



Alabama State Employees Credit Union
PO Box 231150
Montgomery, AL 36123-1150
334-270-9011 or 800-634-9171
www.yourasecu.com

TRUTH-IN-LENDING DISCLOSURE
STATEMENT - ACCOUNT OPENING DISCLOSURES

- ☐ ASE Your Rewards Visa
☐ ASE Secured Visa

BORROWER 1 NAME	DATE
BORROWER 2 NAME	ACCOUNT NUMBER

The following disclosure represents important details concerning your credit card. This statement is incorporated into and becomes a part of your Credit Card Agreement. **We reserve the right to periodically review your credit standing and to increase any rate on your new balances, in accordance with applicable law.** The Credit Card you have received is indicated by the checkbox above.

INTEREST RATES and INTEREST CHARGES:

Annual Percentage Rate (APR) for Purchases, Cash Advances, & Balance Transfers	<u>0</u> %
Penalty APR and When it Applies	18.00% This APR may be applied to your account if you make a payment that is late 60 days or more. How Long Will the Penalty APR Apply? If we increase your APRs due to a late payment, we may keep them at this higher level on existing and new balances until you make six consecutive on-time payments.
How to Avoid Paying Interest	Your due date is at least 21 days after we mail your billing statement. We will not charge you interest on purchases, cash advances or balance transfers if you pay your entire new purchase, cash advance or balance transfer balance by the due date each month.
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$0.01.
For Credit Card Tips from the Consumer Financial Protection Bureau	To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at http://www.consumerfinance.gov/learnmore

FEES:

Fees to Open or Maintain your Account • Annual Fee: • Application Fee:	None None
Transaction Fees • Balance Transfer: • Cash Advance: • Foreign Transaction:	None None 1% of each transaction in U.S. dollars.
Penalty Fees • Late Payment: • Over-the-Credit Limit: • Returned Payment:	Up to \$25.00 if your payment is late 10 days or more. Up to \$25.00 if you exceed your credit limit. Up to \$30.00 if your payment is returned for any reason.

SEE NEXT PAGE for more important information about this account

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)". See your account agreement for more details.

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

OTHER IMPORTANT DISCLOSURES:

Suspension of electronic services and access to share or deposit accounts. Subject to applicable law, we may suspend some or all electronic services and access to your checking or other account(s) if you become delinquent on any of your credit card or deposit obligations to us or you cause a loss to us. We shall not be liable to you in any regard in connection with such suspension of services.

THE GRANTING OF THIS SECURITY INTEREST IS A CONDITION FOR THE ISSUANCE OF CREDIT UNDER THIS AGREEMENT.

YOU SPECIFICALLY GRANT US A CONSENSUAL SECURITY INTEREST IN ALL INDIVIDUAL AND JOINT ACCOUNTS YOU HAVE WITH US NOW AND IN THE FUTURE TO SECURE REPAYMENT OF CREDIT EXTENDED UNDER THIS AGREEMENT. YOU ALSO AGREE THAT WE HAVE SIMILAR STATUTORY LIEN RIGHTS UNDER STATE AND/OR FEDERAL LAW. IF YOU ARE IN DEFAULT, WE CAN APPLY YOUR SHARES TO THE AMOUNT YOU OWE.

Shares and deposits in an Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given are not subject to this security interest.

If you have other loans with us, collateral securing such loans will also secure your obligations under this Agreement, unless that other collateral is your principal residence or non-purchase money household goods.

For California Cardholders: These cards are identified as a "secured credit card". It is secured as defined above.

Daily Periodic Rates: Purchases, Cash Advances, and Balance Transfers: 0 %; Penalty APR 18.00 %

Other Fees: In addition to the fees disclosed above, the following fees may be imposed:

Card Replacement Fee:	\$10.00
Returned Convenience Check Fee:	Up to \$30.00 if your convenience check is returned for any reason.
Convenience Check Stop Payment Fee:	Up to \$25.00 if your access check is stopped for any reason.

Minimum Payment Requirement: 2% of your Total New Balance or \$25.00, whichever is greater, plus any amount over your credit limit.

IMPORTANT DISCLOSURES FOR ACTIVE MEMBERS OF THE MILITARY AND THEIR DEPENDENTS:

The following applies if at the time this loan is made you are an active member of the military or a dependent (as those terms are defined in the Military Lending Act (MLA), 10 U.S.C. 987 and its implementing regulations ("MLA")), and (a) your loan is unsecured or secured by personal property or a vehicle that you did not purchase with the proceeds of the loan; or (b) it is otherwise determined by law that the MLA applies to your loan. If this loan is a revolving line of credit or credit card, the MLA ceases to apply at any time during which you are not a member of the military or a dependent (as defined in the MLA).

- 1. NOTICE:** 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 or debt protection fees; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account). To receive this notice verbally, please call 1-800-634-9171 during normal business hours.
- 2.** This loan will not be secured by a consensual lien on shares or deposits in any of your accounts unless you agree to establish an account in connection with this loan ("Secured Account"). Only funds deposited into the Secured Account after the loan is made will secure this loan. Any cross-collateralization provision contained in your loan or account documents will not apply to the Secured Account or your other share or deposit accounts for any loan subject to the Military Lending Act.
However, we reserve our statutory lien rights and rights to set-off or administrative freeze under federal or state law, which gives us the right to apply the sums in the Secured Account or any other account(s) you have with us to satisfy your obligations under this loan.
- 3.** Any reference in this consumer credit contract to the following are hereby inapplicable to your loan: (a) Mandatory arbitration; (b) Any requirement(s) to waive your rights to legal recourse under any applicable state or federal law; (c) Any demands or requirements construed as unreasonable notice from you in order to exercise your legal rights; or (d) Prepayment penalties.
- 4.** Any provisions in your consumer credit contract, loan, security, or account agreements that are determined to be inconsistent with or contradictory to these disclosures or the MLA (as they may be changed or amended from time to time) are inapplicable with regard to this loan. However, all other terms and conditions of the consumer credit contract shall remain in full force and effect.

APPLICATION AND DISCLOSURES for DEBT PROTECTION PLAN

This Product is Optional. Your purchase of the Debt Protection Plan ("Plan") is optional. Whether or not you purchase this protection will not affect your application for credit or the terms of any existing credit agreement you have with the Financial Institution. You may cancel the Program at any time. See the Program Agreement for an explanation of how the Program may be terminated.

I ELECT: (Check only one box)	Cost:	
	Open-end Loans: per \$1,000 of monthly outstanding loan balance	Closed-End Loans: Estimated Total Fee**:
Short-Term Loans		
Plan 1: Plan #582613		
Death with Terminal Condition: Cancels up to 12 Payments for Terminal Condition Cancels loan balance upon death	Single: \$3.05	\$ _____
Disability: Cancels up to 12 Payments	Joint: \$5.39	\$ _____
Involuntary Unemployment: Cancels up to 3 Payments		
I would like ☐ Single Protection ☐ Joint Protection		
Plan 2: Plan #582614		
Death with Terminal Condition: Cancels up to 12 Payments for Terminal Condition Cancels loan balance upon death	Single: \$2.43	\$ _____
Disability: Cancels up to 12 Payments	Joint: \$4.21	\$ _____
I would like ☐ Single Protection ☐ Joint Protection		
Plan 3: Plan #582615		
Death with Terminal Condition: Cancels up to 12 Payments for Terminal Condition Cancels loan balance upon death	Single: \$1.47	\$ _____
	Joint: \$2.36	\$ _____
I would like ☐ Single Protection ☐ Joint Protection		
Plan 4: Plan #582616		
Involuntary Unemployment: Cancels up to 3 Payments	Single: \$1.01	\$ _____
I would like ☐ Single Protection ☐ Joint Protection	Joint: \$1.93	\$ _____
*Benefit Maximums: Death Protection cancels a maximum of \$75,000 . Cancellations listed are per occurrence. Monthly cancellations are limited to \$1,000 per month, and \$15,000 over the term of the loan, per each Protected Event and per each Protected Borrower.		
☒ No, I do not wish to apply for the voluntary Debt Protection Plan at this time. _____ (Borrower 1 initials) _____ (Borrower 2 initials)		

Application Eligibility:

To be eligible to apply, I must meet the following conditions. By signing this Application, I am stating that: (1) I am under age 70; (2) *If applying for Death or Disability protection:* During the last 2 years, I have not been advised of or treated for: cancer, heart attack or coronary artery disease, stroke, cirrhosis, AIDS, or any disorder of my immune system, or had any test showing evidence of antibodies to the AIDS virus (a positive HIV test); (3) *if applying for Disability or Unemployment protection:* I am presently working twenty-four (24) or more hours per week; (4) *If applying for Involuntary Unemployment:* I am not self-employed.

Seasonal Workers: Whether you qualify for Involuntary Unemployment Benefits at the end of your seasonal employment will depend on whether you qualify for your state's unemployment benefits.

Email Communication: By signing this application, you acknowledge and agree that our administrator can (1) send you claims forms or other administrative forms to the email address that you provide to us and (2) otherwise communicate to you via email in order to administer your coverage if you activate your protection. Our administrator does not sell your information and will not use your email address for any purpose other than as outlined herein.

Borrower's Signature

I acknowledge and agree that: (a) I meet the eligibility requirements listed above. If it is discovered that I do not meet the eligibility requirements above, my participation in the Plan will be terminated, I will receive a refund of any fees paid, and an otherwise valid claim will be denied. (b) I have received the disclosures herein and have thoroughly read the Debt Protection Program Agreement ("Agreement"), and agree to abide by the terms of the Agreement; (c) I authorize the Plan fees to be added to my loan each month; and (d) I understand that I may not be eligible for all benefits contained in the Plan. This document is hereby incorporated into Borrower's loan documentation as if fully set forth therein. **There are eligibility requirements, conditions, and exclusions that could prevent you from receiving benefits under the Program. See the Program Agreement for details.**

Subsequent Modification (does not apply to new loans):

☐ **Cancellation of Credit Insurance Coverage.** If checked, I am cancelling my existing Credit Life and/or Credit Disability Coverage on the account described above, and replacing it with the above Debt Protection Plan. This cancellation of Credit Insurance is effective as of the date of this Application. Claims for events that occurred prior to this date shall be administered under my Credit Insurance Certificate; claims for events occurring after this date shall be administered according to the terms of the Debt Protection Program Agreement.

_____ (Borrower 1 initials) _____ (Borrower 2 initials)

BORROWER 1 SIGNATURE	DATE
X	

BORROWER 2 SIGNATURE (if applying for Joint Protection)	DATE
X	

PROGRAM AGREEMENT for DEBT PROTECTION PLAN

As used in this Debt Protection Plan Program Agreement ("Agreement"), "**You**", "**Your**" or "**Borrower**" means the person(s) who are obligated to repay a loan to us who have purchased debt protection under this Agreement. "**We**", "**Our**", "**Us**" means, Alabama State Employees Credit Union, P.O. Box 231150, Montgomery, AL 36123-1150. "**Plan Administrator**" means Minnesota Life Insurance Company, 400 Robert Street North, St. Paul, Minnesota, 55101, or one of its affiliates, or a contracted third party.

This Agreement amends your loan or credit agreement. By enrolling in this Debt Protection Plan ("Plan"), you agree to abide by the terms of this Agreement. The Debt Protection Application is a part of this Agreement and is hereby incorporated as if fully set forth herein.

DEFINITIONS

Effective Date means that date on which your Plan becomes effective, which is: the later of (1) the date you enroll in, and your eligibility is approved for, the Plan; or (2) the date of your first advance under a protected open-end credit plan. □□

Working twenty-four (24) or more hours per week: This term means that you are actively working for income for twenty-four (24) hours or more per week. Working means actually performing your job duties and not off of work due to leave of absence; layoff; routine or seasonal work interruption; or any other reason. □□

Outstanding Balance and Payment: "Outstanding Balance" means the outstanding loan balance as of the date a Protected Event occurs. "Payment" means the minimum monthly loan payment scheduled under your loan agreement. Outstanding Balance and Payment both refer to the protected amount under the Plan and include principal, interest, the Plan fee and any amounts which the creditor and borrower agreed to finance as part of the loan at the time the credit is extended. It does not include late fees or other fees; real estate taxes or property insurance premiums; or any amount that represents defaults in scheduled payments of either interest or principal. A scheduled lump-sum Balloon payment will only be protected if the Protected Event cancels the Outstanding Balance. Additionally, any advance taken during any period of Involuntary Unemployment or Disability will not be protected and the payment for that advance will not be cancelled. You will be responsible for re-paying any amounts that are not cancelled. □□

Pre-existing condition: means a condition for which you received or had medical treatment, advice or diagnostic tests either for that same condition or a related condition within the six-month period immediately prior to the Effective Date and immediately prior to each and every advance taken. However, any Protected Event resulting from any such condition or a related condition will not be excluded if the Protected Event commences six months or more after the Effective Date of protection or six months or more after the advance is taken.

TERMS OF PROTECTION

Who is eligible for protection?

This Plan protects an eligible Borrower ("Borrower 1") against Protected Events that occur while you are enrolled in the Plan ("Single Protection"). At an additional cost, you may purchase protection for a Co-Borrower ("Borrower 2") against the Protected Events within the Plan purchased ("Joint Protection"). Co-signers, guarantors, and non-borrower owners of collateral are not eligible for protection. □□

What types of loans are eligible for protection under the Plan?

The following types of loans are eligible for protection if the Plan is made available to you on that loan type: closed-end consumer, consumer lines of credit, and credit cards. □□

What is the Plan Fee and how is it collected?

The Plan Fee is the amount you pay for the Protection. It is calculated by applying the rate per \$1,000 of your monthly outstanding balance or loan amount and will be charged and collected monthly. For closed-end loans, if the Protection is purchased at loan closing, the fee becomes part of your required monthly loan payment. For open-end loans, the fee will be added to your outstanding balance as an advance each month, increasing your minimum payment due. If Debt Protection is added after the start of a closed-end loan, the fee will be added to your outstanding balance as an advance each month; in such a case, we may either increase your minimum monthly payment or extend the term of your loan. Interest will accrue on the debt protection advance. If you fail to pay the fee, we can cancel the protection or, at our option, add the fee to your outstanding balance upon which it will accrue interest. Such addition may extend the term of your loan.

Can the Plan Fee and terms of this Agreement Change?

Yes. We can change the terms of this Agreement, including the rates, at any time. If we do so, you will be provided prior notice and an opportunity to cancel your Agreement under the Plan. □□

Can this Agreement be contested?

Yes. If an event occurs within the first 2 years of this Plan, and if we find that you did not meet the eligibility requirements at the time of your application, your protection under the Plan will be removed, you will receive a refund of fees paid, and an otherwise valid claim will be denied.

PROTECTED EVENTS

The following describes the types of Protected Events and the protection afforded under each Plan:

DEATH with TERMINAL CONDITION BENEFIT (Plans 1-3; Joint Protection Available)

What is the Death with Terminal Condition benefit?

What is the Death benefit?

For each protected Borrower, we will cancel the amount of your Outstanding Balance as of the date of death, up to \$75,000. If two protected Borrowers die simultaneously, we will cancel the Outstanding Balance, up to \$75,000. In no event will an excess of \$75,000 be cancelled.

What is the Terminal Condition benefit?

If you, or your joint borrower protected under a Joint Plan, is diagnosed with a Terminal Condition, we will cancel up to twelve (12) consecutive Payments as of the date of diagnosis of terminal illness. If the Borrower dies while receiving Terminal Condition benefits, monthly Payment cancellations will cease, and the remaining outstanding balance will be cancelled in accordance with the "What is the Death benefit?" section above. The maximum monthly cancellation is \$1,000.

What is a Terminal Condition?

A terminal condition is a condition, as diagnosed by a licensed physician, which is caused by sickness or accident that directly results in a life expectancy of twelve (12) months or less.

DISABILITY (Plans 1 & 2; Joint Protection Available)

What does Disability mean and how do I qualify for Disability?

Disability means your continuous inability, due to sickness or injury, to perform the substantial and material duties of your regular occupation and you are under the regular care and treatment of a licensed physician or licensed health care provider. To qualify for Disability protection, you must be disabled for 30 consecutive days. Benefits begin to accrue on the first (1st) day that you are disabled. □□

What amounts are cancelled under the Disability protection?

For each occurrence of Disability, we will cancel 1/30th of the Payment for each day that you are disabled beginning with the first (1st) day of Disability and continuing for up to twelve (12) Payment cancellations. However, cancellations will immediately cease if you recover or return to work; or if the loan is paid off, is refinanced, or is discharged for any reason. Cancellation is limited to a total of \$15,000 over the term of the loan, regardless of the number of occurrences. The maximum monthly cancellation is \$1,000.

What if the same or related disability occurs?

Please see the "What if I suffer a recurrence?" question in the General Provisions section below.

INVOLUNTARY UNEMPLOYMENT (Plans 1 & 4; Joint Protection Available)

What does Involuntary Unemployment mean and how do I qualify for protection?

Involuntary Unemployment means that you involuntarily lost your employment in which you were actively working for income for twenty-four (24) hours or more per week, and are receiving, unemployment benefits.

To qualify for Involuntary Unemployment protection, the following requirements must be met:

1. You are involuntarily unemployed for 30 consecutive days; and
2. You are receiving unemployment benefits for the period of unemployment for which you are making a claim under this Agreement.

What amounts are cancelled under Involuntary Unemployment protection?

We will cancel 1/30th of the Payment for each day you are involuntarily unemployed, beginning with the first (1st) day of involuntary unemployment and continuing for (a) up to three (3) Payment cancellations per occurrence of Involuntary Unemployment; or (b) until you discontinue receiving unemployment benefits for any reason; or (c) you regain employment; whichever is earlier. Cancellation is limited to a total of \$15,000 over the term of the loan, regardless of the number of occurrences. The maximum monthly cancellation is \$1,000.

EXCLUSIONS

Exclusions apply to both the Outstanding Balance and any and all advances under an open-end credit plan.

Benefits will not be provided under any Protected Event if the Protected Event:

(1) is due to suicide committed within the first 2 years of protection; (2) is due to an intentionally self-inflicted injury; (3) is due to a Pre-existing Condition; (4) results from war or any act of war, whether declared or undeclared; (5) occurs on or after your 70th birthday; (6) results from the same occurrence for which you have already received maximum benefits under this Agreement. Benefits will also not be provided under one Protected Event if you are currently receiving benefits under another Protected Event. ☐☐

The following exclusions apply in addition to the above: ☐☐

Benefits will not be provided under Disability protection if: (1) the disability is related to a normal pregnancy, normal childbirth, or elective abortions. Complications due to pregnancy or childbirth will only be protected if the complications themselves are the cause of the disability. ☐☐

Benefits will not be provided under Involuntary Unemployment protection if:

(1) your job is terminated because: (a) you retire; (b) you quit or resign your employment for any reason; (c) you lose your employment due to (i) willful or criminal misconduct; (ii) discharge from active military service; (iii) disability caused by sickness or injury; or (iv) a strike, lockout, or labor dispute; (2) the involuntary unemployment commences within 90 days after your Effective Date; or (3) you received unemployment benefits within 2 years prior to applying for the Plan.

GENERAL PROVISIONS

How do I obtain benefits and verify a Protected Event under the Plan?

To obtain benefits under the Plan, you must notify us of a Protected Event within 30 days or as soon as possible, but no later than six (6) months after the occurrence of the Protected Event, and provide any documentation or information required by us/Plan Administrator at the time of your claim and/or throughout the period for which Payments are being cancelled. You must be able to verify the Protected Event to our satisfaction. If your delay in filing a claim prevents us in any way from determining eligibility under the Plan, no benefit will be issued. ☐☐

What if I sustain an unrelated injury or sickness while I am disabled?

If you are disabled ("original occurrence") and sustain an additional sickness or injury which would be in and of itself disabling, the additional sickness or injury will not be considered a new occurrence of Disability, but rather will be considered the same occurrence. This means that you will receive benefits only if you did not exhaust your maximum per-occurrence benefits in connection with the original occurrence. ☐☐

What if I suffer a recurrence of the same or related Protected Event?

If you incur a claim for the same type of Protected Event again within six (6) months after you have recovered or returned to full-time work, we will consider this a continuation of the prior event. (For disability, however, this only applies if you are disabled due to the same condition.) This means that the maximum number of cancellations per occurrence for the prior event will still apply; if that maximum was already reached, no benefits will be issued.

If you incur a claim for the same type of Protected Event again more than six (6) months after you have recovered or returned to full-time work, we will consider this a new event and the terms and conditions of the Plan apply as if no prior event occurred. This provision applies whether you return to work full-time with the same or different employer. ☐☐ What is the status of my loan following the occurrence of a Protected Event? During the time it takes to process your request for benefits, you are responsible for making your monthly payment by the due date. Once benefits begin, you are responsible for any difference between the minimum payment due on the loan and the amount that is cancelled. ☐☐

What if the term of my loan ends while I am receiving cancellations under the Plan?

Regardless of the number of cancellations you may otherwise be entitled to, cancellations will cease if the loan is paid off, refinanced, sold or transferred, or discharged for any reason. ☐☐

How can the Plan be terminated?

You may terminate this Agreement at any time by writing us at Alabama State Employees Credit Union, P.O. Box 231150, Montgomery, AL 36123-1150. If you do so within thirty (30) days of your enrollment in the Plan, we will credit your loan account for any fees charged for this protection. We can terminate this Agreement by giving you written notice at least thirty (30) days in advance of the termination. Termination by us or you will be effective on the first of the month following termination. Fees for the month in which notice of termination is received will still be due and collected from the loan payment. ☐☐

Your Plan participation will terminate without advance notice if (1) your loan is paid off, refinanced, sold or transferred, or discharged for any reason; (2) required loan payments are past due by 90 days or more; if you bring your loan current after your Protection has been terminated for delinquency, protection will not be reinstated automatically and you must reapply for the Plan. (3) you fail to pay the Plan Fee; (4) when you reach age 70 or die. For Joint Protection, when the oldest borrower reaches age 70, the oldest borrower's protection terminates. Protection will automatically convert to Single Protection for the younger borrower and the monthly fee will be adjusted accordingly. Once the younger borrower reaches age 70, all protection will terminate; or (5) the protected Outstanding Balance is paid off under the terms of the Plan or all maximum cancellations are reached. ☐☐

What are the tax implications?

You may be subject to federal, state and local taxes on the amount of your cancelled loan payment or balance. You should consult your tax advisor. We or the Plan Administrator do not provide you with guidance on the tax implications, if any, of a cancelled debt. ☐☐

What if I have questions about the Plan?

Telephone us at 1-800-634-9171 or write to us at Alabama State Employees Credit Union, P.O. Box 231150, Montgomery, AL 36123-1150 if you have any questions regarding this Plan.