



PO Box 179
 Greenbelt, MD 20768-0179
 Phone: 301.779.8500
 esfcu.org

Line of Credit Agreement and Disclosure

Covered Borrower Under Military Lending Act

AGREEMENT DATE ACCOUNT NUMBER AGREEMENT NUMBER EXPIRATION DATE CREDIT LIMIT

BORROWER 1 (Name and Address)	BORROWER 2 (Name and Address)
--------------------------------------	--------------------------------------

BORROWER 3 (Name and Address)	BORROWER 4 (Name and Address)
--------------------------------------	--------------------------------------

LINE OF CREDIT AGREEMENT AND DISCLOSURE

The following terms apply to this Line of Credit Agreement and Disclosure ("Agreement"). "You" and "Your" mean any person who signs, or otherwise authenticates, this Agreement. The Open-End Credit account created by this Agreement will be referred to herein as the "Account". "Credit Union", "We", "Our", and "Us" mean the Credit Union whose name appears herein or anyone to whom the Credit Union transfers its rights under this Agreement.

ACCOUNT FEATURES

The following applies to Your Line of Credit Account:

Interest Rate and Interest Charges	
Annual Percentage Rate (APR) for Cash Advances	Your APR will be %.
Paying Interest	We will begin charging interest on the transaction date.
Penalty Fees • Late Payment Fee	5.00% of the required minimum payment due.

How We Will Calculate Your Balance: We will use a balance computation method called daily balance. See this Agreement for more details.

Billing Rights: Information on Your rights to dispute transactions and how to exercise those rights is provided in this Agreement.

Collection Costs: You agree to pay all costs of collecting the amount You owe under this Agreement, including court costs and reasonable attorney fees.

For Alabama Borrowers: After default and upon referral to an attorney, who is not an employee of the Credit Union, You agree to pay all costs of collecting the amount You owe under this Agreement, including, if the unpaid balance under this plan is greater than \$300.00 at the time of collection, reasonable attorney's fees.

For Connecticut Borrowers: You agree to pay all costs of collecting the amount You owe under this Agreement, including reasonable attorney's fees not in excess of 15.00% of any judgment and all court costs.

For Colorado Borrowers: You agree to pay all costs of collecting the amount You owe under this Agreement, including court costs and reasonable attorney's fees paid to an individual who is not an employee of the Credit Union. The attorney's fees You pay will not exceed 15.00% of the unpaid debt after default.

For Washington D.C. Borrowers: You agree to pay all costs of collecting the amount You owe under this Agreement, including reasonable attorney's fees not in excess of 15.00% of the unpaid debt and all court costs.

For Georgia Borrowers: You agree to pay all costs of collecting the amount You owe under this Agreement, including reasonable attorney's fees not in excess of 15.00% of the unpaid debt and all court costs.

SEE NEXT PAGE for more important information about Your account

For Illinois Borrowers: You promise to pay, subject to applicable law, all costs of collecting what You owe under this Agreement and all costs of realizing on any security for the Plan including court costs, collection agency fees and reasonable attorney's fees. We may enter into a contingent or hourly fee arrangement with an attorney or collection agency and You agree that such an Agreement is reasonable. This provision also applies to bankruptcy, appeals or post-judgment proceedings.

For Idaho Borrowers: You agree to pay all costs of collecting the amount You owe under this Agreement, including court costs and, if the amount You borrowed was greater than \$1,000.00, reasonable attorney's fees.

For Kansas Borrowers: You agree to pay all costs of collecting the amount You owe under this Agreement, including court costs and reasonable attorney's fees paid to an individual who is not an employee of the Credit Union. The attorney's fees You pay will not exceed 15.00% of the unpaid debt after default.

For Kentucky Borrowers: You promise to pay all costs of collecting the amount You owe under this Agreement, including reasonable attorney's fees to the extent permitted by state law.

For Maine Borrowers: For loans with an interest rate less than or equal to 12.25%:

Attorney's fees—If the Credit Union hires an attorney to collect the amount You owe under this Agreement, You agree to pay reasonable attorney's fees not to exceed 15.00% of the unpaid debt.

For loans with an interest rate over 12.25%: no attorney's fees.

For Michigan Borrowers: You promise to pay all costs of collecting the amount You owe under this Agreement to the extent permitted by state law.

For Nebraska Borrowers: You promise to pay all costs of collecting the amount You owe under this Agreement to the extent permitted by state law.

For New Hampshire Borrowers: You agree to pay all costs of collecting what You owe under this Agreement and reasonable attorney's fees. If You win in any action, suit or proceeding brought by the Credit Union or in any action You bring against the Credit Union, You will be awarded reasonable attorney's fees. If You successfully assert a partial defense or set-off, recoupment or counterclaim, the court may withhold from the Credit Union the entire amount or such portion of the attorney's fees as the court considers equitable.

For New Jersey Borrowers: You agree to pay all costs of collecting the amount You owe under this Agreement, including reasonable attorney's fees not exceeding 20.00% of the principal and interest due and all court costs.

For North Dakota Borrowers: You promise to pay all costs of collecting the amount You owe under this Agreement to the extent permitted by state law.

For Ohio Borrowers: You promise to pay all costs of collecting the amount You owe under this Agreement to the extent permitted by state law.

For Oklahoma Borrowers: You promise to pay all costs of collecting the amount You owe under this Agreement. These costs include reasonable attorney's fees not in excess of 15.00% of the unpaid debt after default and referral to an attorney, not a salaried employee of the Credit Union, unless You borrowed \$1,000.00 or less at an interest rate greater than 10.00% per year.

For Oregon Borrowers: You agree to pay all costs of collecting the amount You owe under this Agreement, including court costs, reasonable attorney's fees and the costs of any appeal by the Credit Union.

For South Carolina Borrowers: You promise to pay all costs of collecting the amount You owe under this Agreement, including court costs and reasonable attorney fees.

For South Dakota Borrowers: You promise to pay all costs of collecting the amount You owe under this Agreement to the extent permitted by state law.

For Wyoming Borrowers: You promise to pay all costs of collecting the amount You owe under this Agreement. These costs will include reasonable attorney's fees unless You borrowed \$1,000.00 or less at an interest rate greater than 10.00% per year.

Military Lending Act Disclosures: Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or Account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain

SEE NEXT PAGE for more important information about Your account

application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).

Please call Us at 800-356-6660 to receive oral disclosures of the Military Lending Act disclosure above and a description of the payment obligation.

“Covered Borrower” for purposes of this Agreement means a consumer who, at the time the consumer becomes obligated on this Agreement, is a covered member or a dependent of a covered member as defined by the Military Lending Act. Covered Borrower does not mean a consumer who (though a Covered Borrower at the time he or she became obligated on this Agreement) no longer is a covered member or a dependent of a covered member as defined by the Military Lending Act.

Daily Periodic Rate: The Daily Periodic Rate will be _____ % with a corresponding APR of _____ %.

Late Payment Fee: 5.00% of the required minimum payment due will be charged to Your Account if You are 15 or more day(s) late in making a payment.

Minimum Payment: Your payment will be determined at the time of each advance. Please refer to you monthly statement for minimum payment amount.

CREDIT AGREEMENT

- 1. USE OF ACCOUNT** - We anticipate that, from time to time, You will borrow money under this Agreement. **We are not required to make Advances to You under the Account and can refuse a request for an Advance at any time, as permitted by law.** You agree to use the Account in accordance with this Agreement. The Account must only be used for lawful transactions. You promise to use the Account only for personal, family or household purposes, unless We give You written permission to use the Account for agricultural or commercial purposes. You may obtain Advances in any manner authorized by Us. We may renew or extend the expiration date of the Account at Our option if applicable.
- 2. CREDIT LIMIT** - We may establish a credit limit as part of this Agreement, which You promise not to exceed. If You exceed the credit limit, You promise to repay immediately the amount which exceeds the credit limit, including amounts due to finance charges, fees or other charges. We reserve the right to change the credit limit at any time.
- 3. REPAYMENT** - You promise to repay all amounts You owe under this Agreement. For each billing period, You must pay at least the minimum payment due by the payment due date. Required minimum payment information will be disclosed to You in a manner We choose and in accordance with applicable law. Payments must include any amount past due and any amount by which You have exceeded any applicable credit limit. You may repay all or part of what You owe at any time without any prepayment penalty. Even if You prepay, You will still be required to make the regular minimum periodic payments unless We agree in writing to a change in the payment schedule. If You have a joint share, share draft and/or deposit account, You will be responsible for paying all overdraft Advances obtained by anyone authorized to use such accounts. Unless otherwise required by law, payments will be applied to amounts owed under the Account in the manner We choose.
- 4. FINANCE CHARGES** - **(A) Interest Charges:** Interest charges are a finance charge added when We apply the applicable APR to the balance. If the interest rate is a variable interest rate, the Account Features section explains how the variable interest rate works.
(B) When Interest Charges Begin to Accrue: Interest begins to accrue on Advances, other fees and any minimum interest charges from the date it is added to the daily balance and continues to accrue until payment in full is credited to the Account.
(C) How We Calculate Your Balance: We figure the interest charge by applying the periodic rate to the “daily balance” for each day in the billing period. To get the “daily balance”, We take the beginning balance of Your Account each day, add any new Advances, fees or charges and subtract any payments or credits. This gives Us the daily balance.
(D) Other Charges: In addition to interest charges, We may charge other finance charges which are disclosed in the Account Features section.
- 5. SECURITY** - **(A) General Pledge of Shares and Statutory Lien:** You pledge as security for this Agreement all shares and dividends and, if any, all deposits and interest in any and all joint or individual accounts You have with Us now and in the future. A statutory lien may, according to applicable law, be enforced against Your shares and dividends, and if any, deposits or interest, in all individual or joint accounts You have with Us to satisfy any outstanding financial obligation due and payable to Us. We may exercise Our right to enforce this lien without further notice to You, as permitted by law. **The statutory lien, Your pledge or both will allow Us to apply the funds in Your account(s) to what You owe when You are in default.** The statutory lien and Your pledge do not apply to any Individual Retirement

SEE NEXT PAGE for more important information about Your account

Account or any other account that would lose special tax treatment under state or federal law if given as security or to any amounts otherwise protected by law.

(B) Specific Pledge of Shares/Deposits: If You pledge a specific dollar amount to secure Your Account by signing a separate Open-End Voucher, security agreement, or pledge of shares/deposits, We may freeze shares/deposits in the account(s) offered as collateral up to the extent of the credit limit established for this Agreement or the outstanding balance of the Account, whichever is higher, unless prohibited by law. If a specific dollar amount is pledged and We choose not to freeze Your shares/deposits, Your pledged shares/deposits may be withdrawn by You or other authorized parties, unless You are in default under this Agreement or the security agreement.

(C) Additional Security: Additional security for this Agreement may be required at the time Your Account is opened and You may be required to sign a security agreement. **Property provided as security will secure all amounts owed under this Agreement and all other loans You have with Us now or in the future, except any loan secured by Your principal dwelling. Property securing other loans You have with Us may also secure this Agreement, unless that property is Your principal dwelling or is otherwise prohibited by federal and/or state law.**

6. **PERIODIC STATEMENTS** - You will receive a periodic billing statement in accordance with applicable law if Your Account has a debit or credit balance of more than \$1.00 or a finance charge has been imposed during that billing cycle. If We deem Your Account uncollectible or institute collection proceedings through an outside agency or attorney, We may stop sending You statements. Periodic finance charges and fees may continue to accrue even if We stop sending statements.
7. **JOINT ACCOUNTS** - If this is a joint Account, each of You are individually and jointly responsible for paying all amounts owed. That means We can enforce Our rights under Your Account against any one of You individually or against all of You together. If You give Us inconsistent instructions, We may refuse to follow Your instructions. Each of You authorizes the other(s) to obtain Advances individually and agrees to repay Advances made to the other(s).
8. **FEES AND CHARGES** - We may charge You fees in connection with the Account. Our current fees are disclosed in the Account Features section and will be charged to the account identified in the Account Features section unless You pay them in cash.
9. **UPDATING BORROWER INFORMATION** - You promise that You will promptly provide written notice to Us at the address specified herein if You change Your address, name, employment, contact preference or other information. You also agree to provide updated financial information to Us upon request, as permitted by law.
10. **CREDIT REPORTS** - You authorize Us to obtain credit reports and any other information We may need to verify Your identity and use of the Account when opening Your Account and for any update, increase, renewal, extension, collection or review of Your Account. You authorize Us to disclose information regarding Your Account to credit bureaus and creditors who inquire about Your credit standing.
11. **DEFAULT** - *The following paragraph applies to borrowers in Iowa:* You will be in default if You are more than 10 days late in making a payment. You will also be in default if You do not comply with the terms of this Agreement and Your failure to comply materially impairs any property You gave as security under a security agreement, as applicable, or Your ability to repay what You owe under the Account.

The following paragraph applies to borrowers in Wisconsin: You will be in default if You fail to make a payment when due two times during any 12 month period. You will also be in default if You break any promise made under this Agreement that materially impairs Your ability to repay what You owe or materially impairs the condition, value, or protection of or Our right in any property You gave as security under this Agreement and, as applicable, a security agreement.

The following paragraph applies to borrowers in Idaho, Kansas, Maine, and to South Carolina borrowers of state chartered credit unions: You will be in default if You do not make at least the minimum payment due by the payment due date. You will also be in default if We believe the prospect of payment, performance, or realization on any property given as security or performance is significantly impaired.

The following paragraph applies to borrowers in all other states and to South Carolina borrowers of federally chartered credit unions: You will be in default if You do not make at least the minimum payment due by the payment due date. You will be in default if You break any promise You made under this Agreement or if anyone is in default under any security agreement made in connection with this Agreement. You will be in default if You die, file for bankruptcy, become insolvent, if You make any false or misleading statements in any credit application or update of credit information, or if something happens that We believe may substantially reduce Your ability to repay what You owe. You will also be in default under this Agreement if You are in default under any other agreement with Us. You will be in default if any property You have given Us as security is repossessed by someone else, seized under a forfeiture or similar law, or if anything else happens that significantly affects the value of the property or Our security interest in it.

SEE NEXT PAGE for more important information about Your account

- 12. ACTIONS AFTER DEFAULT - *The following paragraph applies to borrowers in Colorado, District of Columbia, Iowa, Kansas, Maine, Massachusetts, Missouri, Nebraska, West Virginia, Wisconsin and South Carolina borrowers of state chartered credit unions:*** When You are in default and after expiration of any right You have under applicable state law to cure Your default, We can demand immediate payment (acceleration) of the entire unpaid balance under this Agreement without giving You advance notice. We may also exercise any other rights given by law when You are in default.
- The following paragraph applies to South Carolina borrowers of federally chartered credit unions and to borrowers in all other states:*** When You are in default, We can require immediate payment (acceleration) of the entire unpaid balance under this Agreement. We may also exercise any other rights given by law when You are in default. **Unless You are a Covered Borrower under the Military Lending Act, You waive any right You have to receive demand for payment, notice of intent to accelerate and notice of acceleration.**
- 13. ACCELERATION -** If immediate payment is demanded, You will continue to pay interest until what You owe has been repaid at the applicable interest rate in effect or, if applicable, at the penalty rate disclosed in this Agreement. If a demand for immediate payment has been made, Your shares and/or deposits can be applied toward what You owe as provided in the "Security" paragraph above. We may also exercise any other rights given by law and Our rights under any security agreements You have with Us when You are in default.
- 14. CHANGES TO THIS AGREEMENT -** We may change the rates, fees and terms of this Agreement at any time for any reason, as permitted by law. Except as noted below, any change in the interest rate will apply to future Advances, and at Our discretion and subject to any requirements of applicable law, will also apply to unpaid balances. Further, We may be compelled to change the rates, fees and terms of this Agreement if You change Your state of residence. We will provide You notice of changes as required by law. Any changes to this Agreement are binding on You.
- The following sentence applies to Illinois borrowers of state chartered credit unions:*** Any change to the interest rate or other charges will apply to future Advances.
- The following sentence applies to borrowers in Iowa:*** A change that increases the rate of finance charge or other charge, that increases the amount of Your payments, or that otherwise adversely affects existing balances will apply to existing balances only if You agree to the change or You use the Account after receiving notice that Your use of the Account means You agree the change applies to existing balances.
- 15. TERMINATION -** We may terminate this Agreement at any time. You may terminate this Agreement at any time by giving Us written notice at Our address identified herein. If this is a joint Account, if any of You terminate this Agreement, it shall be terminated for all. Termination of this Agreement shall not affect the obligations of You or any other obligor, including the obligation to pay unpaid balances, under this Agreement.
- The following paragraph applies to borrowers in Wisconsin:*** Your obligation to pay unpaid balances under this Agreement continues whether You terminate the Agreement or the Credit Union terminates the Agreement, except to the extent that Your liability is limited by Section 422.4155 of the Wisconsin Statutes.
- 16. WAIVER -** We can delay enforcing any of Our rights under this Agreement any number of times without losing the ability to exercise Our rights later. We can enforce this Agreement against Your heirs or legal representatives.
- 17. SEVERABILITY -** If any part of this Agreement is determined by a court to be unenforceable, the rest will remain in effect.
- 18. LEGAL REFERENCES -** All references in this Agreement to statutes or regulations shall include any comparable future legislation that amends, supplements, supersedes or renumbers the referenced legislation.
- 19. CALIFORNIA RESIDENTS -** A married applicant may apply for a separate Account. Applicants: 1) may, after credit approval, use the Account up to its credit limit; 2) may be liable for amounts extended under the Account to any joint applicant.
- 20. NOTICE TO MARYLAND RESIDENTS -** To the extent, if any, that Maryland law applies to this Agreement, We elect to offer the Agreement pursuant to Title 12, Subtitle 9 of the Maryland Commercial Law Article.
- 21. NOTICE TO MISSOURI BORROWERS- Oral agreements or commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable. To protect You (borrower(s)) and Us (creditor) from misunderstanding or disappointment, any agreements We reach covering such matters are contained in this writing, which is the complete and exclusive statement of the Agreement between Us, except as We may later agree in writing to modify it.**
- 22. NEW YORK RESIDENTS -** We may obtain a credit report in connection with this Account, including for any review, modification, renewal or collections associated with this Account. Upon Your request, You will be informed whether such report was requested and, if so, the name and address of the consumer reporting agency furnishing the report.

SEE NEXT PAGE for more important information about Your account

- 23. **SOUTH DAKOTA RESIDENTS** - If You believe there have been any improprieties in making this loan or in the lender's loan practices, You may contact the South Dakota Division of Banking at 1601 N. Harrison Ave, Suite 1, Pierre, SD 57501, or by phone at 605.773.3421.
- 24. **NOTICE TO UTAH BORROWERS** - This written Agreement is a final expression of the Agreement between You and the Credit Union. This written Agreement may not be contradicted by evidence of any oral agreement.
- 25. **The following is required by Vermont law - NOTICE TO CO-SIGNER - YOUR SIGNATURE ON THIS NOTE MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE LENDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.**
- 26. **WISCONSIN RESIDENTS** - If You are married, please contact Us immediately upon receipt of this Agreement at the address or phone number listed on this Agreement and provide Us with the name and address of Your spouse. We are required to inform Your spouse that We have opened an Account for You.

ACKNOWLEDGMENTS

- 1. You have received and read this Agreement. By signing, or otherwise authenticating, You agree to be bound by the terms of this Agreement.
- 2. You grant Us a security interest in all individual and joint share and/or deposit accounts You have with Us now and in the future to secure what You owe under the Agreement. When You are in default, You authorize Us to apply the balance in these accounts to any amounts due. Shares and deposits in an Individual Retirement Account, and any other account that would lose special tax treatment under state or federal law if given as security, are not subject to the security interest You have given in Your shares and deposits.

Borrower 1 Signature	Date
X	(Seal)

Borrower 2 Signature	Date
X	(Seal)

Signature	Date
X	(Seal)

Signature	Date
X	(Seal)

- Borrower 3:
- Witness

- Borrower 4:
- Witness

SEE NEXT PAGE for more important information about Your account

YOUR BILLING RIGHTS: KEEP THIS DOCUMENT FOR FUTURE USE

This notice tells You about Your rights and Our responsibilities under the Fair Credit Billing Act.

What To Do If You Find A Mistake On Your Statement

If You think there is an error on Your statement, write to Us at the address on Your periodic statement.

In Your letter, give Us the following information:

- **Account information:** Your name and Account number.
- **Dollar amount:** The dollar amount of the suspected error.
- **Description of problem:** If You think there is an error on Your bill, describe what You believe is wrong and why You believe it is a mistake.

You must contact Us:

- Within 60 days after the error appeared on Your statement.
- At least 3 business days before an automated payment is scheduled, if You want to stop payment on the amount You think is wrong.

You must notify Us of any potential errors **in writing**. You may call Us, but if You do We are not required to investigate any potential errors and You may have to pay the amount in question.

What Will Happen After We Receive Your Letter

When We receive Your letter, We must do two things:

1. Within 30 days of receiving Your letter, We must tell You that We received Your letter. We will also tell You if We have already corrected the error.
2. Within 90 days of receiving Your letter, We must either correct the error or explain to You why We believe the bill is correct.

While We investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report You as delinquent on that amount.
- The charge in question may remain on Your statement, and We may continue to charge You interest on that amount.
- While You do not have to pay the amount in question, You are responsible for the remainder of Your balance.
- We can apply any unpaid amount against Your credit limit.

After We finish Our investigation, one of two things will happen:

- **If We made a mistake:** You will not have to pay the amount in question or any interest or other fees related to that amount.
- **If We do not believe there was a mistake:** You will have to pay the amount in question, along with applicable interest and fees. We will send You a statement of the amount You owe and the date payment is due. We may then report You as delinquent if You do not pay the amount We think You owe.

If You receive Our explanation but still believe Your bill is wrong, You must write to Us within **10 days** telling Us that You still refuse to pay. If You do so, We cannot report You as delinquent without also reporting that You are questioning Your bill. We must tell You the name of anyone to whom We reported You as delinquent, and We must let those organizations know when the matter has been settled between Us.

If We do not follow all of the rules above, You do not have to pay the first \$50 of the amount You question even if Your bill is correct.