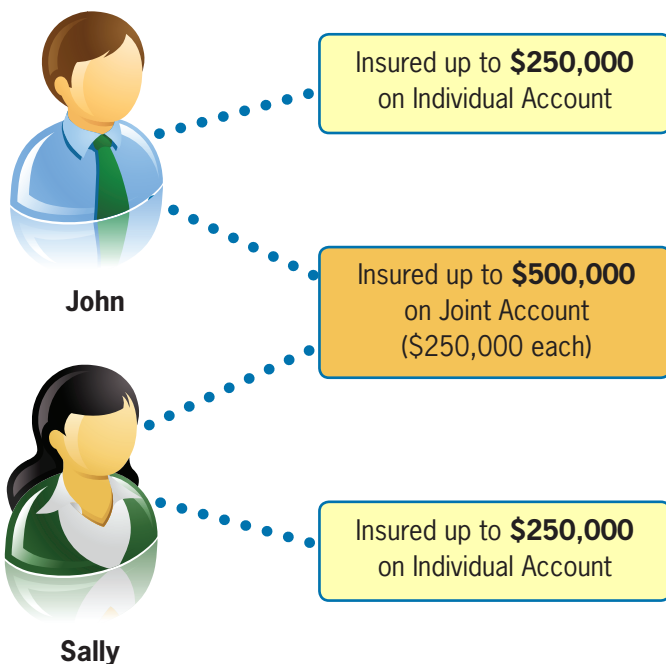
John also has an IRA CD and an IRA Savings. For IRA accounts, John is insured separately up to **\$250,000**.



2 Joint Account with No Beneficiaries

John gets married. He and his wife Sally open up a joint account. Sally also has her own account and she is not joint on any other accounts. In this case, their insurance coverage would increase up to **\$500,000** for both John and Sally on their joint account.

John and Sally are insured a total of **\$1,000,000** between their Individual and Joint Accounts. If Sally opens her own IRA accounts, her IRA accounts would also be insured up to **\$250,000**.

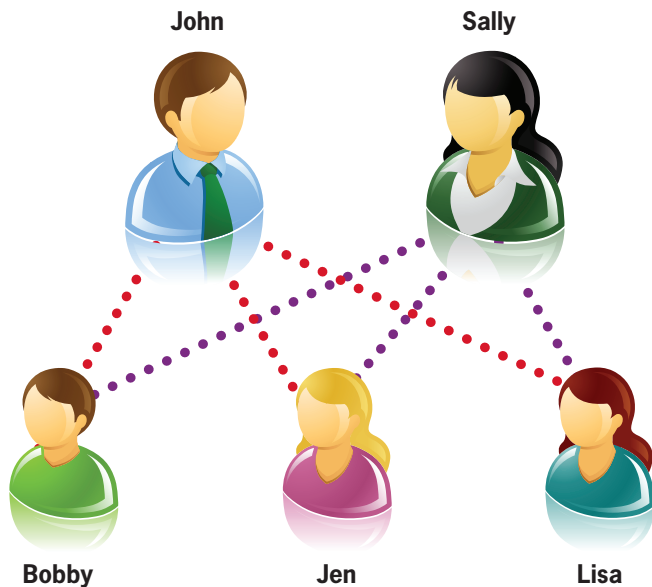


Joint owners receive a total coverage of **\$250,000** for their own ownership in all the accounts on which they are listed as joint owners. This means that if John wanted to be a Joint Owner on his brother's account, he would not be covered for an extra **\$250,000**.

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3 Account with Beneficiaries (Pay On Death)

Sally and John now have 3 kids and would like to add them as beneficiaries to their joint account. They can maximize their insurance by structuring their account the following way. The account is now considered a Pay on Death account:



Each dotted line represents coverage of **\$250,000**. Sally would receive coverage of **\$250,000** for each child. John would receive coverage of **\$250,000** for each child. Total coverage for this account is **\$1,500,000**. Coverage on their joint account with beneficiaries will supersede the former coverage of **\$500,000** they had on the joint account without beneficiaries.

If John and Sally open an additional joint account without beneficiaries, that account will be insured separately to **\$500,000**.

The insurance coverage is based on the listed beneficiaries (i.e. natural person, charitable organization or other non-profit entity under the Internal Revenue Code of 1986). Sally and John's account would no longer be treated as a joint account for insurance purposes.

In this example, Sally and John would be covered for a total of **\$3,000,000**.

John's Individual Account	\$250,000
Sally's Individual Account	\$250,000
Pay On Death Account	\$1,500,000
John & Sally Joint Account (with no beneficiaries)	\$500,000
John's IRA	\$250,000
Sally's IRA	\$250,000
Total Coverage in for this scenario:	\$3,000,000

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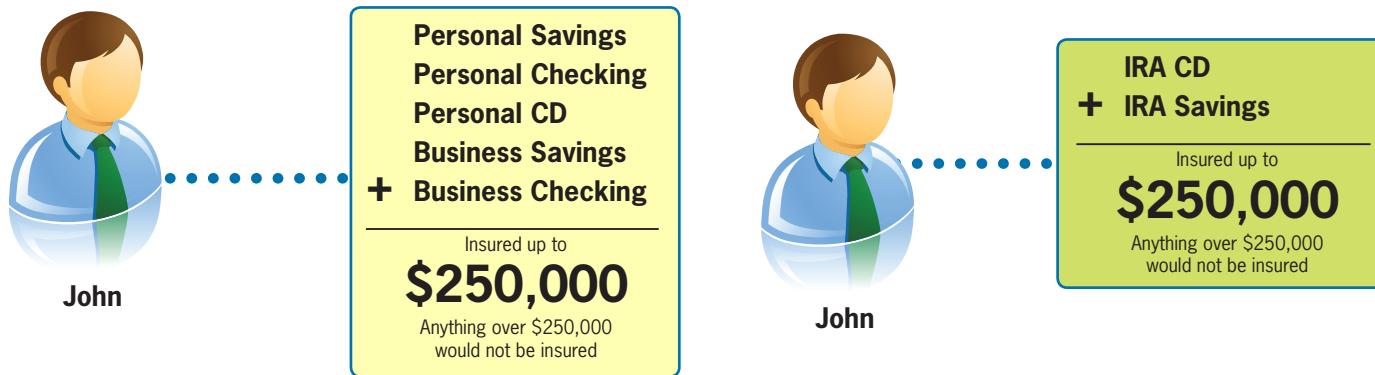
For business accounts:

1 Sole-Proprietor Accounts Under an ITIN, SSN or EIN

Sole-Proprietorship accounts are not insured separately from the owner's personal accounts.

John becomes a Sole-proprietor and opens a Business Savings and a Business Checking account using an EIN.

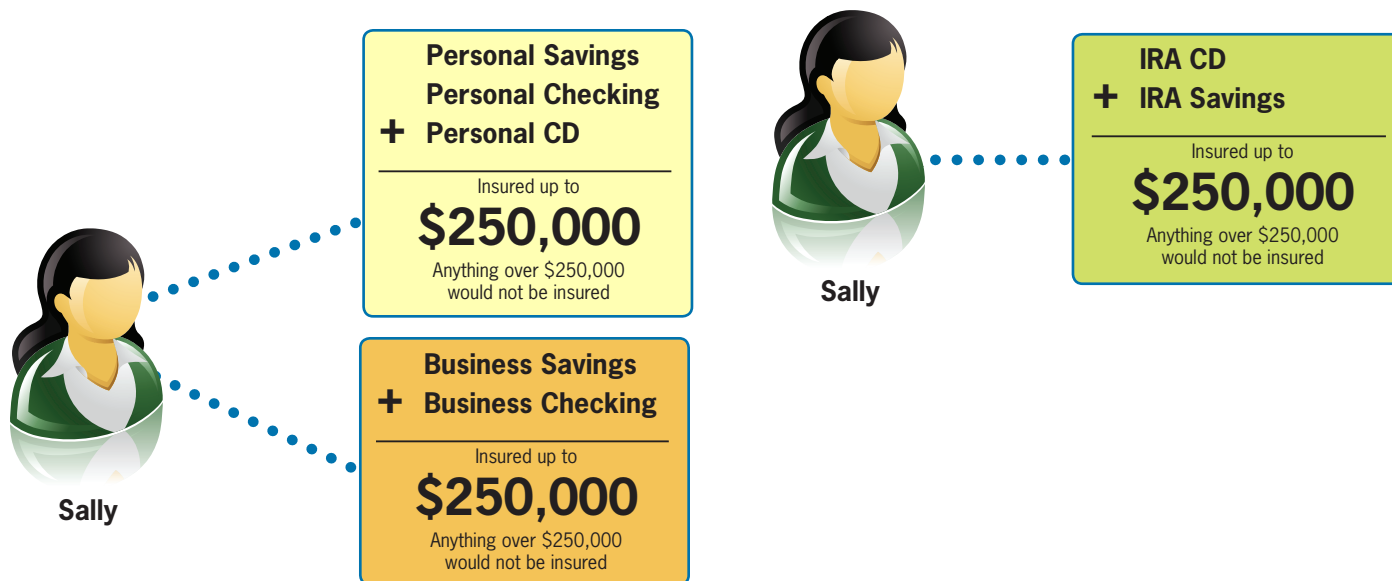
John's business accounts (even under an EIN) would be combined with his personal individual accounts and would be covered up to **\$250,000**.



2 Business Account Under an Employer Identification Number (EIN)

Sally also has a business under a Corporation. In this case, Sally's business accounts would be insured separately from her personal individual accounts.

Business Accounts such as Corporations, Partnerships or Unincorporated Associations under an EIN are covered separately for a combined total of up to **\$250,000**.



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