

CREDIT AGREEMENT

And Truth-In-Lending Disclosure Statement

TELCOE FEDERAL CREDIT UNION
P.O. Box 34200
Little Rock, AR 72203
People Helping People

DEFINITIONS

In this Agreement, the words, "I", "me", and "my" mean the Borrower and any Joint Applicants/Co-Makers. "You" and "your" mean the Credit Union.

The term "secured loans" means: (1) loans for which you have taken an interest in my property or my shares to assure payment, and (2) loans for which another person has guaranteed payment. The term "unsecured loans" means all other loans given to me under this Agreement.

CREDIT LIMITS AND ADVANCES

If you approved my Credit Application, you will notify me of my unsecured and secured credit limits. I may then request loans in person, by mail, or by telephone up to these limits. You may refuse to give me a loan for any reason not prohibited by law.

By cashing or endorsing my loan proceeds check, I agree to all the terms of this Credit Agreement and Truth-In-Lending Disclosure Statement, Security Agreement, if applicable, Billing Rights Statement, Credit Insurance Cost Disclosure, if applicable, and the Credit Request Voucher which accompanies my check.

PROMISE TO PAY

I promise to repay you all loans made to me under this Agreement together with the finance charges described in the following section. I will also pay any charges for insurance that I have elected to purchase.

If the interest rate for any and all advances is a variable interest rate the Truth-In-Lending Agreement Supplement will explain how the variable interest rate works.

FINANCE CHARGES

I will pay a finance charge for each day I have an outstanding loan balance. Each day, at the end of that day, the loan balance outstanding is multiplied by the applicable daily periodic rate. This is done separately for each type of loan. The sum of those amounts is the finance charge. The finance charge begins on the date the transaction is posted to your account.

The daily periodic rate and the corresponding annual percentage rate for each type of loan that may be given to me are shown in the Truth-In-Lending Supplement. The supplement is incorporated into and becomes part of this Credit Agreement.

PAYMENTS

My minimum payment will be based upon the amount of my outstanding loan balances immediately after my most recent loan. My total minimum payment will be shown on the Credit Request Voucher that I receive with my most recent loan proceeds check. It will not change unless I request additional loans or fail to keep my Agreement.

I may pay more than my minimum payment at any time without penalty. I must continue to make minimum payments on the regularly scheduled payment dates unless I prepay my entire outstanding loan balances.

LATE CHARGES

If I fall behind more than 10 days in making a payment, I will pay a late charge of 5% of the overdue installment. Minimum late fee charged is \$8.00.

CONDITIONS UNDER WHICH LOANS BECOME IMMEDIATELY DUE

Without giving me notice, you can require that I immediately repay my outstanding loan balances if:

- (1) I do not make any minimum payment to you on time or I do not pay my other debts as they become due; or
- (2) I do not do all the things any agreement with you requires me to do; or
- (3) I file for bankruptcy, any bankruptcy filing is made against me, or anyone is appointed to take charge of my property for others; or
- (4) Any person tries by legal process to take any of my money in your possession; or
- (5) I do not tell the entire truth when I apply for credit, request loans, or list all of my debts when you ask me to do so; or
- (6) You in good faith believe I am unable to repay my outstanding loan balances; or
- (7) You in good faith believe that any property used to secure my outstanding loan balances is not of enough value to protect you or there is risk to that property; or
- (8) I die or become legally unable to manage my own affairs; or
- (9) Any legal judgment is entered against me.

Each of these conditions is called a "default".
You may also take any other legal action, such as repossessing and selling any property used to secure my outstanding loan balances, to pay part or all of my debts to you.

COLLECTION COSTS

If a default occurs and you need to sue me or take any other action to collect what I owe you, I will pay your collection costs and reasonable attorneys' fees.

YOUR RIGHTS TO MY SHARES

If a default, as described above, occurs, you have an interest in my shares and deposits in all joint and individual accounts that I have with the Credit Union now and in the future under your by-laws and Section 107(11) of the Federal Credit Union Act, if applicable, and certain state laws, if applicable. This interest, also known as a statutory lien, will allow you to apply my shares to pay all or part of my debts to you in accordance with applicable law, up to the amount of my obligations to you.

I may also give you an immediate interest and/or pledge in my shares to secure a loan at the time I receive it. The Credit Request Voucher attached to my most recent loan proceeds check will show this interest and/or pledge. You may then prevent me from withdrawing my shares up to the amount of my loan.

Shares in "Individual Retirement" or "Keogh Plan" accounts cannot be used to secure loans.

SECURITY INTEREST

Property as security under this agreement or for any other loan may secure all amounts I owe the Credit Union now and in the future.

INSURANCE

I will keep insurance which you consider acceptable on the Secured Property at all times and will furnish you with proof of coverage. I may obtain the insurance from any person of my choice.

JOINT APPLICANTS / CO-MAKERS

If more than one person signs this Agreement, each person is called a "joint applicant/co-maker" and each is fully responsible for all of the obligations under it. You may change the terms of this Agreement or release any property used to secure my loan without changing these obligations. Any joint applicant/co-maker may request loans, and all joint applicants/co-makers will be fully responsible for repaying them.

You do not have to notify joint applicants/co-makers if loans are not paid on time. Any notice mailed by you to one joint applicant/co-maker/guarantor will be considered notice to all persons who signed this Agreement.

I may notify you in writing that I will not be responsible as a joint applicant/co-maker for additional loans or advances. I will, however, continue to be responsible for all loans outstanding at the time you receive my notice.

CREDIT INFORMATION

I will provide current credit information at your request.

CHANGES TO THIS AGREEMENT

You can change the terms of this Agreement at any time. You will comply with applicable laws and regulations and inform me of changes.

TERMINATION

You may terminate this Agreement any time a default occurs, you re-evaluate my creditworthiness, or for whatever you determine to be good reasons. I may terminate this Agreement at any time. Termination will not change my obligation to repay any of my outstanding loans.

FAILURE TO EXERCISE RIGHTS

I understand that you may accept partial or late payments (even if they are marked "Paid in Full") without losing any of your rights. You may also delay or fail to exercise any rights under this Agreement without losing your ability to exercise those rights at any other time.

SUCCESSORS

Anyone taking my place, such as my heirs, legal representatives, or successors, will have the same obligations as I have under this Agreement.

I have received a complete copy of the Credit Agreement and Truth-In-Lending Disclosure Statement, the Truth-In-Lending Disclosure Supplement, Security Agreement, if applicable, Billing Rights Statement and Credit Insurance Cost Disclosure, if applicable. These forms are part of my Credit Application and I agree to their terms. If you approve my Credit Application, you will send me an acceptance letter notifying me of my credit limit(s).

Credit Applicant's Signature _____ Date _____

Joint Applicant's/Co-Maker's Signature _____ Date _____

Witness (if requested by Credit Union) _____ Date _____

Witness (if requested by Credit Union) _____ Date _____

CREDIT INSURANCE RATE DISCLOSURE

I UNDERSTAND THAT THE PURCHASE OF THIS INSURANCE IS VOLUNTARY AND NOT NECESSARY TO OBTAIN CREDIT. I authorize my Credit Union to add the required monthly premium to my loan balance, and forward this premium to the Insurance Company. I understand that I am not eligible for insurance if I am 65 or over. I understand disability insurance terminates when I reach age 66 and life insurance terminates when I reach age 70.

HEALTH STATEMENT: Within the past 12 months, have you had, been diagnosed with, treated for, or taken prescribed medication for: HEART DISEASE OR DISORDER, STROKE, IMMUNE SYSTEM DISORDER OR CANCER?

Proposed Insured Yes No Proposed Joint Insured Yes No

***** You understand that if you answered the above question "YES", you will not have any coverage. *****

Credit Life Insurance is available at a monthly rate of .45 per \$1,000 of indebtedness per month.

Joint Credit Life Insurance is available at a monthly rate of .75 per \$1,000 of indebtedness per month.

The premium rate for Credit Disability is 1.90 per \$1,000 of outstanding loan balance per month.

- I desire credit life insurance on this account.
- I desire joint credit life insurance on this loan account.
- I desire credit disability insurance on this loan account.
- I do not desire credit life insurance on this loan account. I understand my estate is responsible for my payments in the event of my death.
- I do not desire joint credit life insurance on this loan account.
- I do not desire credit disability insurance on this loan account. I understand I am responsible for my payments if I am disabled.

Date _____ Signature of Borrower _____ Age _____

G-500App(04) _____ Signature of Co-Borrower (only required for Joint Credit Life) _____ Age _____

TRUTH-IN-LENDING DISCLOSURE SUPPLEMENT

*This supplement is incorporated into and becomes a part of your credit agreement.
Please keep this attached to your credit agreement.*

The **ANNUAL PERCENTAGE RATES** and corresponding daily periodic rates are shown below for each subaccount. The amount and due date of your payment will be established at the time of each advance and will be disclosed on the Credit Request Voucher. Other charges which may be incurred are included in your Credit Agreement.

LOANS SUBACCOUNT DESCRIPTION	ANNUAL PERCENTAGE RATE	DAILY PERIODIC RATE
SHARE SECURED	7.75%	0.021232%
Share Secured Risk Based	10.75%	0.029452%
CERTIFICATE OF DEPOSIT SECURED	2.50% ABOVE CD RATE	
Certificate Of Deposit Risk Based	5.50% Above Cd Rate	
SIGNATURE	13.75%	0.037671%
Signature Risk Based	16.75%	0.045890%
STOCK	11.50%	0.031593%
Stock Risk Based	14.50%	0.039726%
NEW AUTOS/TRUCKS/VANS(BASED ON 90% FINANCING)		
24 TO 60 MONTHS	8.90%	0.024383%
New Autos/Trucks/Vans(Based On 90% Financing) Risk Based	11.90%	0.032602%
24 To 60 Months		
NEW AUTOS/TRUCKS/VANS(BASED ON 100% FINANCING)		
24 TO 60 MONTHS	9.50%	0.025342%
New Autos/Trucks/Vans(Based On 100% Financing) Risk Based	12.50%	0.034246%
24 To 60 Months		
USED AUTOS/TRUCKS/VANS(BASED ON 90% FINANCING)		
1995 TO 2000	9.95%	0.027260%
Used Autos/Trucks/Vans(Based On 90% Financing) Risk Based	12.95%	0.035479%
1995 To 2000		
NEW BOATS & RV'S	9.50%	0.026027%
New Boats & Rv's (Risk Based)	12.50%	0.034246%
USED BOATS & RV'S	10.25%	0.028082%
Used Boats & Rv's (Risk Based)	13.25%	0.036301%
MOTORCYCLES NEW & USED	10.25%	0.028082%
OTHER COLLATERAL	10.50%	0.028767%
Motorcycles (New &Used) & Other Collateral(Risk Based)	13.50%	0.036986%

Cash pay add 0.50% over above listed annual percentage rates.
Risk based lending-Guarantor loans, negative credit and/or 579 or less empirica will be charged 3% above listed APR.
The minimum payment will never be less than \$20.00 monthly.
For 100% financing add 0.50% to the stated annual percentage rate.



830 Louisiana Street
PO Box 34200
Little Rock, AR 72203-3420

BORROWER'S SIGNATURE DATE

JOINT BORROWER'S SIGNATURE DATE

WITNESS DATE