

Line Of Credit Contract And Truth-In-Lending Disclosure

THIS IS A CONTRACT – BE SURE TO READ IT. It spells out the terms and conditions of your Line of Credit Plan with the Credit Union. It sets out your rights and duties as well as ours. The wording has been kept as clear and simple as possible. Even so, you may have questions. If you do, please call or write us. In this contract, the word "you" refers to and includes, where appropriate, all persons who sign this contract. "We" or "us" refers to the Credit Union.

Borrower(s) Name and Address	Account Number	APR
	Date	Requested Credit Limit

TRUTH-IN-LENDING DISCLOSURE

There is a U.S. law called the Truth-In-Lending Act. It requires lenders to tell borrowers certain things about consumer loans they make – in other words, to make a disclosure. This document is not only a contract – it is also a Truth-In-Lending disclosure.

1	FINANCE CHARGE (interest) on loan accounts under this contract is a variable rate and currently figured at a daily rate of _____% per day which corresponds to an ANNUAL PERCENTAGE RATE of _____% (see Section 3).
2	Minimum monthly payments on each loan account are 3% for each \$100, or part of \$100, but not less than \$25. (see Section 5).
3	Payments are due on the _____ day of each month (see Section 5). Returned Payment Fee: \$35
4	If a payment is 20 days or more late, we can charge you up to 20% of the interest due up to \$99.99 maximum, or the required minimum payment due, whichever is less. (see Section 4).
5	The total amount owing under this contract at any time may not exceed _____ (see Section 2).

1. How You Ask For Advances Under This Contract

By signing this contract you are applying for an Line of Credit loan plan. Your application must be approved before funds will be advanced under the plan. We can only approve advances under this plan to pay amounts that otherwise would result in an Overdraft account due to your issuing drafts or making other charges to your draft account that would result in exceeding the available balance in your share draft and/or share savings account(s). We can only approve plans for provident and productive purposes. Once you have been approved, you can request advances under this contract: 1) in writing; 2) online banking transfer; 3) in person at any of our branches; 4) at a window of your checking account; 5) telephone teller withdrawal (a check will be mailed to you). You can also make advances using your ATM or Debit card, ACH Debit or any other item debited to your share or share draft accounts, which such use or debit overdraws your share or share draft account. In those cases, and advance will be made under this Contract and transferred to the appropriate share or share draft account. Should any advance cause you to exceed your credit limit, you agree to make immediate payment of the over limit amount, together with any applicable service charges, to the Credit Union. You must maintain a regular share account to utilize this Line of Credit Loan. This account may not be used to pay for loan payments that you owe to us on other loans under this loan.

2. When Advances Are Given

The total owing under this contract at any one time may not exceed the amount stated on the front page of this contract.

However, money can be borrowed under the contract in one or more advances from time to time. Generally, we will make advances to you under this contract if:

1. The total amount owing after the advance does not go over the limit stated in #5 above.
2. Any papers requesting the advance are filled out completely and correctly; and
3. You are up-to-date on all your loans with us.

You also hereby authorize us to make an advance on this loan to cover any and all fees that you may incur by issuing non-sufficient funds, checks, or by depositing checks that are returned without payment for any reason, or for any misuse of your automated teller machine card which results in a loss to the credit union.

Nevertheless, we have the right to refuse any advance you may ask for or to cancel the contract if:

1. We decide that the credit rating or debt paying ability of anyone who signed this contract is no longer satisfactory.
2. You break any promises made in this contract; or
3. We decide there is other good cause.

If this should occur, we will give you written notice by first class mail sent to your last address on our records. The notice is effective when mailed.

3. Promise to Pay Back with Finance Charge

By signing this contract, you promise to pay back to the Credit Union all money that anyone borrows under this contract **plus** FINANCE CHARGE as explained below. And you make this promise not only for yourself, but jointly with each other person signing the contract. FINANCE CHARGE is the same thing as interest. It is the charge we make for your use of the money we lend you.

You may call the Credit Union at any time we are open for the latest information on the ANNUAL PERCENTAGE RATE being charged your loan(s).

Figuring Out the Principal Balance

We charge FINANCE CHARGE (that is, interest) only on that part of the money you borrowed that is still owing when you make a payment. This is called the "principal balance". Each separate loan ("account") under this contract has a separate "principal balance". We figure out the "principal balance" this way:

1. When you borrow money, we add it to the unpaid part of amounts (if any) you previously borrowed on that loan.
2. When you make payment on a loan, we deduct from the unpaid part of amounts you previously borrowed on that loan the part of the payment that exceeds late charges (if any) and FINANCE CHARGE (interest) then due on the loan.

As you can see, the "principal balance" on each loan keeps changing. The "principal balance" could be several different numbers during a specific period of time like a month or a calendar quarter. The "Outstanding Account Balance" is the "principal balance" plus accrued interest and all other charges.

Figuring Out Finance Charge

For each loan under this contract, FINANCE CHARGE (interest) begins to run from the date it is posted to your account on our records.

We determine the amount of FINANCE CHARGE (interest) at the time a payment is made by multiplying, for each day since your last payment, the principal balance for that day times the daily periodic rate for that day. This gives us the interest for each day. We take the interest determined

for each day and add it all together to get the FINANCE CHARGE. This Agreement is subject to a Variable Rate, which is based upon the Prime Rate as published in the Money Rates section of the Wall Street Journal. The FINANCE CHARGE shall be adjusted monthly based upon the Prime Rate published on the first business day of the month preceding each adjustment date (Index), plus a margin of 8.0%, based on your credit score, rounded up to the next higher .25%. You should ask us for the current margin. If more than one rate is shown, we will use the higher rate. The Index plus the Margin equals the FINANCE CHARGE. Changes in the Index will cause changes in the FINANCE CHARGE on the first day of each month. Increases or decreases in the FINANCE CHARGE will cause an increase or decrease in the monthly payment.

At our option, we may forego any FINANCE CHARGE increase. The Annual Percentage Rate does not include costs other than interest. The Annual Percentage Rate will never be greater than 18.0% or the maximum rate allowed by law, whichever is less, nor go below a floor rate of 8.0% established by the Credit Union.

In this way, we only charge a FINANCE CHARGE (interest) on the "principal balance" for the total number of days you owe that particular "principal balance". In the rest of this contract, we will use the word "interest" instead of FINANCE CHARGE.

4. Extra Charge for Late Payment

We have the right to make an extra charge if you don't make your payment on time. If we do, the minimum charge will be as indicated in number 4 of this contract. You should **always** make your payment on time. That way you will avoid any chance of having to pay a late charge.

5. How You Pay Us Back

You must pay back the money you borrow from us, plus interest, in monthly payments. Your payment is due each month on the day stated in Number 3 of this contract. We call this the "due date".

You must make at least a minimum payment each month on each loan (account). The amount of each minimum payment is determined in the manner explained in Number 2 of this contract.

Minimum monthly payments normally increase when you borrow new money, but they do not decrease as a loan is being paid off.

There is one exception to the "due date" we mentioned above. When you get a new loan under this contract, the first minimum payment will not come due in the month you get the loan; it comes due the following month.

6. How Your Payments Are Applied

Each time you make a payment on a loan under this contract it goes **FIRST** to pay late charges, if any, on the loan; **SECOND**, to pay interest then owing on the loan; and **THIRD**, to reduce the "principal balance" on the loan.

If the payment is not enough to cover late charges (if any) and interest then due, the unpaid part of the late charges or interest will be taken out of your later payments. It will not be added to the "principal balance" of the loan. That way we do not compound interest you owe or charge interest on late charges.

7. Paying Off Early

The payments we told you about in Section 5 are **minimum** payments. Of course, you are allowed to make **larger** payments if you want to. And you can pay off any loan under this contract, in full or in part, at any time. Any of these steps will result in you paying less interest over the life of the loan, thus saving you money.

There is no penalty or charge of any kind for paying off all or part of a loan early. Even if you do make some extra payments or some early payments, you still must make at least the **minimum** payment **every** month until the loan is paid in full. If you want to pay ahead and then skip some payments, you must make special arrangements with us.

8. Your Savings Are Security for This Contract

By signing this contract, you give us a security interest – called a "pledge" – in all present or future shares or deposits with the Credit Union which you have the right to withdraw for your personal use. Collateral that you have pledged to secure other loans with the Credit Union may also secure this loan.

If you fail to make your payments when due, the Credit Union may accelerate the entire balance due and apply any or all of your shares or deposits at the Credit Union to either make any payments that are past due or pay the entire balance owing, plus interest and any late charges. While your payments are up-to-date, you can withdraw from your savings even though they are "pledged" to us. You must maintain an account in good standing to continue to use this loan.

9. Cross Collateralization

You hereby grant a security interest to the Credit Union in all assets and collateral separately pledged to the Credit Union as collateral for this, or any loan transaction. You further agree that any security interest granted to secure this loan shall also collateralize any other indebtedness that you may now have or may have in the future with the Credit Union. It is the intention of this grant to provide for cross-collateralization to further secure the payment of this loan and all other

indebtedness to the Credit Union now owed or hereafter owed by you. Whether or not said indebtedness was intended to be secured or personal, you grant a security interest to the Credit Union in all assets or whatever nature and kind that are pledged hereby as collateral for the within indebtedness.

10. Protecting Certain Savings

Under the law which regulates the Credit Union, we have certain rights against your shares or deposits. By signing this contract, you give us certain other rights in your savings as explained in Section 8. Nevertheless, none of these rights will apply against any shares or deposits that are part of an Individual Retirement Account (IRA) or a Keogh Plan. This provision assures that by signing this contract you do not risk losing tax advantages tied to these kinds of savings.

11. Co-makers and Guarantors

A person who signs this contract even though he or she cannot borrow under it is called a "co-maker" if he or she is also a member of the Credit Union or a "guarantor" if not a member. A "co-maker" or "guarantor" who signs this contract is liable to us for all loans we make under the contract from the time he or she signs it until those loans are paid in full, no matter how long it takes. If a "co-maker" or "guarantor" wants to stop his or her responsibility for loans under this contract, that person must give us a written notice telling us that. Then that person will not be responsible for any new loans made after we receive the notice. But of course, he or she stays liable for the loans made before we got the notice.

If a "co-maker" or "guarantor" signs this contract, he or she permits us to do any of the following things under this contract without first telling him or her about it.

1. Make one or more loans to you;
2. Extend the due date of any payment you own;
3. Reduce your monthly payment;
4. Release any security you may give us;
5. Release some other "guarantor" or "co-maker";
6. Take additional "co-makers" or "guarantors".

12. What Happens In the Case of Default

You are in "default" if:

1. You fail to make a minimum monthly payment when it is due;
2. You die; or
3. You break any other promise you make in this contract.

When this happens, we have certain rights, which are designed to help us collect what you owe us. These rights are set out in this section.

Lawsuit

When you are in "default", we can sue you in a court of law. We can also sue anyone who signs this contract as a "co-maker" or "guarantor". Or we can do both. This Note is being executed and delivered, and is intended to be performed in the State of _____ except to the extent that the laws of the United States may apply to the terms hereof. The substantive laws of the State of _____ shall govern the validity, construction, enforcement and interpretation of this Note. **In the event a legal action is filed to collect money owing to the credit union under this contract, or any other instruments executed in connection herewith, the undersigned irrevocably agrees that venue for such suit shall lie in the judicial district for the City of _____.** If this Note is placed in the hands of an attorney for collection or if it is collected through any legal proceedings at law or in equity or in bankruptcy, receivership or other court proceedings, **Maker promises to pay all costs and expenses of collection including, but not limited to, court costs and the reasonable attorneys' fees of the holder hereof.**

Full Payment Due Immediately

If you are in "default", we can also demand that you immediately pay us the entire amount then still unpaid on all your loans under this contract, plus interest and late charges, if any. We do not have to give you any advance notice if we decide to do this. Once we have done this, you lose your right to make monthly payments under the contract and you must pay us in full right away.

Right to Your Savings

When you are in "default", we have certain rights to your savings. These have already been explained in Section 8.

13. Miscellaneous Provisions

What if We Cancel the Contract?

In Section 2, we told you about our rights to refuse any loan you ask for and to cancel this contract. If we do either of these things, you still must pay us all the money you owe under this contract plus interest and any late charges, and you are still required to follow the repayment terms set out on this contract. The same is true for any "co-maker" or "guarantor" who signs this contract.

NOTICE TO CONSUMER: 1. Do not sign this agreement before you read it. 2. You are entitled to a copy of any agreement you sign. 3. You have the right to prepay the unpaid balance at any time without penalty.

YOU SIGN HERE								(EACH MEMBER WHO SIGNS BELOW ON LINE A OR B CAN BORROW UNDER THIS CONTRACT ON HIS OR HER SEPARATE SIGNATURE)							
SIGNATURES								DATE SIGNED				ACCOUNT NUMBER			
A	X	MEMBER													
B	X	MEMBER													
C	X	CO-MAKER OR GUARANTOR													
A COPY OF THIS CONTRACT AND TRUTH-IN-LENDING DISCLOSURE WAS				<input type="checkbox"/> RECEIVED BY MEMBER				MEMBER'S INITIALS				DATE			
				<input type="checkbox"/> MAILED				STAFF INITIALS				DATE			

CREDIT UNION USE ONLY																	
REVOLVING CREDIT CONTRACT <input type="checkbox"/> APPROVED <input type="checkbox"/> REJECTED				CO-MAKER OR GUARANTOR <input type="checkbox"/> REQUIRED <input type="checkbox"/> NOT REQUIRED				SIGNATURE LIMIT \$				OTHER CONDITIONS (IF ANY)					
CREDIT COMMITTEE																	
X				X				X									
DATE OF ACTION						LOAN OFFICER						X					

Can We Check Your Credit?

Yes. By signing the contract, you permit us to make such investigation from time to time as we think is necessary concerning your employment, your credit standing and your financial responsibility. Your signature also permits us to tell credit rating bureaus and other creditors about our experience with you, such as, for example, if you make your payments on time.

Who Keeps the Contract?

In order to comply with certain laws, the original of this contract with your signature(s) on it must be kept by the Credit Union. However, you have been furnished with an exact unsigned copy of this contract to keep for your records. If you lose your copy, give us a call and we will send you another.

Can This Contract Be Changed?

Yes, it can! We need this power because this contract may last for many years and economic conditions will change during that time. So we can, for example, increase the interest rate (though not above maximum rate allowed by law), increase the minimum monthly payment or change the signature limit. Changes we make will apply to new loans you get after the date of the change. Changes which affect you adversely (for example, an increase in the interest rate) may also apply to amounts you already owe if you get a new loan after such a change has been made. Of course, we will only make changes the law permits.

If the law requires an advance notice of change, we will mail the notice to the last address we have for you in our records and will follow any other procedure that law requires.

Does the Credit Union Have to Enforce Its Rights?

Sometimes, in order to help you over a trouble spot, we may let you it is okay to be late with a payment, or to skip a payment, or to send in a part-payment and so on. And sometimes we may simply accept payments a little bit late and not say anything about it. However, if we do any of these things, or if in any other way we fail to insist that you strictly observe a promise you have made in this contract, we still have the right to insist thereafter that you do keep your promises strictly. For example, we may let you send in payments 5 or 10 days late for several months and not say anything, but we still have the right to require you make later payments on time, or to start adding late charges even though we did not do that before.

YOUR BILLING RIGHTS – KEEP THIS INFORMATION FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify us in Case of Errors or Questions About Your Statement

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the address shown on your bill as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Your Rights and Our Responsibilities After We Receive Your Written Notice

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to a questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will give you a statement of the amount you owe and the date it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our report does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been questioned when it finally is. If we don't follow these rules, we can't collect the first \$500 of the questioned amount, even if your bill was correct.

ACCOUNT OPENING DISCLOSURE

Interest Rate and Interest Charges	
APR for Cash Advances	This APR will vary with the market based on the Wall Street Journal Prime Rate.
Minimum Interest Charge	There is no minimum interest charge.
Paying Interest	You will be charged interest from the transaction date.

Fees	
Annual Fee	None
Penalty Fees	
<ul style="list-style-type: none">Late PaymentReturned Payment	Up to 20% of the interest due up to \$99.99 maximum Up to \$35

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)." See your account agreement for more details.

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

Variable Rate Line of Credit/Overdraft: The Annual Percentage Rate (APR) for new and existing balances will be the Wall Street Journal Prime Rate (Index), rounded up to the next higher 0.25%, plus a Margin of 8.0%. We will use the most recent Index value available to us as of the first day of the month prior to any annual percentage rate adjustment. The APR will change on the first day of each month to reflect any change in the Index. The APR will never be less than a floor rate of 8.0%, nor higher than a ceiling rate of 18.0%, or the maximum rate allowed by law, whichever is less. Any increase in the APR will result in a higher payment.

OTHER DISCLOSURES

Late Payment: Up to **20%** of the interest due with a maximum of **\$99.99**, or the amount of the required minimum payment, whichever is less, if you are 21 or more days late in making your payment disclosed on your billing statement.

Returned Payment: Up to **\$35** or the amount of the required minimum payment, whichever is less, if your payment is returned to us.