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VARIABLE RATE CREDIT LINE ACCOUNT AGREEMENT AND DISCLOSURE

THIS IS YOUR CREDIT LINE ACCOUNT AGREEMENT AND IT INCLUDES NECESSARY FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENTS, AGREEMENTS AND ANY SPECIAL INSTRUCTIONS REGARDING THE USE OF YOUR ACCOUNT. PLEASE READ THIS AGREEMENT CAREFULLY AND NOTIFY US AT ONCE IF ANY PARTS ARE UNCLEAR.

Interest Rate and Interest Charges	
Annual Percentage Rate (APR) For Cash Advances	Personal Line of Credit: _____% This APR will vary with the market based on the Prime Rate
Paying Interest	We will begin charging interest on the transaction date.

Fees	
Penalty Fees	
• Late Payment	15.00% of the payment due (\$25.00 minimum)

How We Will Calculate Your Balance: We use a method called "daily balance." See Your Account Agreement for details.

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

Date of Agreement _____	Account Number _____	Maximum Credit Limit \$ _____
Minimum Initial Advance _____	Minimum Other Advance _____	
Final Date To Request Advance _____	Agreement Maturity Date _____	

In this Agreement, the references to "We," "Us," "Our," and "Credit Union" mean Allentown Federal Credit Union. The words "You" and "Your" mean each person accepting this Agreement. If this is a joint account, read singular pronouns in the plural.

You, as the Borrower, under a Credit Line Account ("Account"), understand that the following Federal Disclosure Statement and the terms and conditions found herein constitute Our Agreement with You. Your Account may be accessible through a variety of means which could include advance request forms, vouchers, checks, charge slips and the like. Regardless of the access means, You promise to pay Us all amounts charged to Your Account by You or by any user who has access to Your Account, with actual, apparent or implied authority for use of Your Account, including Finance Charges and other fees or charges described herein.

FEATURE CATEGORIES. Your Account consists of the Feature Category titled Personal Line of Credit.

Account Feature Category	Index	Margin	Daily Periodic Rate	Annual Percentage Rate
Personal Line of Credit	_____ %	_____ %	_____ %	_____ %

TRANSACTIONS/ADVANCES. Whenever You request a transaction or an advance, We may require You to prove Your identity. Unless Your Account has been suspended by Us, You will have credit available up to Your Maximum Credit Limit, which will generally be self-replenishing as You make payments on Your Account. Your first advance must be in an amount equal to at least the Minimum Initial Advance. All subsequent advances must be at least equal to the Minimum Other Advance amount as shown above and must be made prior to the Final Date to Request Advance, as also shown above. If You request an advance, We will deposit the amount approved in Your share account or Your share draft account and You authorize Us to do this, or We may draw a draft or check made payable to You and furnish it to You. When the amount advanced appears on a subsequent statement, that will be conclusive evidence of Your request.

LINE OF CREDIT LIMITS. We expect that You will make repeated advances on Your Account. You will keep Your unpaid balance equal to or less than Your Maximum Credit Limit, and You will pay any amount over Your Maximum Credit Limit on Our demand whether or not We authorize the advances or transactions which caused You to exceed Your Maximum Credit Limit. Even if Your unpaid balance is less than Your Maximum Credit Limit, We reserve the right to refuse credit advances during anytime that any aspect of Your Account is in default.

JOINT ACCOUNTS. Each Borrower will be responsible, jointly and severally, for the repayment of amounts owed. If any Account access device, such as a Personal Identification Number (PIN) is requested and approved, You understand that any such Account access device(s) will be mailed only to the Borrower(s) at the address indicated on the application for Your Account. We may refuse to follow any instructions which run counter to this provision.

FINANCE CHARGES. A Finance Charge will be assessed on any unpaid principal balance of Your Personal Line of Credit Feature Category for the period such balance is outstanding. Balances change each time advances are made, payments are made, or credits given under Your Feature Category. The Finance Charge begins to accrue on the date of each advance and there is no grace period.

HOW TO DETERMINE THE FINANCE CHARGE. The Finance Charge is determined by multiplying Your unpaid balance at the close of each day in the billing cycle being accounted for by the applicable Daily Periodic Rate, after payments, credits and unpaid Finance or Late Charges have been subtracted and new advances, insurance premiums or other charges have been added to Your unpaid balance. These daily Finance Charges are then added together and the sum is the amount of Finance Charge owed for the Feature Category being accounted for.

MINIMUM MONTHLY PAYMENTS (PAYMENT SCHEDULE). You can obtain credit advances for 36 months (the "Draw Period") up until the Final Date To Request Advance disclosed in this Agreement. During the Draw Period, Your Minimum Periodic Payment will be established at the close of each billing cycle at an amount equal to 3.00% of Your then unpaid principal balance, subject to the lesser of \$50.00 or Your Account balance.

After the Draw Period ends, You will no longer be able to obtain credit advances and You must repay Your outstanding Account balance (the "Repayment Period"). The length of the Repayment Period will not exceed 60 months. During the Repayment Period, Your Minimum Periodic Payment will be established on the first day of the Repayment Period, and any subsequent change in Interest Rate, to the amount necessary to fully amortize Your outstanding Account balance by the Agreement Maturity date disclosed in this Agreement.

Payments will be applied first to any Late Charge owing, then to Finance Charges due, then to the outstanding principal balance. Any unpaid Finance Charges will be paid by subsequent payments and will not be added to the principal. You may make more frequent payments which will reduce Your Finance Charges. You may also repay or prepay all or any portion of the amounts You owe at any time without penalty. All payments to Us must be in lawful money of the United States.

VARIABLE RATE. All advances are subject to a Variable Rate which is based on the Prime Rate as published in the Money Rates section of The Wall Street Journal in effect on the last business day of June and December of each year ("Index") plus Our Margin, which is disclosed elsewhere in this Agreement. The Index plus the Margin equals the Interest Rate. Changes in the Index will cause changes in the Interest Rate on the first day of January and July of each year that immediately follows a change in the Index. Increases or decreases in the Interest Rate will cause like increases or decreases in the Finance Charge and will affect the amount of Your regularly scheduled payments. Your Interest Rate will never be greater than 15% and will apply to Your remaining principal balance.

LATE CHARGE. If Your payment is 15 or more days late, You will be charged the greater of 15.00% of the principal and interest due or \$25.00.

PERIODIC STATEMENTS. On a regular basis, You will receive a printed statement showing all transactions on Your Account including amounts paid and borrowed since Your last statement. We will mail You a statement each month in which there is a debit or credit balance or when a Finance Charge is imposed. We need not send You a statement if We feel Your Account is uncollectible or if We have started collection proceedings against You because You defaulted. Each statement is deemed to be a correct statement of account unless You establish a billing error pursuant to the Federal Truth-In-Lending Act.

SECURITY. As permitted by law, to secure all transactions under this Agreement in either joint or individual Accounts, We have the right to impress and enforce a statutory lien against Your shares on deposit with Us (other than those deposits established under a governmental approved tax deferral plan such as an IRA or Keogh account), and any dividends due or to become due to You from Us to the extent that You owe on any unpaid balance on Your Account(s) and We may enforce Our right to do so without further notice to You. Additionally, You agree that We may set-off any mutual indebtedness.

OTHER SECURITY. Collateral (other than household goods or any dwelling) given as security under this Agreement or for any other loan You may have with Us will secure all amounts You owe Us now and in the future if that status is reflected in the "Security" section under the "Truth-in-Lending Disclosure" in any particular Loan Agreement evidencing such debt.

DEFAULT. You will be in default if: (a) You do not make any payment or perform any obligation under this Agreement, or any other agreement that You may have with Us; or (b) You should die, become involved in any insolvency, filed a bankruptcy, receivership or custodial proceeding brought by or against You; or (c) You have made a false or misleading statement in Your credit application and/or in Your representations to Us while You owe money on Your Account; or (d) A judgment or tax lien should be filed against You or any attachment or garnishment should be issued against any of Your property or rights, specifically including anyone starting an action or proceeding to seize any of Your funds on deposit with Us; and/or (e) We should, in good faith, believe Your ability to repay Your indebtedness hereunder is or soon will be impaired, time being of the very essence.

If You are in default, We may, to the extent permitted by law, cancel Your rights under this Agreement, declare the entire unpaid balance of Your Account immediately due and payable and require the return of all access devices.

COLLECTION COSTS. To the extent permitted by law, You will reimburse Us for all of Our costs and expenses, including reasonable attorneys' fees incurred in the course of collecting any amounts owed under this Agreement or for the recovery of any collateral.

ENFORCEMENT. We do not lose Our rights under this or any related agreement if We delay enforcing them. We can accept late payments, partial payments or any other payments, even if they are marked paid in full without losing any of Our rights under this Agreement. If any provision of this or any related agreement is determined to be unenforceable or invalid, all other provisions remain in full force and effect.

NOTIFICATION OF ADDRESS CHANGE. You will notify Us promptly if You move or otherwise have a change of address.

CHANGE IN TERMS. We may change the terms of this Agreement by mailing or delivering to You written notice of the changes as prescribed by the Federal

Truth-In-Lending Act. To the extent permitted by law, the right to change the terms of this Agreement includes, but is not limited to, the right to change the periodic rate applicable to Your unpaid balance and/or future advances.

CONSENT TO AGREEMENT. You acknowledge a receipt of a copy of this Agreement. By signing the application, by using Your PIN or other Account access device, by using Your Account or by authorizing another to use Your Account, You agree to and accept its terms.

UPDATING AND DISCLOSING FINANCIAL INFORMATION. You will provide facts to update information contained in Your original Account application or other financial information related to You, at Our request. You also agree that We may, from time to time, as We deem necessary, make inquiries pertaining to Your employment, credit standing and financial responsibility in accordance with applicable laws and regulations. You further agree that We may give information about the status and payment history of Your Account to consumer credit reporting agencies, a prospective employer or insurer, or a state or federal licensing agency having any apparent legitimate business need for such information.

INTEGRATED DOCUMENTS. Any separate sheet of paper labeled Additional Disclosure - Federal Truth-In-Lending Act which is delivered together with this Agreement or provided at a later time is an integrated part of this Agreement.

TERMINATION. Either You or We may cancel Your Account or any particular Feature Category of Your Account, at any time, whether or not You are in default. You will, in any case, remain liable to pay any unpaid balances according to the terms of Your Account.

GOVERNING LAW. This Agreement is controlled and governed by the laws of the Commonwealth of Pennsylvania except to the extent that such laws are inconsistent with controlling federal law.

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 Our address shown in this Agreement. 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 \$50.00 of the amount You question even if Your bill is correct.