



PO Box 179
 Greenbelt, MD 20768-0179
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 esfcu.org

Covered Borrower Under Military Lending Act

Security Agreement

BORROWER(S) NAME AND ADDRESS	DATE	LOAN/ACCOUNT NUMBER	MATURITY/EXPIRATION DATE															
OWNER OF PROPERTY NAME AND ADDRESS																		
<input type="checkbox"/> SECURITY OFFERED <input type="checkbox"/> CONSUMERS' CLAIMS AND DEFENSES -- IF CHECKED, SEE PARAGRAPH 6 FOR NOTICE																		
PROPERTY/MODEL	YEAR	I.D. NUMBER	<table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:50%;">LIEN AMOUNT</th> <th style="width:50%;">VALUE</th> <th style="width:50%;">KEY NUMBER</th> </tr> </thead> <tbody> <tr><td style="text-align: right;">\$</td><td style="text-align: right;">\$</td><td></td></tr> <tr><td style="text-align: right;">\$</td><td style="text-align: right;">\$</td><td></td></tr> <tr><td style="text-align: right;">\$</td><td style="text-align: right;">\$</td><td></td></tr> <tr><td style="text-align: right;">\$</td><td style="text-align: right;">\$</td><td></td></tr> </tbody> </table>	LIEN AMOUNT	VALUE	KEY NUMBER	\$	\$		\$	\$		\$	\$		\$	\$	
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OTHER (DESCRIBE):																		
PLEDGE OF SHARES AND/OR DEPOSITS \$	ACCOUNT NUMBER	PLEDGE OF SHARES AND/OR DEPOSITS \$	ACCOUNT NUMBER															

In this Agreement all references to "Credit Union", "We", "Our" or "Us" mean the Credit Union whose name appears on this Agreement and anyone to whom the Credit Union assigns or transfers this Agreement. All references to the "Loan" mean the Loan or Account with the loan/account number specified above. Any references to the "Advance" mean any Advance under an Account or Open-End "Plan". All references to "You" or "Your" mean each person who signs, or otherwise authenticates, this Agreement. All references to "Borrower" mean anyone who has signed, or otherwise authenticated, the Agreement for the Loan with the loan/account number referenced above, or agreed to an Advance under the "Plan".

A "Covered Borrower" for purposes of this Agreement means a consumer who, at the time the consumer became obligated on the Loan/Plan associated with this Agreement, was a covered member or a dependent of a covered member as defined by the Military Lending Act. A Covered Borrower does not mean a consumer who (though a Covered Borrower at the time he or she became obligated on the Loan/Plan associated with this Agreement) no longer is a covered member or a dependent of a covered member as defined by the Military Lending Act.

1. THE SECURITY FOR THE LOAN/ADVANCE -- By signing or otherwise authenticating this Security Agreement, You give Us what is known as a security interest in the Property described in the "Security Offered" section above. The security interest You give includes all accessions. Accessions are things which are attached to or installed in the Property now or in the future. The security interest also includes any replacements for the Property which You buy within 10 days of the Loan/Advance or any extensions, renewals or refinancings of the Loan/Advance. It also includes any money You receive from selling the Property or from insurance You have on the Property. If the value of the Property declines, You promise to give Us more property as security if asked to do so.

2. WHAT THE SECURITY INTEREST COVERS/CROSS COLLATERAL PROVISIONS -- The security interest secures the Loan/Advance and any extensions, renewals, modifications, or refinancings. **Unless prohibited by applicable law, this also secures any other loans/advances, including any credit card loan, You have now or receive in the future and any other amounts You owe Us for any reason now or in the future, except any loan secured by Your principal dwelling.** If the Property is household goods as defined by the Federal Trade Commission Credit Practices Rule, the Property will secure only this Loan/Advance and not other amounts You owe.

3. OWNERSHIP OF THE PROPERTY -- You promise that You own the Property You give as security or if this Loan/Advance is to buy the Property, You promise You will use the proceeds for that purpose. You promise that no one else has any interest in or claim against the Property that You have not already told Us about. You promise not to sell or lease the Property or to use it as security for a loan with another creditor until the Loan/Advance is repaid. You promise You will allow no other security interest or lien to attach to the Property either by Your actions or by operation of law.

4. PROTECTING THE SECURITY INTEREST -- If Your state issues a title for the Property, You promise to have Our security interest shown on the title. We may have to file what is called a financing statement or some other document or instrument to protect Our security interest from the claims of others. You irrevocably authorize Us to execute (on Your behalf), if applicable, and file one or more financing, continuation or amendment statements pursuant to the Uniform Commercial Code (UCC) in a form satisfactory to Us. You promise to do whatever else We think is necessary to protect Our security interest in the Property. You promise to pay all costs, including but not limited to any attorneys fees, We incur in protecting Our security interest and rights in the Property, to the extent permitted by applicable law.

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5. USE OF PROPERTY -- Until the Loan/Advance has been paid off, You promise You will: (1) Use the Property carefully and keep it in working order and good repair. (2) Obtain Our written permission before making major changes to the Property or changing the address where the Property is kept. (3) Inform Us in writing before changing Your address. (4) Allow Us to inspect the Property. (5) Promptly notify Us if the Property is damaged, stolen or abused. (6) Not use the Property for any unlawful purpose. (7) Not retitle the Property in another state without telling Us.

6. CONSUMERS' CLAIMS AND DEFENSES NOTICE -- *The following paragraph applies only when the box above is checked.* **NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.**

7. PROPERTY INSURANCE, TAXES AND FEES -- You promise to maintain property insurance on all Property that You give as security for the Loan/Advance. You may purchase the property insurance from anyone You choose who is acceptable to the Credit Union. The amount and coverage of the property insurance must be acceptable to Us. You may provide the property insurance through a policy You already have, or through a policy You get and pay for. You promise to make the insurance policy payable to Us and to deliver the policy or proof of coverage to Us if asked to do so.

If You cancel Your insurance and get a refund, We have a right to the refund. If the Property is lost or damaged, We can use the insurance settlement to repair the Property or apply it towards what You owe. You authorize Us to endorse any draft or check which may be payable to You in order for Us to collect any refund or benefits due under Your insurance policy. You also promise to pay all taxes and fees (like registration fees) due on the Property.

If You do not pay the taxes or fees on the Property when due or keep it insured, We may pay these obligations, but We are not required to do so. Any money We spend for taxes, fees or insurance will be added to the unpaid balance of the Loan/Advance and the Borrower(s) will pay interest on those amounts at the same rate agreed to on the Loan/Advance. We may receive payments in connection with the insurance from a company which provides the insurance. We may monitor Our loans/advances for the purpose of determining whether You and Borrower(s) have complied with the insurance requirements of Our loan agreements or may engage others to do so. The insurance charge added to the Loan/Advance may include (1) the insurance company's payments to Us and (2) the cost of determining compliance with the insurance requirements. If We add amounts for taxes, fees or insurance to the unpaid balance of the Loan/Advance, We may increase Loan/Account/Plan payments to pay the amount added within the term of the insurance or approximate term of the Loan/Advance.

For Louisiana Owners of Collateral: If the Property is a motor vehicle, You are required to maintain liability insurance on the Property in an amount not less than the minimum amount required by law. If You fail to maintain liability insurance on the Property, Your vehicle may be impounded. Any costs and/or penalties related to the impoundment of the Property that We pay may be deducted from the proceeds from the sale of the Property.

8. INSURANCE NOTICE -- If You do not purchase the required property insurance, the insurance We may purchase and charge Borrower(s) for will cover only Our interest in the Property. The premium for this insurance may be higher because the insurance company may have given Us the right to purchase insurance after uninsured collateral is lost or damaged. **The insurance will not be liability insurance and will not satisfy any state financial responsibility or no fault laws.**

For Louisiana Owners of Collateral: Louisiana law requires all motorists to be covered by a motor vehicle liability policy with legally prescribed liability limits. Failure to obtain insurance that meets those limits will subject You to penalties, which may include the suspension or revocation or driving privileges.

9. DELAY IN ENFORCING RIGHTS AND CHANGES IN THE LOAN/ADVANCE -- We can delay enforcing any of Our rights under this Agreement any number of times without losing the ability to exercise Our rights later. We can enforce this Agreement against Your heirs or legal representatives. If We change the terms of the Loan/Advance, You agree that this Agreement will continue to protect Us.

10. CONTINUED EFFECTIVENESS -- If any part of this Agreement is determined by a court to be unenforceable, the rest will remain in effect.

11. NOTICE FOR ARIZONA OWNERS OF PROPERTY -- It is unlawful for You to fail to return a motor vehicle that is subject to a security interest, within thirty days after You have received notice of default. The notice will be mailed to the address You gave Us. It is Your responsibility to notify Us if Your address changes. The maximum penalty for unlawful failure to return a motor vehicle is one year in prison and/or a fine of \$150,000.

12. DEFAULT -- Wisconsin and Iowa Owners of Collateral Only. You will be in default if You break any promise You make or fail to perform an obligation You have under this Agreement and that breach or failure to perform materially impairs the condition, value, or protection of, or Our rights in the Property. You will also be in default if any Property You have given Us as security is repossessed by someone else, seized under a forfeiture or similar law, or if anything else happens that significantly affects the value of the Property or Our security interest in it. You will also be in default if the Loan/Advance is in default.

New Hampshire Owners of Collateral Only. You will be in default if Our ability to realize on any motor vehicle that is security for this Loan/Advance is significantly impaired, except as limited by the New Hampshire Retail Installment Sales of Motor Vehicles law. You will be in default if any Property You have given as security is repossessed by someone else, seized under a forfeiture or similar law, or if anything else happens that significantly affects the value of the Property or Our security interest in it. You will also be in default if You break any promise or fail to perform any obligation You have under this Agreement. Additionally, You will be in default if the Loan/Advance is in default.

All Other Owners of Collateral. You will be in default if You break any promise You make or fail to perform any obligation You have under this Agreement. You will be in default if any Property You have given Us as security is repossessed by someone else, seized under forfeiture or similar law, or if anything else happens that significantly affects the value of the Property or Our security interest in it. You will also be in default if the Loan/Advance is in default.

13. WHAT HAPPENS IF YOU ARE IN DEFAULT -- *The following paragraphs apply to all Owners of Collateral except Wisconsin and Louisiana Owners of Collateral.* When You are in default -- and, for owners of collateral in Colorado, the District of Columbia, Iowa, Kansas, Maine, Massachusetts, Missouri, Nebraska, West Virginia, and state chartered credit unions lending to South Carolina borrowers, after You have been given any time You have under state law to cure Your default -- You agree that the Credit Union has the right to take possession of the Property given as security for the Loan/Advance without judicial process if this can be done without breach of the peace. If We ask, You promise to deliver the Property at a time and place We choose. If the Property is a motor vehicle or boat, You agree that We may obtain a key or other device necessary to unlock and operate it when You are in default. We will not be

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responsible for any other Property not covered by this Agreement that You leave inside the Property or that is attached to the Property. We will try to return that Property to You or make it available for You to claim.

After We have possession of the Property, We can sell it and apply the money to any amounts owed under the Loan/Advance. We will give You notice of any public disposition or the date on which a private disposition will be held. Our expenses for taking possession of and selling the Property will be deducted from the money received from the sale. Those costs may include the cost of storing the Property, preparing it for sale, and attorney's fees to the extent permitted under state law or awarded under the Bankruptcy Code.

Wisconsin Owners of Collateral Only. When You are in default, and after You have been given any right You have under state law to cure Your default, We can seek to take possession of the Property. You may voluntarily give the Property to Us if You choose, or We may seek to take possession of the Property by judicial process or any other method authorized by applicable law. If We ask, You promise to deliver the Property at a time and place We choose. You agree that We may obtain a key or other device necessary to unlock and operate it when You are in default and, if a judgment for replevin is necessary to take possession of the Property, after entry of a judgment for replevin. If We sell the Property, You agree to pay reasonable expenses incurred in disposing of the Property. If the Property is a motor vehicle, mobile home, trailer, snowmobile, boat or aircraft, You will also be required to pay any costs permitted under Section 422.413 of the Wisconsin Statutes. We may also exercise any other rights given by law when You are in default.

Louisiana Owners of Collateral Only. WHAT HAPPENS IF YOU ARE IN DEFAULT - LOUISIANA LAW PERMITS REPOSSESSION OF MOTOR VEHICLES WITHOUT JUDICIAL PROCESS - Pursuant to Louisiana law, if You are in default under this Agreement, the Credit Union will have the right to cause the Property to be immediately seized and sold under ordinary or executory process, with or without appraisal, in accordance with Louisiana law, whether during term of court or vacation, without the necessity of demanding payment from You or of notifying You and placing You in default. If the Property is a motor vehicle or boat, You agree that We may obtain a key or other device necessary to unlock and operate it when You are in default.

Unless You are a Covered Borrower under the Military Lending Act, for purposes of foreclosure under Louisiana executory process procedures, You hereby confess judgment in the Credit Union's favor for all amounts secured by this Agreement, in principal, interest, late charges, costs and attorney's fees, and for all other funds that the Credit Union may advance on Your behalf under this Agreement, such as for the payment of insurance, or taxes, or the preservation of the Property. To the extent permitted under applicable Louisiana law, You additionally waive: (a) the benefit of appraisal as provided under Articles 2332, 2336, 2723, and 2724 of the Louisiana Code of Civil Procedure; and all other laws with regard to appraisal upon judicial sale; (b) the demand in three (3) days' delay as provided under Articles 2639 and 2721 of the Louisiana Code of Civil Procedure; (c) the notice of seizure as provided under Articles 2293 and 2721 of the Louisiana Code of Civil Procedure; (d) the three (3) days' delay provided under Articles 2331 and 2722 of the Louisiana Code of Civil Procedure; and (e) all other provisions under Articles 2331, 2722 and 2723 of the Louisiana Code of Civil Procedure and all other Articles not specifically mentioned above.

The following applies to all Louisiana Owners of Collateral: You further agree that the Credit Union may appoint a keeper of the Property in the event of foreclosure. Should the Property for any reason be located in another state at the time of or following Your default, or should there be a subsequent change in Louisiana law permitting self-help remedies, You agree that the Credit Union may take possession of the Property in any manner then permitted under the laws of the state in which the Property is then located or under Louisiana law as then in effect. Should the Credit Union for any reason have or acquire possession of the Property at or following default, You agree that the Credit Union may sell the Property at public auction or private disposition, as authorized by Louisiana law or the applicable provisions of the Uniform Commercial Code in effect in the state where the Property is then located. If the Credit Union is required by law to give You notice of the public or private sale of the Property, notice shall be sent to You at Your last address appearing in the Credit Union's records prior to the sale or disposition, as required by law.

All expenses relating to the sale or other disposition of the Property, including without limitation, the Credit Union's expenses of retaking, holding, insuring, preparing for sale and selling the Property, will be secured under this Agreement and will be deducted from the money the Credit Union receives from the sale. Our expenses for taking possession of and selling the Property will be deducted from the money received from the sale. Those costs may include the cost of storing the Property, preparing it for sale and attorney's fees to the extent permitted under state law or awarded under the Bankruptcy Code.

14. FOR LOUISIANA OWNERS OF COLLATERAL ONLY --

- a. Governing Law.** You agree that any security rights that You are granting to the Credit Union will be subject to Louisiana law.
- b. Location of Property.** Unless otherwise indicated, the Property will be kept at Your address indicated on the first page of this document. You agree not to remove the Property from the State of Louisiana for more than 60 consecutive days without first obtaining the Credit Union's prior written consent.
- c. Miscellaneous.** Unless You are a Covered Borrower under the Military Lending Act, You waive any and all exemptions from seizure with regard to the Property as may be granted under applicable law.

SIGNATURES

THE TERMS OF THE SECURITY AGREEMENT ARE CONTAINED ABOVE. BY SIGNING, OR OTHERWISE AUTHENTICATING, YOU AGREE TO MAKE AND BE BOUND BY THE PROMISES IN THE SECURITY AGREEMENT.

Signature	Date
X	(Seal)

Signature	Date
X	(Seal)

Signature	Date
X	(Seal)

Witness Signature	Date
X	(Seal)