

TRUTH IN SAVINGS ACT (TISA) PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

<https://truthinsavingsact.examzify.com>



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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. What is the primary purpose of TISA?**
 - A. To establish banking fees
 - B. To ensure transparent and meaningful disclosures of deposit account terms
 - C. To regulate bank mergers
 - D. To set interest rates
- 2. For banks using average daily balance calculations, what must they disclose?**
 - A. APYE and interest earned based on the time period used
 - B. Only the total balance
 - C. Only the interest earned
 - D. No information is necessary
- 3. What results from violations of the Truth in Savings Act?**
 - A. Mandatory annual audits of the financial institution.
 - B. May lead to civil penalties against the institution.
 - C. Immediate closure of the offending account.
 - D. Reduction in the customer base of the institution.
- 4. What is the role of the National Credit Union Administration (NCUA) concerning TISA?**
 - A. To promote deposit accounts
 - B. To oversee credit unions' compliance with TISA
 - C. To regulate interest rates
 - D. To eliminate maintenance fees
- 5. How often should TISA disclosures be sent for accounts with changes?**
 - A. Once a year
 - B. Whenever there is a term change
 - C. Only on consumer request
 - D. Every six months

- 6. What consequence does TISA impose on institutions that do not comply with its disclosure requirements?**
- A. They may lose their license to operate
 - B. They face potential financial penalties and customer remedies
 - C. There are no consequences for non-compliance
 - D. They must close all non-compliant accounts
- 7. Which type of account is NOT typically considered a common deposit account?**
- A. Saving accounts
 - B. Time accounts
 - C. Fixed-rate mortgage accounts
 - D. Money Market Deposit Accounts (MMDAs)
- 8. What is the penalty for non-compliance with the Truth in Savings Act?**
- A. Immediate account closure and fines
 - B. Monetary damages and regulatory enforcement actions
 - C. Mandatory training for employees and public disclosures
 - D. Loss of interest for account holders affected
- 9. For how long must banks maintain records for compliance with Regulation DD?**
- A. 1 year
 - B. 2 years
 - C. 3 years
 - D. 5 years
- 10. Can TISA disclosures be delivered electronically?**
- A. Yes, if consumers consent to receive them electronically
 - B. No, all disclosures must be printed
 - C. Only if they are also mailed to the customer
 - D. Yes, but only for certain account types

Answers

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1. B
2. A
3. B
4. B
5. B
6. B
7. C
8. B
9. B
10. A

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Explanations

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1. What is the primary purpose of TISA?

- A. To establish banking fees
- B. To ensure transparent and meaningful disclosures of deposit account terms**
- C. To regulate bank mergers
- D. To set interest rates

The primary purpose of the Truth in Savings Act (TISA) is to ensure transparent and meaningful disclosures of deposit account terms. This legislation is designed to provide consumers with clear and understandable information about the various features of deposit accounts, such as interest rates, fees, and other important conditions that could affect their savings. By mandating the disclosure of this information, TISA empowers consumers to make informed decisions when choosing banking products. This focus on transparency is crucial, as it helps consumers compare the offerings of different financial institutions effectively, promoting a competitive marketplace. TISA requires banks and credit unions to provide specific details about their accounts in a standardized format, thereby enhancing consumers' ability to understand and evaluate their options. The other options relate to aspects of banking but do not accurately reflect the core objective of TISA. Establishing banking fees, regulating bank mergers, or setting interest rates are not the primary functions of the act; rather, TISA is fundamentally about ensuring that the terms and conditions of deposit accounts are clearly communicated and accessible to consumers.

2. For banks using average daily balance calculations, what must they disclose?

- A. APYE and interest earned based on the time period used**
- B. Only the total balance
- C. Only the interest earned
- D. No information is necessary

In the context of the Truth in Savings Act (TISA), banks that use average daily balance calculations are required to provide consumers with specific disclosures. The accurate choice indicates that banks must disclose the Annual Percentage Yield Earned (APYE) along with the interest earned based on the particular time period used for the calculation. This requirement is essential because it ensures that consumers are fully informed about how their interest is calculated and what they can expect to earn on their deposits. Providing the APYE helps customers compare the effectiveness of different savings accounts transparently and understand the potential returns associated with their deposits. Including the interest earned for the specific time period also gives consumers insight into how their funds have performed, enhancing their ability to make informed financial decisions. In contrast, disclosing only the total balance, only the interest earned, or stating that no information is necessary would not meet the regulatory requirements for transparency and could leave consumers uninformed about key aspects of their savings account performance.

3. What results from violations of the Truth in Savings Act?

- A. Mandatory annual audits of the financial institution.
- B. May lead to civil penalties against the institution.**
- C. Immediate closure of the offending account.
- D. Reduction in the customer base of the institution.

Violations of the Truth in Savings Act may lead to civil penalties against the institution because the Act imposes specific requirements on financial institutions to ensure that consumers receive clear and transparent information about the terms and conditions of deposit accounts. When institutions fail to comply with these requirements, regulatory bodies have the authority to impose fines or penalties as a means of enforcing adherence to the law. This framework is in place to protect consumers and maintain fairness in the financial marketplace. Civil penalties can also serve as a deterrent to non-compliance, encouraging institutions to follow the regulations properly. Other options involve misunderstandings of the consequences laid out by the Act, such as audits, immediate account closures, or implications for customer base reduction, which are not direct consequences stipulated under TISA for violations.

4. What is the role of the National Credit Union Administration (NCUA) concerning TISA?

- A. To promote deposit accounts
- B. To oversee credit unions' compliance with TISA**
- C. To regulate interest rates
- D. To eliminate maintenance fees

The National Credit Union Administration (NCUA) plays a crucial role in ensuring that credit unions comply with the Truth in Savings Act (TISA). TISA is designed to promote transparency and protect consumers by requiring financial institutions to provide clear and comprehensive information about deposit accounts, including details about fees and interest rates. The NCUA's oversight includes monitoring credit unions to ensure they adhere to these regulations, which helps safeguard consumers by ensuring they are fully informed about the terms and conditions of their accounts. This enforcement of compliance is vital, as it reinforces the intent of TISA to create a fair and equitable banking environment for consumers. While the promotion of deposit accounts, regulation of interest rates, and elimination of maintenance fees are important areas of concern in the banking sector, these aspects are not the primary responsibilities of the NCUA concerning TISA. Instead, the focus is on ensuring that credit unions follow the required guidelines set forth in the Act.

5. How often should TISA disclosures be sent for accounts with changes?

- A. Once a year
- B. Whenever there is a term change**
- C. Only on consumer request
- D. Every six months

The correct answer is that TISA disclosures should be sent whenever there is a term change. Under the Truth in Savings Act, financial institutions are required to provide clear disclosures to consumers, particularly when there are significant changes to the terms of their accounts. This ensures that consumers are fully informed about aspects such as interest rates, fees, and terms of their accounts, allowing them to make educated decisions regarding their finances. Disclosing changes in terms promptly is important because it keeps the account holders aware of any modifications that could impact their account terms or their financial situation. This approach enhances transparency and helps maintain consumer trust in financial institutions. While regulations may vary regarding how often general disclosures should be sent, the emphasis on notifying consumers about specific term changes aligns with the core goals of TISA to promote informed consumer decision-making. Other options, while they may suggest regular communication with consumers, do not reflect the requirement for timely disclosures specific to changes in account terms.

6. What consequence does TISA impose on institutions that do not comply with its disclosure requirements?

- A. They may lose their license to operate
- B. They face potential financial penalties and customer remedies**
- C. There are no consequences for non-compliance
- D. They must close all non-compliant accounts

The choice highlighting that institutions face potential financial penalties and customer remedies accurately reflects the outcomes of non-compliance with the Truth in Savings Act (TISA). TISA establishes clear guidelines for the disclosure of terms regarding deposit accounts, ensuring that consumers are adequately informed about the costs and benefits associated with their savings products. When financial institutions fail to meet these disclosure requirements, they can incur significant financial penalties imposed by regulatory bodies such as the Consumer Financial Protection Bureau (CFPB). Additionally, affected consumers may have the right to seek remedies, which could include restitution for any damages incurred due to the lack of proper disclosures. These customer remedies underscore the importance of compliance, as they not only promote accountability among institutions but also protect consumers from potential losses stemming from inadequate information. Other options suggest extreme measures or a lack of consequences which misrepresent the framework of TISA. Non-compliance does not lead to the immediate revocation of operating licenses or the closure of accounts, nor is it permitted to occur without repercussions. However, the emphasis on financial penalties and customer remedies aligns with the objectives of TISA, reinforcing the need for transparency and compliance in financial practices.

7. Which type of account is NOT typically considered a common deposit account?

- A. Saving accounts
- B. Time accounts
- C. Fixed-rate mortgage accounts**
- D. Money Market Deposit Accounts (MMDAs)

The correct answer identifies fixed-rate mortgage accounts as not being a common deposit account. Common deposit accounts typically refer to those accounts that allow customers to deposit money, earn interest, and readily withdraw funds, which includes savings accounts, time accounts (like certificates of deposit), and money market deposit accounts. Fixed-rate mortgage accounts, on the other hand, are not deposit accounts. They are loans issued to borrowers to purchase real estate, where the borrower makes regular payments to the lender over a specified period. These accounts do not function as a repository for customer deposits, nor do they allow for typical deposit account activities such as withdrawing or depositing money at will. Recognizing the distinction between deposit accounts and loan products is crucial in understanding the context of regulated financial services and how they operate under laws like the Truth in Savings Act. This helps clarify which accounts a consumer might engage with for their savings versus those intended for borrowing purposes.

8. What is the penalty for non-compliance with the Truth in Savings Act?

- A. Immediate account closure and fines
- B. Monetary damages and regulatory enforcement actions**
- C. Mandatory training for employees and public disclosures
- D. Loss of interest for account holders affected

The penalty for non-compliance with the Truth in Savings Act primarily includes monetary damages and regulatory enforcement actions. This means that financial institutions that fail to comply with the requirements of the Act may face sanctions that can involve monetary penalties. Additionally, regulatory agencies, such as the Consumer Financial Protection Bureau (CFPB), have the authority to take enforcement actions against such institutions to ensure compliance with the law. Monetary damages serve to compensate consumers who may have been harmed or misled by a financial institution's failure to provide the required disclosures or to adhere to proper practices as defined by the Act. These damages can also serve as a deterrent to encourage institutions to comply with the regulations. In summary, the approach taken by the Truth in Savings Act focuses on protecting consumers' rights through financial accountability and oversight, which is encapsulated in the option that identifies monetary damages and regulatory enforcement actions as the penalties for non-compliance.

9. For how long must banks maintain records for compliance with Regulation DD?

- A. 1 year
- B. 2 years**
- C. 3 years
- D. 5 years

Under Regulation DD, which implements the Truth in Savings Act, financial institutions are required to retain records related to the information they provide to consumers about deposit accounts for a period of two years. This includes documentation that supports the disclosures they make in marketing and account agreements, ensuring that consumers have access to clear and accurate information regarding interest rates, fees, and other terms associated with their accounts. The two-year retention period is essential for compliance checks and audits, allowing regulators to verify that financial institutions are providing the necessary disclosures and adhering to consumer protection laws. This aspect of the regulation upholds transparency and accountability in financial practices.

10. Can TISA disclosures be delivered electronically?

- A. Yes, if consumers consent to receive them electronically**
- B. No, all disclosures must be printed
- C. Only if they are also mailed to the customer
- D. Yes, but only for certain account types

The correct answer is that TISA disclosures can indeed be delivered electronically if consumers provide their consent to receive them in that format. This aligns with the provisions of both the Truth in Savings Act and federal laws regarding electronic communications. When customers agree to electronic delivery, financial institutions are permitted to send disclosures via email or through secure online portals, which can enhance accessibility and convenience for consumers. Consent is a critical factor in the electronic delivery of disclosures, ensuring that customers are aware of and agree to receive information in this manner. This option empowers consumers and allows institutions to offer more efficient methods of communication without overwhelming them with printed materials if they prefer digital formats. In contrast, the other choices imply restrictions that do not align with TISA's flexibility regarding disclosure delivery methods. There is no requirement for disclosures to be printed, nor does TISA mandate that disclosures must be mailed if delivered electronically, nor does it limit electronic delivery to certain account types. Therefore, the correct understanding of TISA allows for electronic delivery given consumer consent.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://truthinsavingsact.examzify.com>

We wish you the very best on your exam journey. You've got this!

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