

**Navy Federal®  
Coverdell ESA  
Additional Account Opening**

Coverdell Educational Savings Additional Account Opening

Please return this completed form through one of the following methods: ▶ <b>Digital Banking:</b> Attach signed form to eMessage ▶ <b>Fax Number:</b> (703) 206-4250 ▶ <b>Visit your local branch</b> ▶ <b>Mail:</b> P.O. Box 3001, Merrifield VA 22119-3001	
Access No.	Toll-Free Number <b>(888) 842-6328</b>

**IMPORTANT:** Only use this form to open an additional account under the beneficiary's existing ESA plan. If they do not have an existing plan, you must complete an ESA Plan application (NFCU 602B) prior to submitting this form.

<b>A. Beneficiary Information (Child)</b>			
Name: First	MI	Last	Suffix
Date of Birth (MM/DD/YY)	Social Security No. (SSN)	Home Phone No.	

<b>B. ESA Responsible Individual Information</b>			
Name: First	MI	Last	Suffix
Responsible Individual Access No.	Home Phone No.	Work Phone No.	

<b>C. Navy Federal Products</b>		
<b>Please open an ESA Account:</b> <input type="checkbox"/> ESA Savings Account <input type="checkbox"/> ESA MMSA <input type="checkbox"/> \$50 Min. ESA EasyStart <sup>SM</sup> <b>Select Term:</b> <input type="checkbox"/> 12 months <input type="checkbox"/> 18 months <input type="checkbox"/> 24 months <input type="checkbox"/> \$50 Min. ESA <b>Special</b> EasyStart* 12 months— <i>Limit 1 per member, \$3,000 maximum contribution</i> *See important Special EasyStart disclosures on next page. <input type="checkbox"/> Other _____	<b>Or, choose an ESA Certificate minimum and term:</b> <b>Minimum:</b> <input type="checkbox"/> \$1,000 min. <input type="checkbox"/> \$20,000 min. <input type="checkbox"/> \$100,000 min. <b>Short Term:</b> <input type="checkbox"/> 3 months <input type="checkbox"/> 12 months <input type="checkbox"/> 18 months <input type="checkbox"/> 24 months <b>Long Term:</b> <input type="checkbox"/> 3 years <input type="checkbox"/> 5 years <input type="checkbox"/> 7 years	
<b>Apply Remittance as Follows:</b>	<b>Contribution/Transfer Amount</b>	<b>Contribution(s) for Tax Year</b> <i>(if no selection is made, will default to current tax year)</i>
Transfer from Savings, Checking, or MMSA    Acct. No:	\$	<input type="checkbox"/> Current <input type="checkbox"/> Prior
Transfer from existing ESA	\$	N/A—internal ESA transfer
<b>Total:</b>	<b>\$</b>	

<b>D. Signatures</b>	
<b>Important: Please read before signing.</b>	
I understand the eligibility requirements for the type of ESA deposit I am making and state that I do qualify to make the deposit. The beneficiary has an open ESA plan, and I have received copies of the Application, 5305-E Plan Agreement, and Disclosure Statement.	
I assume complete responsibility for:	
1. determining that I am eligible to contribute each year to an ESA in the name of the beneficiary. 2. ensuring that all contributions I make are within the limits set forth by the tax laws. 3. the tax consequences of any contribution and distributions.	
Responsible Individual's Signature ▶	Date (MM/DD/YY)

**Additional information on next page.**



## Navy Federal ESA Investment Information, Fees, and Penalties

Navy Federal has no annual service fee for maintaining your ESA. Navy Federal does require that each Navy Federal ESA beneficiary maintain a regular Navy Federal Credit Union savings account.

### ESA Disclosure Statement

#### ESA Savings and ESA Money Market Savings Account (MMSA)

**Dividends:** The ESA MMSA does not earn/accrue dividends on days when the account balance falls below \$2,500. The ESA Jumbo MMSA will earn dividends at the ESA savings rate on balances from \$0 to \$99,999.99. Balances of \$100,000 or greater will earn the ESA Jumbo MMSA rate. Dividends are a division and distribution of earnings among members after all expenses have been paid and the required amount has been set aside for reserves. Navy Federal also provides the Annual Percentage Yield (APY) for each dividend rate declared by the Board. Rates are subject to change weekly. Payment of all dividends is dependent on the availability of earnings at the end of the period. Dividends at Navy Federal are earned on deposits from day-of-deposit to day-of-withdrawal at the specified rate. Dividends for ESAs and ESA MMSAs are credited the last day of the period they are earned and are compounded monthly.

**ESA Certificate Dividends:** The dividend rate is set as of the date the certificate is purchased and funded. The ESA Certificate has a minimum balance requirement and will earn dividends for each monthly dividend period at the dividend rate and APY specified. Dividends are a division and distribution of earnings among members after all expenses have been paid and the required amount has been set aside for reserves. Payment of all dividends is dependent on the availability of earnings at the end of the period. Dividends are earned from day-of-deposit to day-of-withdrawal at the specified rate. Dividends are computed using the daily balance method by applying the daily periodic rate for the full amount in your account at the end of each day. Dividends are credited on the last calendar day of each month in which they are earned unless another dividend distribution option has been chosen. The APY assumes dividends remain in the account until maturity. Early withdrawals reduce earnings. Rates for three-year Variable Rate Certificates may change on the Certificate's anniversary dates (at 12 and 24 months) and are based on the one-year Constant Maturity Treasury (CMT). Navy Federal guarantees that the Certificate's dividend rate will never decrease more than one-half percentage point (0.50%) below the dividend rate at the time the Certificate was purchased or renewed, and there is no upper limitation on dividend rate changes.

**Penalties for Early Withdrawal:** (a) If the term to maturity is one year (or less), the amount forfeited is equal to the lesser of: (1) all dividends for 90 days on the amount withdrawn, or (2) all dividends on the amount withdrawn since the date of issuance or renewal. (b) If the term to maturity is greater than one year, the amount forfeited is equal to the lesser of: (1) all dividends for 180 days on the amount withdrawn, or (2) all dividends on the amount withdrawn since the date of issuance or renewal. For three-year Variable Rate Certificates, penalties are calculated based on the rate of the certificate at the time of the withdrawal. (c) If the term to maturity is five years or greater, the amount forfeited is equal to the lesser of: (1) all dividends for 365 days on the amount withdrawn, or (2) all dividends on the amount withdrawn since the date of issuance or renewal. (d) In the case of an early withdrawal that brings the remaining Certificate balance lower than the minimum balance requirement, the Certificate will be closed and the above penalties will be imposed on the entire principal amount. (e) In accordance with Federal Reserve Regulation D, withdrawals made within the first six days of a new Certificate purchase (not renewed) are subject to a seven-day, early-withdrawal dividend penalty. (f) There are no ESA or ESA MMSA penalties for early withdrawal. (g) The IRS imposes penalties for nonqualified withdrawal purposes for ESAs.

**Special EasyStart Certificates:** Limit one Special EasyStart Certificate per member. The Special EasyStart Certificate has a \$50 minimum balance and a \$3,000 maximum contribution limit. Additional deposits are allowed at any time subject to the maximum contribution limit. Certificate owner(s) age 18 and older must have a direct deposit\* and a Navy Federal checking account within 90 days of the certificate issue date. If these requirements have not been satisfied by the 90th day, your Special EasyStart Certificate dividend rate will be adjusted to the prevailing dividend rate of the 12-month EasyStart Certificate for the remainder of the certificate's term. At maturity, the Special EasyStart Certificate will automatically renew and any amount exceeding the \$3,000 maximum balance will be transferred to the beneficiary's ESA Savings Account unless instructed otherwise.

\*You may qualify for direct deposit if you have (1) a recurring ACH from employer, military pay, or certain government agency pay or benefits in your name that is deposited into a Navy Federal deposit account where you are Primary or Secondary Owner; OR (2) Mobile deposits, ATM deposits, or Branch deposits totaling at least \$500 and recurring for at least three out of four consecutive months that are deposited into Navy Federal deposit accounts where you are Primary Owner; OR (3) monthly Non-payroll ACH or payroll allotment totaling at least \$500 and recurring for at least three out of four consecutive months that are deposited into Navy Federal deposit accounts where you are Primary Owner; OR (4) monthly Non-payroll ACH or payroll allotment totaling at least \$500 and recurring for at least three out of four consecutive months that are deposited into Navy Federal deposit accounts where you are Secondary Owner.

**Special and Limited Offerings:** Navy Federal may offer "Limited-Time or Special Certificate Offerings". Navy Federal will provide a notice to the owner specifying the terms, conditions, or any additional requirements.

**Penalty Exceptions:** Penalties will not be applied to any of the following: (a) withdrawals of dividend payments only, (b) withdrawals subsequent to the death of any owner of the ESA Certificate, or (c) withdrawals made as a result of the voluntary or involuntary liquidation of the Credit Union.

**Maturing Certificates:** At least 20 days prior to each ESA Certificate's maturity, Navy Federal will provide a notice specifying the terms under which the Credit Union proposes to renew the ESA Certificate or otherwise make the funds available to the owner. Each ESA Certificate will be automatically renewed as specified in the maturity notice unless the owner notifies Navy Federal to the contrary on or before the maturity date.

**Grace Period:** You have 21 calendar days from the maturity date to change the conditions under which the ESA Certificate will be renewed. During this period, the balance in the ESA Certificate will earn dividends at the prevailing offering rate. If no changes are made within this period, your ESA Certificate will be renewed as specified in the renewal notice and will continue earning at the prevailing rate.

**Insurance:** Separate from your share accounts, ESAs and ESA MMSAs combined with ESA Certificates are insured for up to \$250,000 by the National Credit Union Administration (NCUA), a U.S. government agency.

**Governing Laws:** Your Navy Federal accounts are maintained and governed in accordance with federal law and the laws of the Commonwealth of Virginia, as amended. Property may be transferred to the appropriate state if there has been no activity within the time period specified by state law.

**Transferability:** Navy Federal ESA Certificates are not transferable, are not negotiable, and may not be pledged as collateral on a loan.

**Final Payment:** All non-cash purchases will be credited subject to final payment.

**Change in Terms:** Navy Federal reserves the right to discontinue or change the terms of ESA Certificate offerings within 30 days prior notice; however, once issued, the terms of an ESA Certificate may not be changed without the owner's consent.

**Note:** This account is subject to all terms and provisions defined in NFCU 602B (for ESAs).

**Deposits:** You may make additional deposits to ESAs or ESA MMSAs at any time. If your ESA Certificate accepts additional deposits and the ESA Certificate has not exceeded its maximum balance, additional deposits can be made by cash, check, or periodic transfer(s) from a Navy Federal savings account, checking account, or MMSA. Deposits may be held for up to five business days.

**Current Rates:** Dividend rates and APY may be obtained by calling Navy Federal toll-free in the U.S. at 1-888-842-6328 or visiting us online at [navyfederal.org](http://navyfederal.org). For toll-free numbers when overseas, visit [navyfederal.org](http://navyfederal.org). Use 1-703-255-8837 for collect international calls.

**How We May Contact You:** If you provide a mobile telephone number, Navy Federal has your permission to place automated non-marketing calls and text messages at that number. Message and data rates may apply. You also expressly consent that we may send email messages regarding your account to your email address.

**Further Information:** If you would like additional information regarding legal requirements and regulations of ESAs, you may contact any local office of the IRS. For further information regarding Navy Federal's ESA program, please call toll-free in the U.S. at 1-888-842-6328. For toll-free numbers when overseas, visit [navyfederal.org](http://navyfederal.org). Use 1-703-255-8837 for collect international calls. An Account Specialist will be happy to assist you. Please visit our website at [navyfederal.org](http://navyfederal.org).