

COMMUNITY 1 FEDERAL CREDIT UNION
IMPORTANT NOTICE REGARDING CHANGES IN THE TERMS OF YOUR LOANLINER™ OPEN-END PLAN AGREEMENTS

We are making changes in the terms and conditions of your LOANLINER™ Open-End Plan Agreements, which may affect you. The changes and effective dates are explained below. Please keep this Notice and your LOANLINER™ Open-End Plan Agreement with your records for your loan plan.

Why we are Making these Changes: The Congress signed into law the “CARD” Act which was intended to force the credit card industry to treat the consumer in a more even-handed manner. However, as well meaning as this Congress was, there are some side effects that came with this law, which was passed very quickly with little thought as to unintended consequences. Although it is clear that Congress was focused on Credit Cards, when the Act was written, it included all open-end credit plans. The Credit Union’s consumer (non-mortgage) loans are written under a plan called LOANLINER™. This system was designed to ease your obtaining various loans under the plan. These are not credit card loans, but include your car loan sub-account, and like loans. We do not feel this was Congress’ intent, but the CARD Act was written so broadly, that such loans are included. Certain provisions of the Act will affect your open-end plan loans. The Credit Union is required to deliver a statement on any open ended (LOANLINER™) loan to you at least 21-days before the due date of your loan. In order to meet this requirement of the CARD Act, the Credit Union is making the following changes:

Payment Due Date: REPAYMENT: Payments are due on the last day of the month. This will change the payment schedules set forth in any addenda or loan vouchers you may have received previously. Each Payment must include any amounts past due and any amount by which you have exceeded any credit limits for any payments unless we agree in writing to change the payment schedule.

Minimum Payment Due: Beginning with payment due dates in September of 2009 your payments shall be the last day of each month (“payment due date”). You may repay all or part of what you owe at any time without a prepayment penalty. Even if you prepay, you will be required to make all payments on the “payment due date” as follows:

Example of Current Payment	Example of Change in Payment Calculation Beginning September 2009
Weekly	Multiply Current Payment x 52 divided by 12
Current Weekly Payment = \$50.00	New Monthly Payment = \$216.67
Bi-Weekly	Multiply Current Payment x 26 divided by 12
Current Bi-Weekly Payment = \$115.00	New Monthly Payment = \$249.17
Semi-Monthly	Multiply Current Payment x 2
Current Semi-Monthly Payment = \$100.00	New Monthly Payment = \$200.00

Accounts Pre-Paid: Pre-payment does not affect your payment due dates, but allows your loan to pay-out more quickly. Thus, your payment due date and payment amounts shall be subject to the above changes. If you have not pre-paid through the new payment due date you may need to make an additional payment to insure the full minimum payment is made by the new payment due date.

The Credit Union will Work with You: We apologize for any inconvenience this may cause you, and hope you understand these changes are being made as required by Congress. Please feel free to call the Loan Department if you have questions or concerns about these changes. If you wish to keep your account as it has been, we can accommodate this by modifying the loan on a “closed-end” loan, which is not affected by the CARD Act. If you wish to consider this, the Credit Union will accommodate requests from members in good standing.

Effective Date of Changes: The effective date of these changes shall be the dates set forth above in this notice. Please call the **Credit Union’s Loan Department at 1-800-845-1035 or (864) 281-7640** if you have any questions.