



LINE OF CREDIT AGREEMENT & BILLING RIGHTS NOTICE

HOW IT WORKS

A Line of Credit is an open-end loan that allows Advances or draws up to a preset limit. Upon approval you can borrow up to your limit at any time without submitting an application. You may use this line to meet practically any of your needs for quick convenient cash!

You may borrow money under the terms of this Agreement by: a) authorizing automatic transfers from your Account to cover overdrafts occurring on your checking or savings account linked to this Account, b) directly withdrawing funds from the Account or c) requesting a transfer from your Account to your checking or savings account through methods approved by us such as RBFCU Online Banking and HAL audio response services. Advances that are made on your behalf to cover an overdraft will be made for the amount of the overdraft rounded up to the next \$100 increment.

The rate of interest under this Agreement is shown in the Cost of Credit section below. The interest rate is shown as an Annual Percentage Rate and the corresponding Daily Periodic Rate. For more information on how INTEREST CHARGES are computed, see the Cost of Credit section below.

AGREEMENT

DEFINITIONS: "Agreement" means this Randolph-Brooks Federal Credit Union (RBFCU) Line of Credit Agreement. The terms "our," "we," "us," or "Credit Union" refer to Randolph-Brooks Federal Credit Union or any of its assignees. "You," "your," and "Borrower" mean any person who is on the Application, or is authorized to make Advances on this Line of Credit Account. "Account" means your Randolph-Brooks Federal Credit Union Line of Credit. "Advance" or "Advances" means any amount borrowed under the terms of this Agreement.

This Agreement governs the use of your Account with us and you agree to be bound by the terms of the Agreement. If your Account is a joint Account, all of you will be jointly and individually responsible for all amounts owed under this Agreement.

ACKNOWLEDGMENT

You acknowledge and agree that the use of the Account by you or anyone authorized by you shall constitute your acknowledgment that you have received and read this Agreement and that you agree to the terms and conditions and promise to perform all the obligations, requirements, and duties contained in this Agreement. Use of this Account by you or anyone you authorize will also constitute consent to the pledge of shares or deposits as described below.

ADVANCES

The Credit Union may make loan Advances directly to you, to your checking or savings accounts on your request, and if you have elected, automatically to your designated checking or savings account for overdraft protection. You understand, however, that all Advances must be made for good purposes. The minimum loan Advance is normally \$100. Advances may be suspended if your Account is past due. Each of you authorizes any person who is on the Application to obtain Advances individually without notice to any other Borrower. If you have elected your Account to be used for automatic overdraft protection, you also authorize any person authorized to make withdrawals from your checking or savings account to obtain overdraft protection Advances on your behalf. Each of you is jointly and individually responsible for all Advances and other amounts owed under this Agreement, including fees, regardless of whether you consented to the Advances or other amounts charged to the Account.

JOINT BORROWERS

If this is a joint Account and any Borrower or Co-Borrower gives us inconsistent instructions, we can refuse to follow those instructions. Upon the request of a Borrower or Co-Borrower, we can change the terms of payment and release any security without notifying or releasing any other Borrowers or Co-Borrowers from responsibility under this Agreement.

CREDIT LIMITS

Advances against your Line of Credit will, at no time, in total, exceed the limit as set by us and disclosed to you prior to the first Advance. If we allow you to exceed your credit limit, however, you will be responsible for all such Advances. The Credit Union may, at its option, adjust your credit limit from time to time upon re-evaluation of your creditworthiness.

PAYMENTS

PROMISE TO PAY: You promise to repay the Credit Union for all payments made for your Account together with an INTEREST CHARGE on the unpaid balance. At the end of each billing cycle you will be furnished with a periodic statement showing (i) the "previous balance" (the outstanding balance in the Account at the beginning of the billing cycle), (ii) the amount of all Advances, and INTEREST CHARGES posted to your Account during the billing cycle, (iii) the amount of all payments and credits posted to your Account during the billing cycle, and (iv) the "new balance" which is the sum of (i) and (ii) less (iii). You agree to pay on or before the "payment due date" shown on the periodic statement either the entire "new balance" or a minimum payment equal to 2% of the new balance or \$20, whichever is greater. You also agree to pay on or before the "payment due date" as shown on the periodic statement any amount in excess of the credit limit established by us and any past due minimum payments.

CREDITING OF PAYMENTS:

We will accept payments at any RBFCU branch, electronically through methods approved by us, or at the address indicated on the Line of Credit periodic statement. All payments will be credited to your Account promptly, in most cases as of the day of receipt. You understand and agree that payments will be applied in the following order: (1) To the Late Fee and other fees, (2) to INTEREST CHARGES, and (3) to Advances. All payments made must be in U.S. dollars.

COST OF CREDIT

You agree to pay an INTEREST CHARGE on your Account. This section discloses the circumstances under which an INTEREST CHARGE will be imposed and explains how the INTEREST CHARGE is determined:

- When INTEREST CHARGES begin to Accrue. The INTEREST CHARGE begins to accrue for Advances on the date each transaction posts to your Account and there is no grace period.
- Balance Subject to INTEREST CHARGE. The INTEREST CHARGE is computed each time a monthly billing cycle closes. We figure the INTEREST CHARGE on your Account by applying the daily periodic rate to the "Daily Balance" of your Account for each day in the billing cycle. To get the "Daily Balance" we take the beginning balance of your Account each day, and add any new Advances and fees, and subtract any unpaid interest or other finance charges and any payments or credits. This gives us the "Daily Balance." We multiply the Daily Balance by the daily periodic rate to get the INTEREST CHARGE for each day in the billing cycle. Then, at the end of the billing cycle, we take the sum of the INTEREST CHARGES accrued for each day during the billing period and disclose on your billing statement as "Interest".

c. Rate of INTEREST CHARGE. You will pay an INTEREST CHARGE for all charges and Advances made against your Line of Credit Account. You may pay any amount outstanding at any time without penalty for early payments. Regardless of any payments made in advance, a regular minimum monthly payment is required each month for as long as a balance remains in the Account. Your actual ANNUAL PERCENTAGE RATE (APR) will be determined based on your creditworthiness and other factors such as your product and services relationships with us and will be provided to you in writing if your application is approved. If your ANNUAL PERCENTAGE RATE IS 11.70%, you will accrue an INTEREST CHARGE at a daily periodic rate of .032055%. If your ANNUAL PERCENTAGE RATE IS 13.70%, you will accrue an INTEREST CHARGE at a daily periodic rate of .037534%. If your ANNUAL PERCENTAGE RATE IS 17.90%, you will accrue an INTEREST CHARGE at a daily periodic rate of .049041%. If your ANNUAL PERCENTAGE RATE IS 18%, you will accrue an INTEREST CHARGE at a daily periodic rate of .049315%.

OTHER CHARGES

Late Fee: If you do not pay your minimum payment within fifteen (15) days following your payment due date, you may be charged a late fee equal to 5% of the minimum payment due or a minimum of \$5.00, whichever is greater.

Returned Payment Fee: We will add a fee to your balance of up to \$15 when a payment check or a similar instrument is not honored, when we must return it because it cannot be processed, or when an automatic debit is returned unpaid. At our option, we will assess this fee the first time your check or payment is not honored, even if it is honored upon resubmission. Any fee charged to your Account under this section will be added to the balance of the Account and treated as an Advance.

BORROWER RESPONSIBILITY

You promise to notify the Credit Union promptly of any change in your name, address or employment. You promise not to apply for a loan if you know there is a reasonable probability that you will be unable to repay your obligation according to the terms of the credit extension. You promise to inform the Credit Union of any new information which relates to your ability to repay your obligation. We may require that any information you provide to us be confirmed in writing. You promise not to submit false or inaccurate information or willfully conceal information regarding your creditworthiness, credit standing, or credit capacity.

DEFAULT

You understand you will be in default (1) if you fail to make any payment on time; (2) if you fail to notify the Credit Union in writing of any change of your name, address, or employment; (3) if you die, become insolvent, or are the subject of an order of relief under the U.S. bankruptcy laws; (4) if you are the subject of any legal process which seeks to attach any of your Credit Union share accounts; (5) if you have given the Credit Union false or inaccurate information in obtaining the Line of Credit or in any request for an Advance under this Agreement or any update of your Account; (6) if anything happens which the Credit Union reasonably believes endangers your ability to repay what you owe, including, but not limited to, leaving your current employment, or if something happens that endangers any collateral securing this Agreement; (7) if you break any promise you made under this Agreement or any other agreement with the Credit Union.

NON-WAIVER

We can accept late payments, partial payments or checks or money orders marked "payment in full" without losing our rights under this Agreement. We can also delay enforcing any of our rights under this Agreement without losing them. Our failure to take action following any event of default shall not constitute a waiver of our right to take action in the event of a future default.

AUTHORIZED USERS

If you allow anyone else to use your Account, you will be liable for all credit extended to such persons. You promise to pay for all Advances made by anyone whom you have authorized to use your Account, whether or not you notify us that he or she will be using it, including automatic overdraft

protection Advances made as a result of transaction activity occurring on your checking or savings accounts. If someone else is authorized to use your Account and you want to terminate that person's privilege, you must notify us in writing.

NOTIFICATION ADDRESS FOR INFORMATION REPORTED TO CONSUMER REPORTING AGENCIES

Periodically, we may report the status and payment history of your Account to credit reporting agencies. If you believe that the information we have reported is inaccurate or incomplete, please notify us in writing at: Randolph-Brooks Federal Credit Union, ATTN: Credit Disputes, P.O. Box 2097, Universal City, TX 78148-2097. Please include your name, address, telephone numbers, Account number, and description of the problem.

CREDIT INVESTIGATION

In conjunction with your application for credit and, if approved, maintenance of your Account, you agree we have the right to investigate your credit and employment history, to verify your credit references, to request and use credit reports, and to report the way you pay your Account to credit bureaus and other interested parties.

ACCELERATION

In the event that you are in default, we may declare any amounts you still owe immediately due and payable plus INTEREST CHARGES which will continue to accrue until the entire amount you owe is paid. You expressly waive presentment, demand, notice of intention to accelerate, and notice of acceleration of the maturity of any amounts owing under this Agreement. If your debt is accelerated, we can apply the shares and deposits pledged as security towards the amount you owe without notice to you. You will also have to pay any amount that remains unpaid after any security has been applied to any unpaid balance under this Agreement. You agree that, once you are informed by the Credit Union or its designee that your Account is in default, you will not attempt to make further Advances. You agree to pay all reasonable costs of collection, including court costs and attorney's fees and any costs incurred in the recovery of the amounts you owe, as well as any Late Fees and other fees imposed.

TERMINATION OR CHANGES

The Credit Union can, with or without written notice, terminate this Agreement at any time. You may terminate this Agreement by written notice, as to future Advances at any time. Termination by either party shall not affect your obligation to repay any advances made on your Account as well as INTEREST CHARGES and other related charges. The Credit Union has the right to add to, delete, or change the terms of this Agreement, including the periodic rate, subject to applicable law. If you obtain an Advance after having been given notice of a change in terms, you agree that the existing balance in your Account at the time of that use will be subject to the new terms, as shall subsequent uses to the extent permitted by law.

LIEN AND SECURITY INTEREST

If you have other loans with the Credit Union, now or in the future, (except for loans secured by any dwelling), collateral securing those loans may also secure your obligations under this Agreement. Please read any security agreement you sign in order to determine if the collateral also secures your obligations under this Agreement and other agreements you have with us.

Federal law provides the Credit Union a statutory lien on your individual and joint share and deposit accounts to secure your obligations under this Agreement. If you are in default, you authorize us to take the money in your individual and joint share and deposit accounts, without notice, and apply it to what you owe. Additionally, to secure your obligations under this Agreement, you specifically grant the Credit Union a consensual lien and security interest in all present and future shares, deposits, and dividends you have in any individual or joint share or deposit accounts in which you have an interest. The granting of this consensual security interest is a condition for the issuance of this Line of Credit which you may use, directly or indirectly, to obtain extensions of credit under this

Agreement. The security interests above do not apply to shares and deposits in an Individual Retirement Account, Simplified Employee Plan, Keogh account, or any other account, which if pledged, would result in the loss of special tax treatment under the Internal Revenue Code. You authorize the Credit Union to take money from any non-exempt account and apply it to what you owe, without notice, if you are in default.

ILLEGAL USE

You may not use your Account for any illegal transaction. You agree that we may decline to process any transaction which we believe in good faith to be for an illegal purpose. You agree that we will not be liable for declining to process any such transaction. If we do process any transaction which ultimately is determined to have been for an illegal purpose, you agree that you will remain liable to us under this Agreement for any such transaction notwithstanding its illegal nature. You agree that any illegal use of this Account will be deemed an act of default under this Agreement. You further agree to waive any right to take legal action against us for your illegal use of this Account, and to indemnify and hold us harmless from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use.

ADDITIONAL PROVISIONS

Each provision of this agreement must be considered as part of the total Agreement and cannot, in any way, be severed from it. However, you also agree that should any part of the Agreement be found invalid, it will in no way affect the remainder of the Agreement. You understand the validity, construction, and enforcement of this Agreement shall be governed by the laws of the State of Texas. Notwithstanding any other provisions contained in this Agreement, we do not intend to charge, and you shall not be required to pay, any amount of INTEREST CHARGES or any other fee or charge that is in excess of the maximum permitted by applicable law. Any payments of interest in excess of the maximum interest allowed shall be refunded to you or credited against your principal balance at our option. Notices will be mailed or delivered to you at the Borrower's most recent address on file with us. Notice to the primary Borrower constitutes notice to all Borrowers unless we send a separate notice to any Co-Borrower.

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:

Randolph-Brooks Federal Credit Union
P.O. Box 2097
Universal City, TX 78148-2097

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 statement, 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 your statement 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 statement 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 statement. 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.