

# Certificate of Deposit Disclosure Statement

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TIAA Brokerage is making certificates of deposit (CD) available for purchase through your Self-Directed brokerage account. This disclosure statement is intended to provide you with information you should consider when purchasing or holding a brokered CD.

*The information contained in this Disclosure Statement may not be modified by any oral representation made prior or subsequent to the purchase of your Certificate of Deposit.*

TIAA Brokerage, a division of TIAA-CREF Individual & Institutional Services, LLC, is making certificates of deposit ("CDs") available to its customers in book-entry form. The CDs are made available pursuant to an arrangement between TIAA Brokerage or another broker-dealer, and a depository institution domiciled in the U.S. or one of its territories (an "Issuer").

Each CD is a deposit obligation of the Issuer, the deposits and accounts of which are insured by the Federal Deposit Insurance Corporation (the "FDIC") within the limits described below. **Each CD constitutes a direct obligation of the Issuer and is not, either directly or indirectly, an obligation of TIAA Brokerage.** Except where federal law or regulation may otherwise govern, the terms and conditions of the CDs are subject to and construed in accordance with the laws of the state in which the Issuer is located. The purpose of this Disclosure Statement is to provide general information regarding the CDs and has not been reviewed by any governmental agency.

This document does not constitute an offer or solicitation by anyone in any state or jurisdiction in which such offer or solicitation is not authorized or in which the person making the offer or solicitation is not qualified to do so or to any person for whom it is unlawful to make such offer or solicitation. CD subscriptions are subject to acceptance and confirmation by the Issuer.

TIAA Brokerage will advise you of the names of Issuers currently making CDs available. *Upon request*, you will be provided with financial information concerning the Issuer of a CD that you would receive upon request if you established a deposit account directly with the Issuer. TIAA Brokerage does not guarantee in any way the financial condition of any Issuer or the accuracy of any financial information provided by the Issuer. CDs may be purchased both upon issuance (the "primary market") and in the secondary market. If purchased in the primary market, TIAA Brokerage will advise you of the date on which your CD will be established with the Issuer (the "Settlement Date").

The Issuer may use proceeds from the sale of the CDs for any purpose permitted by law and its charter, including making loans to eligible borrowers and investing in permissible financial products. TIAA Brokerage or one of its affiliates may from time to time act as a broker or dealer in the sale of permissible financial products to the Issuer.

The CDs of any one Issuer that you may purchase will be eligible for FDIC insurance up to \$250,000 (including principal and accrued interest) in most insurable capacities (e.g., individual, joint, IRA, etc.). The insurance limit applicable to each insurable capacity will be referred to as the "Maximum Applicable Deposit Insurance Amount." For purposes of the Maximum Applicable Deposit Insurance Amount, you must aggregate all deposits that you maintain with the Issuer in the same insurable capacity, including deposits

you hold directly with an Issuer and deposits you hold through TIAA Brokerage and other intermediaries. Please be aware that if an Issuer is a U.S. branch of a foreign (non-U.S.) bank with multiple U.S. branches, deposits held by you at all of the foreign bank's U.S. branches in the same insurable capacity will be aggregated for federal deposit insurance purposes.

**The extent of, and limitations on, federal deposit insurance are discussed below in the sections headed "Deposit Insurance: General" and "Deposit Insurance: Retirement Plans and Accounts."**

Although CDs issued by a bank are generally exempt from the definition of "security", the specific terms and methodology of a given offering could result in the CDs being deemed an "investment contract" for purposes of the federal and state securities laws. However, because securities issued by a bank are "exempt securities" by virtue of Section 3(a)(2) of the Securities Act of 1933, there is no prospectus, registration statement or other required form of disclosure document, and this Disclosure Statement does not contain as much information as would be contained in such a document.

## **TERMS OF CDS**

The maturities, rates of interest and interest payment terms of CDs available through TIAA Brokerage will vary. Both interest-bearing and zero-coupon CDs may be available. You should review carefully the trade confirmation, supplement to this Disclosure Statement, if any, and the term sheet for the CD (the "Term Sheet"). You should also review the investment considerations discussed below in the section headed **"Important Investment Considerations."**

The CDs will mature on the date indicated on the trade confirmation and the Term Sheet. The CDs will not be automatically renewed or rolled over and interest on the CDs will not continue to accrue or (in the case of zero-coupon CDs) accrete after maturity. At maturity the CD balances will be remitted by the Issuer to TIAA Brokerage and credited to your account with TIAA Brokerage. If the maturity date is not a business day, the CD balances will be paid on the next succeeding business day. A "business day" shall be a day on which TIAA Brokerage and the banks in both the Issuer's domicile and New York are open for business.

**Interest-Bearing CDs.** Interest-bearing CDs are offered in a wide range of maturities and are made available in minimum denominations and increments of \$1,000. Interest-bearing CDs pay interest at either a fixed rate or at a variable rate. A fixed rate CD will pay the same interest rate throughout the life of the CD. The interest rate on variable rate CDs may increase or decrease from the initial rate at pre-determined time periods ("step-rates") or may be re-set at specified times based upon the change in a specific index or indices ("floating rates"). The dates on which the rates on step-rate CDs will change or the rates on floating rate CDs will re-set, as well as a description of the basis on which the rate will be re-set, will be set forth on the trade confirmation, supplement to this Disclosure Statement, if any, or the Term Sheet.

Unless otherwise specified in the trade confirmation, supplement to this Disclosure Statement, if any, or the Term Sheet, interest earned on interest-bearing CDs with original maturities of one year or less will be paid at the maturity of such CDs and interest earned on interest-bearing CDs with original maturities of more than one year will be paid monthly, quarterly, semiannually or annually and at maturity. Interest on variable rate CDs will be re-set periodically and interest will be paid monthly, quarterly, semiannually or annually and at maturity as specified on the trade confirmation, supplement to this Disclosure Statement, if any, or the Term Sheet. Interest on variable rate CDs will be re-set periodically and interest will be paid monthly, quarterly, semiannually or annually and at maturity as specified on the trade confirmation, supplement to this Disclosure Statement, if any, or the Term Sheet.

Interest payments on interest-bearing CDs are automatically credited to your account with TIAA Brokerage. Interest will accrue up to, but not including, the interest payment date, the maturity date or any call date. If an interest payment date falls on a day that is not a business day, interest will be paid on the first business day following the interest payment date. For specific rate information for any interest period, please contact TIAA Brokerage.

Interest on CDs is not compounded. Interest on CDs in the primary market is calculated on the basis of the actual number of days elapsed over a 365/366 day year, unless specified on the trade confirmation, supplement to this Disclosure Statement, if any, or the Term Sheet. However, the amount of interest on CDs that are purchased in the secondary market may be based on other interest rate calculations. Please contact TIAA Brokerage with questions concerning the interest rate calculation on a secondary market CD.

**Zero-Coupon CDs.** Zero-coupon CDs do not bear interest, but rather are issued at a substantial discount from the face or par amount, the minimum amount of which is \$1,000. Interest on the CD will “accrete” at an established rate and the holder will be paid the par amount at maturity.

**Call Feature.** Some CDs may be subject to redemption on a specified date or dates at the sole discretion of the Issuer (a “call”). If the CD is called, you will be paid the outstanding principal amount and interest accrued or accreted up to, but not including, the call date and no interest will be earned after the call date. The dates on which the CD may be called will be specified in the trade confirmation, supplement to this Disclosure Statement, if any, or the Term Sheet. In general, a call is most likely to be exercised when prevailing interest rates are lower than the interest rate payable on the CD. The Issuer is required to notify TIAA Brokerage of its intent to call the CD prior to exercising the call.

## **MUTUALS (COOPERATIVE BANKS)**

Some Issuers may be state or federally chartered insured depository institutions that are organized in a mutual form of ownership without shareholders (“Mutuals”). You will be informed if the Issuer of your CD is a Mutual. You may have certain rights under applicable state or federal law as a depositor of the Mutual to elect directors, vote on a bank conversion from cooperative to stock form and purchase stock in the event of a conversion. TIAA Brokerage will assume no responsibility for exercising such rights on your behalf. If you choose to exercise your rights as a depositor, you will need to establish your CD directly with the Issuer as set forth in the section headed “Your Relationship with TIAA Brokerage and the Issuer.”

## **YOUR RELATIONSHIP WITH TIAA BROKERAGE AND THE ISSUER**

You will not receive a passbook, certificate or other evidence of ownership of the CD from the Issuer. The CDs are evidenced by one or more master certificates issued by the Issuer, each representing a number of individual CDs. These master certificates are held by The Depository Trust Company (“DTC”), a sub-custodian which is in the business of performing such custodial services. TIAA Brokerage, as custodian, keeps records of the ownership of each CD and will provide you with a written confirmation of your purchase. You will also be provided with a periodic account statement from TIAA Brokerage which will reflect your CD ownership. You should retain the trade confirmation and the account statement(s) for your records. The purchase of a CD is not recommended for persons who wish to take actual possession of a certificate.

Your account statement from TIAA Brokerage may provide an estimate of the price you might receive on some or all of your CDs if you were able to sell them prior to maturity. Any prices on your statement are estimates and are not based on actual market prices. You should ask TIAA Brokerage to explain its statement pricing policies. Your deposit insurance coverage and, if your CD is callable, the amount you

would receive if your CD is called will be determined based on the outstanding principal amount of your CD, or the accreted value in the case of a zero-coupon CD, not the estimated price. See the sections headed “**Deposit Insurance: General**” and “**Secondary Market.**”

Each CD constitutes a direct obligation of the Issuer and is not, either directly or indirectly, an obligation of TIAA Brokerage. No deposit relationship shall be deemed to exist prior to the receipt and acceptance of your funds by the Issuer.

If you choose to remove TIAA Brokerage as your agent with respect to your CD, you may (i) transfer your CD to another agent, provided that the agent is a member of DTC (most major brokerage firms are members; many banks and savings institutions are not); or (ii) request that your ownership of the CD be evidenced directly on the books of the Issuer, subject to applicable law and the Issuer’s terms and conditions, including those related to the manner of evidencing CD ownership. If you choose to remove TIAA Brokerage as your agent, TIAA Brokerage will have no further responsibility for payments made with respect to your CD. If you establish your CD on the books of the Issuer, you will have the ability to enforce your rights in the CD directly against the Issuer.

## **IMPORTANT INVESTMENT CONSIDERATIONS**

**Buy and Hold.** CDs are most suitable for purchasing and holding to maturity. If your CD is callable by the Issuer, you should be prepared to hold it according to its terms. Though not obligated to do so, TIAA Brokerage may maintain a secondary market in the CDs after their Settlement Date. If you are able to sell your CD, the price you receive will reflect prevailing market conditions and your sales proceeds may be less than the amount you paid for your CD. If you wish to dispose of your CD prior to maturity, you should read with special care the sections headed “**Additions or Withdrawals**” and “**Secondary Market.**”

**Compare Features.** You should compare the rates of return and other features of the CDs to other available investments before deciding to purchase a CD. The rates paid with respect to the CDs may be higher or lower than the rates on deposits or other instruments available directly from the Issuer or through TIAA Brokerage.

**Callable CDs.** Callable CDs present different investment considerations than CDs not subject to call by the Issuer. You should carefully review your trade confirmation, supplement to this Disclosure Statement, if any, and the Term Sheet for the terms of your CD including the time periods when the Issuer may call your CD. **The Issuer decides in its sole discretion whether to call a CD before maturity in accordance with the CD’s terms. The Issuer is not obligated to call the CDs. TIAA Brokerage does not control or influence whether or when the Issuer decides to exercise a call.** You should be aware that the Issuer will most likely call the CDs, if at all, when it is most advantageous for the Issuer to do so without reference to your investment needs. The Issuer is most likely to call the CDs when interest rates on comparable deposit obligations are lower than the interest rate paid on the CDs.

The CD may be paid off prior to maturity as a result of a call by the Issuer and your return would be less than the yield which the CD would have earned had it been held to maturity. If the CD is called by the Issuer, you may be unable to reinvest your funds at the same rate as the original CD. The CD may not be called and you may be required to hold the CD until maturity.

**You should only invest in callable CDs if you understand that the timing of the return of your principal may be uncertain, as described above.**

If the Issuer chooses to call the CD, you will be paid all principal and interest accrued up to, but not including the date on which the call is exercised (the “Call Date”). Principal and accrued interest on callable CDs will be insured by the FDIC within the applicable limits described in the section headed “Deposit Insurance.”

**TIAA Brokerage is not responsible to you for any losses you may incur as a result of the Issuer’s decision to exercise or not exercise a call. You do not have the right to redeem the CDs (except for limited early withdrawal rights described in this Disclosure Statement). Because the Issuer, and only the Issuer, has the right to call the CD and may not exercise the right to call the CD, you should not rely on the call feature for gaining access to your funds.**

**Variable Rate CDs.** Variable rate CDs present different investment considerations than fixed rate CDs. Depending upon the type of variable rate CD (step rate or floating rate) and the interest rate environment, the CD may pay substantially more or substantially less interest over the term of the CD than would be paid on a fixed rate CD of the same maturity. Furthermore, if the CD is subject to call by the Issuer, (i) you may not receive the benefits of any anticipated increase in rates paid on a variable rate CD if the CD is called or (ii) you may be required to hold the CD at a lower rate than prevailing market interest rates if the CD is not called. You should carefully review any supplement to this Disclosure Statement that describes the step-rate or the basis for resetting a floating rate and, if the CD is subject to call by the Issuer, the time periods when the Issuer may call the CD.

**Insolvency of the Issuer.** In the event the Issuer approaches insolvency or becomes insolvent, the Issuer may be placed in regulatory conservatorship or receivership with the FDIC typically appointed the conservator or receiver. The FDIC may thereafter pay off the CDs prior to maturity or transfer the CDs to another depository institution. If the CDs are transferred to another institution, you may be offered a choice of retaining the CDs at a lower interest rate or having the CDs paid off. See the sections headed “**Deposit Insurance: General**” and “**Payments Under Adverse Circumstances.**”

**Reinvestment Risk.** If your CD is paid off prior to maturity as a result of the Issuer’s insolvency, exercise by the Issuer of any right to call the CD or a voluntary early withdrawal (see the section headed “**Additions or Withdrawals**”) you may be unable to reinvest your funds at the same rate as the original CD. TIAA Brokerage is not responsible to you for any losses you may incur as a result of a lower interest rate on an investment replacing your CD.

**SEC Investor Tips.** The Securities and Exchange Commission periodically publishes tips for investors in various financial products, including CDs, on its website. You may access these investor tips at [www.sec.gov](http://www.sec.gov).

## **DEPOSIT INSURANCE: GENERAL**

Your CDs are insured by the FDIC, an independent agency of the U.S. Government, to the Maximum Applicable Deposit Insurance Amount (including principal and accrued interest) for all deposits held in the same insurable capacity at any one Issuer. If an Issuer is a U.S. branch of a foreign (non-U.S.) bank with multiple U.S. branches, deposits held by you at all of the foreign bank’s U.S. branches in the same insurable capacity will be aggregated for federal deposit insurance purposes. Generally, any accounts or deposits that you may maintain directly with a particular Issuer, or through any other intermediary in the same insurable capacity in which the CDs are maintained, would be aggregated with the CDs for purposes of the Maximum Applicable Deposit Insurance Amount. In the event an Issuer fails, interest bearing CDs are insured, up to the Maximum Applicable Deposit Insurance Amount, for principal and interest accrued to the date the Issuer is closed. Zero-coupon CDs are insured to the extent of the original offering price plus interest at the rate quoted to the depositor on the original offering, accreted to the date of the closing of

the Issuer. Interest is determined for insurance purposes in accordance with federal law and regulations. The original offering price of a zero-coupon CD plus accreted interest is hereafter called the “accreted value.”

**Securities Investor Protection Corporation protection is unavailable for CDs insured by the FDIC.**

Under certain circumstances, if you become the owner of CDs or other deposits at an Issuer because another depositor dies, beginning six months after the death of the depositor the FDIC will aggregate those deposits for purposes of the Maximum Applicable Deposit Insurance Amount with any other CDs or deposits that you own in the same insurable capacity at the Issuer. Examples of accounts that may be subject to this FDIC policy include joint accounts, “payable on death” accounts and certain trust accounts. The FDIC provides a six month “grace period” to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

You are responsible for monitoring the total amount of deposits that you hold with any one Issuer, directly or through an intermediary such as TIAA Brokerage, in order for you to determine the extent of deposit insurance coverage available to you on your deposits, including the CDs. TIAA Brokerage is not responsible for any insured or uninsured portion of the CDs or any other deposits.

**BY YOUR PURCHASE OF A CD YOU ARE DEEMED TO REPRESENT TO THE ISSUER AND TIAA BROKERAGE THAT TO THE BEST OF YOUR KNOWLEDGE YOUR DEPOSITS WITH THE ISSUER (OR IF YOU ARE ACTING AS A CUSTODIAN, THE DEPOSITS OF THE BENEFICIARIES), INCLUDING THE CD, WHEN AGGREGATED IN ACCORDANCE WITH FDIC REGULATIONS, ARE WITHIN THE MAXIMUM APPLICABLE DEPOSIT INSURANCE AMOUNT.**

If your CDs or other deposits at the Issuer are assumed by another depository institution pursuant to a merger or consolidation, such CDs or deposits will continue to be separately insured from the deposits that you might have established with the acquirer until (i) the maturity date of the CDs or other time deposits which were assumed, or (ii) with respect to deposits which are not time deposits, the expiration of a six month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquirer held in the same insurable capacity for purposes of federal deposit insurance. Any deposit opened at the Issuer after the acquisition will be aggregated with deposits established with the acquirer for purposes of federal deposit insurance.

In the event that you purchase a CD in the secondary market at a premium over the par amount (or accreted value in the case of a zero-coupon CD), that premium is not insured. Similarly, you are not insured for any premium reflected in the estimated market value of your CD on your account statement. If deposit insurance payments become necessary for the Issuer, you can lose the premium paid for your CD and will not receive any premium shown on your account statement. See the section headed “**Secondary Market.**”

The application of the Maximum Applicable Deposit Insurance Amount is illustrated by several common factual situations discussed below. Please review the section headed “**Deposit Insurance: Retirement Plans and Accounts**” for application of the Maximum Applicable Deposit Insurance Amount to retirement plans and accounts.

**Individual Customer Accounts.** Deposits of any one Issuer held by an individual in an account in the name of an agent or nominee of such individual (such as the CDs held in a Firm account) or held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the agent, nominee or custodian, but are added to other deposits of such individual held in the same insurable capacity (including funds held in a sole proprietorship) and insured up to \$250,000 in

the aggregate. Deposits held through a **qualified tuition savings program (529 Plan)** will be insured as deposits of the participant and aggregated with other deposits of the participant if the arrangement and the name of the participant are identified on TIAA Brokerage's account records.

**Corporate, Partnership and Unincorporated Association Accounts.** Deposits of any one Issuer owned by corporations (including Subchapter S corporations), partnerships and unincorporated associations, operated for a purpose other than to increase deposit insurance, are added together with other deposits owned by such corporation, partnership and unincorporated association, respectively, and are insured up to \$250,000 in the aggregate.

**Joint Accounts.** An individual's interest in deposits of any one Issuer held under any form of joint ownership valid under applicable state law may be insured up to \$250,000 in the aggregate, separately and in addition to the \$250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a "Joint Account"). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to \$500,000 (\$250,000 for each person), subject to aggregation with each owner's interests in other Joint Accounts at the same depository institution. Joint Accounts will be insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners.

**Revocable Trust Accounts.** Deposits of any one Issuer held in a "revocable trust" are generally insured up to \$250,000 per beneficiary if the beneficiary is a natural person, charity or other non-profit organization. There are two types of revocable trusts recognized by the FDIC.

**Informal revocable trusts** include accounts in which the owner evidences an intent that at his or her death the funds shall belong to one or more specified beneficiaries. These trusts may be referred to as a "Totten trust" account, "payable upon death" account or "transfer on death" account. Each beneficiary must be included in the Firm's account records.

**Formal revocable trusts** are written trust arrangements in which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. The trusts may be referred to as "living" or "family" trusts. The beneficiaries of a formal revocable trust do not need to be included in the Firm's account records.

Under FDIC rules, FDIC coverage will be up to \$250,000 per beneficiary, multiplied by the number of beneficiaries, regardless of the proportional interest of each beneficiary in the revocable trust. However, if the trust has more than \$1,250,000 in deposits at the Issuer and more than five beneficiaries, the funds will be insured for the greater of \$1,250,000 or the aggregate amount of all beneficiaries' proportional interests, limited to \$250,000 per beneficiary.

Deposits in all revocable trusts of the same owner – informal and formal – at the same Issuer will be aggregated for insurance purposes. A revocable trust established by two owners where the owners are the sole beneficiaries will be treated as a Joint Account under applicable rules and will be aggregated with other Joint Accounts.

**Irrevocable Trust Accounts.** Deposits of any one Issuer held pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law) will be insured for up to \$250,000 for the interest of each beneficiary provided that the beneficiary's interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). According to the FDIC, **Coverdell Education Savings Accounts** will be treated as irrevocable trust accounts for deposit insurance purposes. The deposit insurance of each beneficiary's interest is separate from the coverage provided for

other accounts maintained by the beneficiary, the grantor, the trustee or other beneficiaries. The interest of a beneficiary in irrevocable trust accounts at an Issuer created by the same grantor will be aggregated and insured up to \$250,000.

**Medical Savings Accounts.** Deposits of any one Issuer held in a Medical Savings Account, sometimes referred to as an Archer Medical Savings Account, will be eligible for deposit insurance as either an individual account, a revocable trust account or an employee-benefit plan. You may wish to consult with your attorney or the FDIC to determine the available coverage.

## **DEPOSIT INSURANCE: RETIREMENT PLANS AND ACCOUNTS**

If you have CDs of any one Issuer that are held through one or more retirement plans and accounts, the Maximum Applicable Deposit Insurance Amount available for your CDs will vary depending on the type of plan or account and, in some cases, the features of the plan or account.

**The following sections discuss in general terms the rules that apply to CDs and other deposits held through retirement plans and accounts. Because these rules determine the Maximum Applicable Deposit Insurance Amount available to you and whether your deposits at any one Issuer held through different retirement plans and accounts will be aggregated for purposes of the Maximum Applicable Deposit Insurance Amount, you should consult with your tax or legal adviser before investing in the CDs.**

### **Pass-Through Deposit Insurance for Employee Benefit Plan Deposits.**

Subject to the limitations discussed below, under FDIC regulations an individual's non-contingent interests in the deposits of any one Issuer held by many types of employee benefit plans are eligible for insurance up to the Maximum Applicable Deposit Insurance Amount on a pass-through basis. This means that instead of an employee benefit plan's deposits at one Issuer being entitled to only the Maximum Applicable Deposit Insurance Amount in total per Issuer, each participant in the employee benefit plan is entitled to insurance of his or her non-contingent interest in the employee benefit plan's deposits of up to the Maximum Applicable Deposit Insurance Amount per Issuer (subject to the aggregation of the participant's interests in different plans, as discussed below). The pass-through insurance provided to an individual as an employee benefit plan participant is separate from the Maximum Applicable Deposit Insurance Amount allowed on other deposits held by an individual in different insurable capacities with the Issuer (e.g., individual accounts, joint accounts, etc.).

The types of plans for which deposits may receive pass-through treatment are employee benefit plans, as defined in Section 3(3) of the Employee Retirement Income Security Act ("ERISA") (including Keogh plans, whether or not they are technically "employee benefit plans" under ERISA) and eligible deferred compensation plans described in Section 457 of the Internal Revenue Code of 1986 (the "Code"). For purposes of Section 3(3) of ERISA, employee benefit plans are broadly defined to include most employee benefit plans, including most defined benefit plans and most defined contribution plans.

A deposit held by an employee benefit plan that is eligible for pass-through insurance is not insured for an amount equal to the number of plan participants multiplied by the Maximum Applicable Deposit Insurance Amount. For example, an employee benefit plan owns \$300,000 in CDs at one Issuer and the participants are eligible for up to \$250,000 per plan beneficiary. The employee benefit plan has two participants, one with a non-contingent interest of \$270,000 and one with a non-contingent interest of \$30,000. In this case, the employee benefit plan's deposit would be insured up to only \$280,000; the individual with the \$270,000 interest would be insured up to the \$250,000 limit and the individual with the \$30,000 interest would be insured up to the full value of such interest.



Under FDIC regulations, an individual's interests in plans maintained by the same employer or employee organization (e.g., a union) which are holding deposits of the same Issuer will be aggregated for purposes of the Maximum Applicable Deposit Insurance Amount. It is therefore important to understand the type of plan or account holding your deposits.

The contingent interests of employees in an employee benefit plan and overfunded amounts attributed to any employee benefit plan are not insured on a passthrough basis. Contingent interests of employees in an employee benefit plan deposit are interests that are not capable of evaluation in accordance with FDIC rules and are aggregated and insured up to the Maximum Applicable Deposit Insurance Amount per Issuer. Similarly, overfunded amounts are insured, in the aggregate for all participants, up to the Maximum Applicable Deposit Insurance Amount separately from the insurance provided for any other funds owned by or attributable to the employer or an employee benefit plan participant.

### **Certain (Self-Directed) Retirement Accounts and Plans Eligible For Maximum Applicable Deposit Insurance of \$250,000.**

The self-directed retirement accounts and plans described below, for which an owner and not a plan administrator has the right to direct how the funds are invested, are eligible for a Maximum Applicable Deposit Insurance Amount of \$250,000 and all deposits held through such accounts and plans will be aggregated for purposes of the Maximum Applicable Deposit Insurance Amount. This means that all deposits of any one Issuer you hold through the plans and accounts described below will be eligible for insurance up to a total of \$250,000.

**Individual Retirement Accounts (“IRAs”).** All deposits of the same Issuer held in traditional, Roth, SEP and SIMPLE IRAs will be aggregated for purposes of the Maximum Applicable Deposit Insurance Amount and will be further aggregated with deposits held through other plans described in this section.

**Section 457 Plans.** These plans include any eligible deferred compensation plan described in Section 457 of the Internal Revenue Code of 1986, regardless of whether they are self-directed.

**Self-Directed Keogh and 401(k) Plans.** Deposits held in self-directed “Keogh plans” designed for self-employed individuals as described in Section 401(d) of the Code, and self-directed defined contribution plans, including self-directed 401(k) plans, self-directed SIMPLE IRAS held in the form of 401(k) plans, self-directed defined contribution money purchase plans, and self-directed defined contribution profit-sharing plans.

### **QUESTIONS ABOUT FDIC DEPOSIT INSURANCE COVERAGE**

If you have questions about basic FDIC insurance coverage, please contact TIAA Brokerage. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach Division of Depositor and Consumer Protection, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), by visiting the FDIC website at [www.fdic.gov/deposit/index.html](http://www.fdic.gov/deposit/index.html), or by e-mail using the FDIC Information and Support Center accessible through its website.

## **PAYMENTS UNDER ADVERSE CIRCUMSTANCES**

As with all deposits, if it becomes necessary for federal deposit insurance payments to be made on the CDs, there is no specific time period during which the FDIC must make insurance payments available. Accordingly, you should be prepared for the possibility of an indeterminate delay in obtaining insurance payments.

As explained above, the Maximum Applicable Deposit Insurance Amount applies to the principal and accrued interest on all CDs and other deposit accounts maintained by you at the Issuer in the same insurable capacity. The records maintained by the Issuer and TIAA Brokerage regarding ownership of CDs would be used to establish your eligibility for federal deposit insurance payments. In addition, you may be required to provide certain documentation to the FDIC and to TIAA Brokerage before insurance payments are released to you. For example, if you hold CDs as trustee for the benefit of trust participants, you may also be required to furnish an affidavit to that effect; you may be required to furnish other affidavits and provide indemnities regarding an insurance payment.

In the event that deposit insurance payments become necessary for your CDs, the FDIC is required to pay the original par amount plus accrued interest (or the accreted value in the case of zero-coupon CDs) to the date of the closing of the relevant Issuer, as prescribed by law, and subject to the Maximum Applicable Deposit Insurance Amount. No interest or accreted value is earned on deposits from the time an Issuer is closed until insurance payments are received.

As an alternative to a direct deposit insurance payment from the FDIC, the FDIC may transfer the insured deposits of an insolvent institution to a healthy institution. Subject to insurance verification requirements and the limits on deposit insurance coverage, the healthy institution may assume the CDs under the original terms or offer you a choice between paying the CD off and maintaining the deposit at a different rate. There may be a delay in receiving notification from the healthy institution, and the healthy institution may lower the rate on CDs prior to providing notice. TIAA Brokerage will advise you of your options in the event of a deposit transfer as information becomes available.

TIAA Brokerage will not be obligated to you for amounts not covered by deposit insurance nor will TIAA Brokerage be obligated to make any payments to you in satisfaction of a loss you might incur as a result of (i) a delay in insurance payouts applicable to your CD, or (ii) your receipt of a decreased interest rate on an investment replacing your CD as a result of the payment of the principal and accrued interest or the accreted value of a CD prior to its scheduled maturity or (iii) payment in cash of the principal and accrued interest or the accreted value of your CDs prior to maturity in connection with the liquidation of an Issuer or the assumption of all or a portion of its deposit liabilities. In connection with the latter, the amount of a payment on a CD which had been purchased at a premium in the secondary market is based on the original par amount (or, in the case of a zero-coupon CD, its accreted value) and not on any premium amount. Therefore, you can lose up to the full amount of the premium as a result of such a payment. Also, TIAA Brokerage will not be obligated to credit your account with funds in advance of payments received from the FDIC.

## **ADDITIONS OR WITHDRAWALS**

No additions are permitted to be made to any CD. When you purchase a CD, you agree with the Issuer to keep your funds on deposit for the term of the CD. Accordingly, except as set forth below, no early withdrawals of interest-bearing CDs will be available. The early withdrawal provisions, if any, applicable to your CD may be more or less advantageous than the provisions applicable to other deposits available from the Issuer.

**Survivor's Option.** Certain CDs may allow for the estate of a deceased investor to “put back” or redeem both principal and accrued interest of the instrument without penalty. This is known as a survivor's option (also known as a “death put”). CDs that carry a survivor's option usually redeem for par value when the survivor's option is exercised. Issuers may limit the permissible early withdrawal of CDs to the FDIC insurance limit (currently \$250,000) for each insurable capacity) and/or may limit the amount being put back during a specified time period. The benefit of the survivor's option cannot be realized unless the original investor has died or become permanently incapacitated. Investor mortality risk must be considered when underwriting assets that carry a survivor's option. As a result, these assets can be more complex and expensive to issue.

Pursuant to the Code, as amended, the beneficiary of an IRA (but not a Roth IRA) must begin making withdrawals from the IRA after age 72. CDs held in an IRA are not eligible for early withdrawal simply because the beneficiary must begin making mandatory withdrawals from the IRA. IRA beneficiaries should purchase CDs with maturities that correspond to the mandatory withdrawal requirements or look to the secondary market for liquidity. See the Section headed “**Secondary Market.**”

In the event that a customer wishes to make an early withdrawal, and such withdrawal is permitted, TIAA Brokerage endeavors to obtain funds for the customer as soon as possible. However, TIAA Brokerage will not advance funds in connection with early withdrawals and can give no assurances that payment pursuant to early withdrawals will be made by a specified date.

## **SECONDARY MARKET**

TIAA Brokerage, though not obligated to do so, may maintain a secondary market in the CDs after their Settlement Date. If you wish to sell your CD prior to maturity and TIAA Brokerage does not maintain a secondary market, TIAA Brokerage may attempt to sell your CD in a secondary market maintained by another broker-dealer. TIAA Brokerage cannot provide assurance that you will be able to sell your CDs prior to their maturity. The Firm cannot provide assurance that you will be able to sell your CDs prior to their maturity. In addition, a secondary market for the CDs may be discontinued at any time without notice. Therefore, you should not rely on any such ability to sell your CDs for any benefits, including achieving trading profits, limiting trading or other losses, realizing income prior to maturity, or having access to proceeds prior to maturity.

In the event that a buyer is available at a time you attempt to sell your CD prior to its maturity, the price at which your CD is sold may result in a return to you which may differ from the yield which the CD would have earned had it been held to maturity, since the selling price for a CD in such circumstances will likely be based on a number of factors such as interest rate movements, time remaining until maturity, and other market conditions. Also, the price at which a CD may be sold if a secondary market is available will reflect a mark-down retained by TIAA Brokerage. Similarly, the price you may pay for any CD purchased in the secondary market will include a mark-up established by TIAA Brokerage. In the event you choose to sell a CD in the secondary market, you may receive less in sale proceeds than the original principal (par) amount of the CD or the estimated price on your account statement.

In the event that a CD is purchased in the secondary market at a premium over the par amount (or accreted value in the case of a zero-coupon CD), the premium is not insured. Therefore, if deposit insurance payments become necessary for the Issuer, the owner of a CD purchased in the secondary market can incur a loss of up to the amount of the premium paid for the CD. (Also see the section headed “**Deposit Insurance: General.**”)

The uninsured premium being paid for an interest-bearing CD can be determined from the price set forth on your trade confirmation. Price on CDs is expressed in relation to par (100.00). Any amount over 100.00 represents the premium. For example, if your trade confirmation states that the price for a CD purchased in the secondary market is 100.25, there is a premium that will not be insured by the FDIC. A price of 99.75 would not include a premium. The trade confirmation will also inform you if the CD has accrued interest, which will be insured as long as the par amount of CDs held by you in one capacity at the Issuer plus the accrued interest does not exceed the Maximum Applicable Deposit Insurance Amount.

In the case of a zero-coupon CD purchased in the secondary market, the uninsured premium can initially be calculated by subtracting the accreted value from the “Gross Amount” paid. This uninsured premium does, however, decline over time. The accreted value of a zero-coupon CD, which is based upon the original issue yield and price, can be obtained at the time of purchase from TIAA Brokerage. If you purchase a callable CD in the secondary market at a premium, you will receive only the par amount if the CD is called.

## **FEES**

TIAA Brokerage will receive a placement fee from the Issuer in connection with your purchase of a CD. Except for the mark-up or mark-down discussed above in connection with secondary market transactions and a handling fee, if any, disclosed on your trade confirmation or the Term Sheet, you will not be charged any commissions in connection with your purchase of a CD.

## **FEDERAL INCOME TAX CONSEQUENCES**

The following is a summary of the principal United States federal income tax consequences of the ownership of the CDs. The discussion below does not purport to deal with all of the federal income tax consequences applicable to all potential CD owners and does not deal with owners of CDs other than original purchasers. TIAA Brokerage will, if applicable, provide you with an annual statement containing certain information relevant to the determination of the amount of interest or discount income with respect to your CDs upon which you will be taxed for the preceding year.

As used herein, the term “United States Holder” means a beneficial owner of a CD that is (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and (B) one or more United States persons have the authority to control substantial decisions of the trust, or (v) a person otherwise subject to United States federal income taxation on a net basis in respect of such holder’s ownership of a CD.

The law applicable to the U.S. federal income taxation of instruments such as the CDs is technical and complex. Each prospective holder of a CD should consult his, her or its own tax adviser regarding the application of U.S. federal income tax laws and other U.S., state, local and non-U.S. tax laws in light of such prospective holder's particular situation.

### **United States Holders.**

**Zero-Coupon CDs.** Zero-coupon CDs will be treated as having been issued with original issue discount (“OID”). A portion of the discount from face value of a zero-coupon CD may be taxable to the holder of the CD each year as ordinary interest income, even though the cash attributable to this discount is not received by the holder until the maturity of the CD.

**Zero-Coupon CDs with a Maturity of One Year or Less.** In general, an individual or other holder that uses the cash method of accounting is not required to accrue OID on a zero-coupon CD with a maturity of one year or less. Any gain realized upon the sale, maturity, or other disposition of the zero-coupon CD will be treated as ordinary income to the extent of the holder's share of the OID inherent in such CD, calculated on a straight-line basis (or, if elected, under a constant yield method based on daily compounding). Holders that use the accrual method of accounting are required to accrue OID on a straight-line basis unless an election is made to accrue the OID under a constant yield method based on daily compounding.

**Zero-Coupon CDs with a Maturity of More Than One Year.** A holder of a zero-coupon CD with a maturity of more than one year will be required to include OID on the CD as interest income during each taxable year that the holder owns the CD, regardless of whether the holder uses the cash or accrual method of accounting. A holder will realize gain or loss on the sale, early withdrawal, maturity or other disposition of such CD equal to the difference between (i) the amount received by the holder on the disposition of the CD and (ii) the amount the holder paid to acquire the CD with such amount paid being increased by the amount of OID previously taxed to the holder with respect to the CD.

**Fixed Rate Interest-Bearing CDs.** Interest paid on a fixed rate interest-bearing CD is generally taxable each year as ordinary income to the holder in accordance with the holder's method of accounting. A holder will realize gain or loss on the sale, early withdrawal, maturity or other disposition of a CD equal to the difference between (i) the amount received by the holder on the disposition of the CD and (ii) the amount the holder paid to acquire the CD. For this purpose, the amount received does not include any amount attributable to accrued and unpaid interest on the CD, which amount is treated as interest income. Gain or loss generally will be long-term capital gain or loss if the CD was held for more than one year.

**Variable Rate CDs.** Variable rate CDs may be treated as issued with OID. Accordingly, a holder of a variable rate CD may be required to include OID on the CD as interest income during each taxable year that the holder owns the CD, regardless of whether the holder uses the cash or accrual method of accounting and whether the current receipt of cash from the CD equals the OID included in income for such year. Prospective holders of variable rate CDs will be provided with a supplemental disclosure statement describing the tax rules that apply to such CDs.

**IRAs and Keogh Plans.** Notwithstanding the general rules set forth above, the tax liability on interest paid or discount accrued, as the case may be, on CDs held by traditional IRAs and Keogh Plans generally is postponed until actual distribution of the interest or discount accrued, as the case may be, to the beneficiaries of these plans. Interest income generally accumulates in a Roth IRA tax-free, and if certain criteria are met, distributions from the Roth IRA will not be taxed.

**Backup Withholding.** Certain non-corporate holders of the CDs may be subject to backup withholding at a rate of 24% or information reporting requirements on payments of principal and interest on, and the proceeds of disposition of, the CDs. Backup withholding will apply only if (i) under certain circumstances, the holder fails to certify (on an Internal Revenue Service Form W-9 or substantially similar form), under penalty of perjury, that it has furnished a correct Taxpayer Identification Number ("TIN") and has not been notified by the Internal Revenue Service that it is subject to backup withholding for failure to report dividend or interest payments, (ii) the holder has been notified by the Internal Revenue Service that it has failed to properly report payments of dividends and interest, (iii) the holder fails to furnish its TIN, or (iv) the holder furnishes an incorrect TIN. Any amounts withheld from a payment to a holder under the backup withholding rules will be allowed as a credit against such holder's United States federal income tax liability and may entitle such holder to a refund.

## Non-United States Holders.

Except as described below, interest or discount income, as the case may be, paid on CDs owned by a non-resident alien or foreign corporation is not subject to any United States federal income or withholding tax, provided that this income is not effectively connected with the conduct by such foreign purchaser of a CD of a trade or business within the United States. Such interest or discount income and payment of the proceeds on the disposition of a CD generally will also be exempt from any United States information reporting or backup withholding requirements if the foreign purchaser provides TIAA Brokerage (either directly or indirectly through a financial institution holding a CD as nominee for the foreign purchaser) with a Form W-8BEN (or a substitute statement in a form substantially similar to the Form W-8BEN) in which the foreign purchaser states his or its name and address and certifies, under penalty of perjury, that he or it is the beneficial owner of the CD and is not an individual citizen or resident of the United States or an entity formed in the United States, as the case may be. Any gain or income realized by a non-resident alien or foreign corporation upon the sale, early withdrawal, maturity or other disposition of a CD will not be subject to U.S. federal income or withholding tax, if (i) such gain or income is not effectively connected with a trade or business of the foreign purchaser in the United States, and (ii) in the case of a foreign purchaser who is a nonresident alien, the non-resident alien is not present in the United States for 183 days or more in the taxable year of the disposition. Special rules apply to CDs owned by foreign partnerships or foreign trusts. Prospective purchasers of the CDs should consult their own tax advisors concerning the tax consequences of ownership of a CD in their particular situations.

Legislation commonly referred to as “FATCA” and regulations promulgated thereunder generally impose a 30% withholding tax on payments to certain foreign entities (including financial intermediaries) with respect to debt instruments such as the CDs, unless various U.S. information reporting and due diligence requirements have been satisfied. An intergovernmental agreement between the United States and the foreign entity’s jurisdiction may modify these requirements. This regime applies to payments of interest and to the payment on CDs at maturity, as well as the proceeds of any sale or other disposition of a CD, although under recently proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on them pending finalization), no withholding will apply to payments of gross proceeds, other than any amount treated as interest. Each prospective non-U.S. holder should consult his, her or its tax adviser regarding the potential application of FATCA to the CDs.

TIAA Brokerage, a division of TIAA-CREF Individual & Institutional Services, LLC, Member FINRA and SIPC, distributes securities. Brokerage accounts are carried by Pershing, LLC, a subsidiary of The Bank of New York Mellon Corporation, Member FINRA, NYSE, SIPC.

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A41389 (07/23)