

Line of Credit Contract and Truth-in-Lending Disclosure

Iron Mountain-Kingsford Community Federal Credit Union

This contract defines the terms and conditions of your Line-of-Credit loan with the Credit Union. Be sure to read it as it explains your rights and duties as well as the Credit Union's. If you have questions call us at (906) 774-6020 or write to us at:

400 South Carpenter Avenue
P.O. Box 2247
Kingsford, MI 49802-2247

For purposes of this contract the words "you" or "your" refers to all who sign it. The Credit Union is referred to as "us" or "we."

TRUTH-IN-LENDING DISCLOSURE

The U.S. government requires all lenders to disclose certain information to consumers who borrow from them - this contract is also the required disclosure.

1. Requesting Advances Under This Contract

When you sign this contract you are asking us for a Line of Credit loan plan, we must approve the plan in order for you to request advances through the plan.

If the plan is approved by us, you can request advances in person, by telephone, by mail, or check (your signature on the check is the request for an advance), at an Automated Teller Machine (ATM), or through internet home banking.

Approved advances will be given in increments of \$100.00, except direct advances at an ATM or through home banking, and unless the advance would exceed your limit.

Upon your request, we will allow you to obtain advances by using your ATM/Debit card. The additional disclosures below apply when you use your ATM/Debit card to access your line of credit plan. You may access your line of credit directly by use of the card or indirectly through an overdraft in your checking account.

LOST CARD NOTIFICATION: If you believe your ATM/Debit card has been lost or stolen, immediately inform us anytime by calling (906) 774-6020 or by writing to the address above.

LIABILITY FOR UNAUTHORIZED USE: You may be liable for the unauthorized use of your ATM/Debit card. You will not be liable for unauthorized use that occurs after you notify us, orally or in writing, of the loss, theft, or possible unauthorized use. The method of unauthorized use will affect your liability. If the card is used to obtain unauthorized advances directly from a line of credit at an automated teller machine, your liability will not exceed \$50. If the unauthorized withdrawal is from a checking account and it resulted in cash advances being made from your overdraft line and you tell us within two business days after you learn of the loss or theft, you can lose no more than \$50. If you do not tell us within two business days after you learn of the loss or theft of your card, and we can prove we could have stopped someone from using your card without your permission if you had told us, you could lose as much as \$500.

MERCHANT DISPUTES: We are not responsible for the refusal of any merchant or financial institution to honor the card. We are subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the card if you have made a good faith attempt but have been unable to obtain satisfaction from the merchant or service provider and (a) your purchase was made in response to an advertisement we sent or participated in sending to you or (b) your purchase cost more than \$50 and was made in your state or within 100 miles of your home.

SECURITY AGREEMENT: Although, for any advances obtained by use of an ATM/DEBIT card, we waive any right we may have to offset your shares or deposits as described in the "security interest" in paragraph 8, you hereby grant us a consensual security interest in all individual and joint accounts you have with us now and in the future to secure all advances obtained by use of your ATM/DEBIT card. Shares or deposits in an Individual Retirement Account or 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 or deposits.

2. When Advances Can Be Approved And Disbursed

The most you can owe us under this Line of Credit plan (excluding interest due) is indicated in the box on the last page of this contract.

From time to time you may request advances and we will give them to you if:

1. The advance doesn't make you owe us more than the limit as shown on the last page of this contract;
2. Any documents required to request the advance are properly filled out; and
3. All your loans with us are deemed current (not delinquent).

Notwithstanding the above, we reserve our right to refuse any request for an advance you may make or refuse to make any future advances, if:

1. We deem anyone who signed this contract no longer has a satisfactory credit rating or capacity to repay this debt;
2. Promises you make in this contract are broken; or
3. We determine there is other good cause.

Should any of the above three items occur, we will notify you by first-class mail at the address we have for you in our records. The notice will be effective upon mailing.

3. You Promise to Repay Loan Including Finance Charge

You and any others who have signed this contract jointly promise to pay back to the Credit Union all money borrowed under this contract plus FINANCE CHARGE calculated at the daily and corresponding ANNUAL PERCENTAGE RATE as shown on the last page of this contract. FINANCE CHARGE is the interest we charge you for the use of the money we lend to you. You also promise to pay all costs of collecting the amount you owe under this contract to the extent permitted by state law.

Determining the Daily Balance

When you make a payment we charge you a FINANCE CHARGE (interest). We figure the interest charge on your account by applying the 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, add any new (purchases/advance/fees), and subtract (any unpaid interest or other finance charges and) any payments or credits. This gives us the daily balance.

Determining the FINANCE CHARGE

FINANCE CHARGE (interest) begins to accrue on each advance you take under the terms of this contract from the date of the advance. The amount of FINANCE CHARGE (interest) accrued at the time of payment is calculated by multiplying:

1. The daily rate indicated on the last page of this contract, times
2. Each distinct "daily balance" since your last payment, times
3. The number of days each distinct "daily balance" was owing.

The results of the above calculations are then added together to achieve the FINANCE CHARGE. By using this method we only charge FINANCE CHARGE (interest) on the "daily balance" for the actual number of days you owe that particular "daily balance."

4. Late Payment Fee

If you don't make your promised payment as scheduled, we reserve the right to impose a fee as shown on the last page of this contract. Making timely payments will avoid late fees.

5. How You Pay Back the Loan

As you promised, you must repay the money you borrow from us, plus FINANCE CHARGE (interest), in monthly payments. Even if you have previously made extra payments, you must make a payment each and every month. The day the payment is due, the "due date", is shown on the last page of this contract. You are required to make at least a minimum payment each month unless there was no principal balance prior to an advance. In this case your first minimum payment won't be due until the following month. The amount of this minimum payment is calculated as shown on the last page of this contract. Although your minimum monthly payments usually increase due to an advance, they do not decrease as you repay the loan. If you have a joint checking account, you will be responsible for paying all overdraft advances obtained by a joint holder of the checking account.

6. How We Apply Your Payments

In order NOT to compound FINANCE CHARGE (interest) you owe us and to NOT charge FINANCE CHARGE (interest) on late fees, each payment you make under this contract is first used to pay late fees, if any; to pay FINANCE CHARGE (interest) then due; and finally reduce the "principal balance."

7. If You Wish to Repay the Loan Early

You can make more than the minimum payment referred to in Section 5. If you do you will save FINANCE CHARGE (interest). You may also pay off this contract in full or in part at any time with no fee for early repayment. If you do make early payments or larger payments than this contract requires, you must still make at least the minimum payment each month until the principal balance is paid in full.

8. Savings as Security for This Contract

You are giving us a security interest in all shares or deposits you have, or may have in the future, in this credit union. In other words, you are "pledging" them as security for any and all advances made under this contract. If you default on any scheduled payments we can use your shares or deposits to make any payments due under this contract. You may withdraw your shares or deposits if your payments are current. This security interest does not apply to any shares or deposits that are included in an Individual Retirement Account (IRA) or a Keogh Plan.

9. Cosigners - Guarantors

Anyone who signs this contract and does not have the right to take advances under it is called a "cosigner-guarantor." If you are a "cosigner-guarantor", you are liable to the credit union for all advances we make under this contract until these advances are repaid in full. A "cosigner-guarantor" can give us written notice that he/she no longer wants to be liable for future advances, but will still be responsible for past advances made up to the date we receive the notice.

Without receiving advance notice from us, a "cosigner-guarantor" allows us to:

1. Make an advance or advances to you;
2. Extend any payment due date;
3. Lower your payment amount;
4. Release any of your shares or deposits for your withdrawal;
5. Release any other "cosigner-guarantor" from liability under this contract;
6. Add other "cosigner-guarantors."

10. Joint Accounts

If this is a joint account, each of you authorizes the other(s) to get advances individually under this contract. That means an advance can be made upon the request of only one of you and that the funds can be disbursed to only one of you. If you give conflicting instructions, we can refuse to follow your instructions. Each of those who sign this contract will be individually and jointly responsible for paying the entire amount owed under this contract. That means we can enforce our rights under this contract against any one of you individually or against all of you together.

11. In Case of Default

Under this contract, you are in "default" if:

1. You don't make the minimum monthly payment on the scheduled due date, or
2. You fail to keep any other promise you made in this contract.

If you should default on this contract we have rights to help us collect any amounts you owe us and are as follows:

1. Lawsuit - If you are in "default", we can take you, and/or anyone who signs this contract as a "cosigner-guarantor", to a court of law.
2. Accelerate Payments - If you are in "default", we can, without prior notice, demand that you pay us immediately the full amount then still unpaid under this contract, plus any FINANCE CHARGE (interest) and late fees, if any. If we do accelerate the payments, you lose the right to make monthly payments.
3. Impress Your Shares and Deposits - If you are in "default", we have certain rights to your deposits in the credit union as explained in Section 1 and Section 8.

12. Miscellaneous Provisions

If we refuse to make advances to you under this contract you and any "cosigner-guarantor" must still pay us all the money you owe us under this contract, plus FINANCE CHARGE (interest) and any late fees due as scheduled.

By signing this contract, you authorize us to check your employment and your credit record from time to time. We can also report your repayment experience with us to credit bureaus.

We can change the terms of this contract at any time. Such changes might include the interest rate, the amount of the monthly payment, or your credit limit. Any changes will apply only if you take an advance after the date of the change. If required by law, any changes will be pursuant to a notice mailed to you at the address we have on file.

Forbearance - even though we may not always strictly enforce all the terms of this contract, we reserve the right to do so at any time thereafter.

YOUR BILLING RIGHTS - KEEP THIS NOTICE 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 statement is wrong, or if you need more information about a transaction on it, write to us at 400 S. Carpenter Avenue, P.O. Box 2247, Kingsford, MI 49802. You may also contact us on the Web: www.pcbranch.com. You must contact us as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You must notify us of any potential errors **in writing** (or electronically). You may call us, but doing so will not preserve your rights. 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:** 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 not sure about.

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 statement 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 send you statements which reflect 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 outstanding balance that are not in question. If we find that we made a mistake on your statement, you will not have to pay any finance charges related to any 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 send you a statement of the amount you owe and the date that it is due. If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation 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 statement. 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 settled between us when it finally is. If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your statement was correct.

1. FINANCE CHARGE (interest) under this contract is calculated at a daily rate of 0.0205205% per day, which corresponds to an **ANNUAL PERCENTAGE RATE OF 7.49%**. (See Section 3)
2. Minimum monthly payments are \$3.00 for each \$100.00, or part of \$100.00, of the new "daily balance" that resulted when the amount you last borrowed was added to the principal balance, but not less than \$30.00 (See Section 5)
3. Payments are due on the _____ day of each month. (See Section 5)
4. If a payment is 7 days or more late, we can charge you 20% of the interest due. (See Section 4)
5. The total amount owing under this contract at any time may not exceed \$_____. (See Section 2)

Members who sign on lines 1 or 2 can request advances under this contract on his or her separate signature.
A "cosigner-guarantor" signing on line 3 can not request an advance.

	Signatures	Date Signed	Account Number
1	Member X		
2	Member X		
3	Cosigner-Guarantor X		

A copy of this Contract and Truth-in-Lending Disclosure including the addendum was:

Received by the member (Member's initials and date) _____

Mailed (staff initials and date) _____

Credit Union Use Only

Line of Credit Contract:

Approved

Rejected

Credit Limit \$ _____

Other Conditions _____

Cosigner-Guarantor:

Required

Not required

Credit Committee:

X _____

X _____

X _____

Date of action _____

Loan Officer X _____

**Iron Mountain-Kingsford Community
Federal Credit Union**

400 S. Carpenter Ave., P.O. Box 2247
Kingsford, MI 49802
906-774-6020

LINE OF CREDIT

Addendum

Addendum Dated: July 1, 2010

This addendum is incorporated into and becomes a part of your Line of Credit Contract. Please keep this attached to your Line of Credit Contract.

Description	Account Opening Disclosure		Daily Periodic Rate
	Interest Rate and Interest Charges		
	Annual Percentage Rate (APR)		
Line of Credit	7.49%		.0205205
Fees			
Set-up and Maintenance Fees			
♦ Annual Fee	None		
♦ Dormancy Fee	None		
Transaction Fee			
♦ Advance Request Fee	None		
Penalty Fees			
♦ Late Payment	20% of the interest due.		
♦ Over-the-Credit-Limit	None		
♦ Returned Payment Fee	\$15.00		

How We Will Calculate Your Balance: We used a method called Daily Balance.

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

Late Payment Fee: If a payment is seven days or more late, you may be charged 20% of the interest due.

Returned Payment Fee: If your payment is returned to us, you will be charged \$15.00 for each returned payment.

Collection Costs for Michigan: You promise to pay all costs of collecting the amount you owe under this agreement to the extent permitted by state law.