

## STATE FARM BANK CREDIT CARD AGREEMENT AND DISCLOSURE STATEMENT

This document and the table of Account-Opening Disclosures and other information printed on the card carrier that accompanies this document make up your credit card agreement with State Farm Bank. They are referred to together throughout this document as the Agreement. They contain important terms and disclosures regarding your credit card account. Please read them carefully and keep them for future reference. You will be bound by the terms of the Agreement unless you cancel your account within 30 days after you receive your credit card and before you or someone you have authorized uses your credit card or credit card account.

### The Parties to this Agreement

In this Credit Card Agreement and Account Disclosures (this "Agreement"), the words "you" and "your" refer to each person who requests that we establish a credit card account (the "Account") and issue a Visa® credit card (a "Card") to that person or for use by another person. If two or more persons request that we issue credit cards on the same card Account, the words "you" and "your" mean each and either of those persons, individually, and also all of those persons, jointly and severally. The words "we", "us", "our" and "State Farm Bank" mean State Farm Bank, F.S.B., a federal savings bank located in Bloomington, Illinois. Definitions of additional terms are contained in other paragraphs of this Agreement.

### Your Acceptance of the Terms of this Agreement

If you apply for a Card from us, or use a Card we issue to you, or use the account number associated with the Card, or if another person uses the Card or account number with your authorization, you will be deemed to have accepted and agreed to all of the terms and conditions of this Agreement.

If you do not wish to be bound by the terms and conditions of this Agreement, do not use the Card or authorize another person to use it. Instead, cut all of the Cards in two and return them to us within 30 days after you receive them.

### How to Use Your Card

Subject to the terms of this Agreement, we will make loans to you at our offices in Bloomington, Illinois when you use your Card (which term as used in this Agreement includes use of the account number associated with your Card) as follows:

- Purchases.** You may use your Card to purchase or lease goods or services ("Purchases") from merchants who honor Visa credit cards. Quasi-cash transactions, described below, are deemed to be Cash Advances and not Purchases.
- Cash Advances.**
  - You may use your Card to obtain a Cash Advance at most banks that display the Visa logo.
  - You may use your Card, in conjunction with the personal identification number ("PIN") we will issue to you, to obtain a Cash Advance at automated teller machines ("ATMs") that bear the Plus® logo. The operator of the ATM may add a surcharge to the amount of the Cash Advance you request. If so, the surcharge will be part of the Cash Advance charged to your Account.
  - You may use your Card to establish overdraft protection on a checking account if permitted by your financial institution. You obtain a Cash Advance each time your Card is used to fund such an overdraft.
  - We may send you blank forms of convenience checks or cash advance checks ("Convenience Checks" or "Checks") from time to time. If we do, you may use a Check to obtain a Cash Advance by signing and completing the Check in accordance with the terms on the Check and any written materials that accompany it. You obtain a Cash Advance each time you use a Check and we pay it when it is presented to us, including when you use a Check to purchase or lease goods or services.
  - You may obtain a Cash Advance when you use your Card for items that are convertible to cash or similar cash-like transactions that we may designate from time to time, including wire transfer money orders, other money orders, travelers checks, or foreign currency or tax payments (so-called "quasi-cash" transactions). However, your Card may not be used to obtain, and we will not honor requests for, a Cash Advance in the form of casino chips, bets or wagers, gaming transactions (including Internet gambling), lottery tickets or the like.
  - Certain establishments may cash your personal checks upon presentation of your Card. In the event we are required to pay the amount of a check cashed in this manner because your check is not paid for any reason, we may charge your Account for a Cash Advance in the amount of the check and any processing charge we incur.
- Balance Transfers.** You may use your Account to transfer balances from other accounts to your Account with us (a "Balance Transfer"). You may request a balance transfer by completing the balance transfer portion of the credit application, by completing and returning to us one of the balance transfer requests forms we may send you from time to time, by writing a Balance Transfer check we may send you or by writing or telephoning us. When you request a balance transfer, we will write our check or transfer funds to your other creditor. The amount of our check or funds transfer will be the amount of your Balance Transfer. Balance Transfers are treated as Purchases rather than Cash Advances for most purposes under this Agreement. However, interest charges may begin to accrue as of the date a balance transfer is posted to your Account. Balance Transfer transactions will not be processed if made payable to cash, to you, to any individual, to a deposit account, or to a State Farm Bank credit card account. If such a Balance Transfer is processed, State Farm Bank reserves the right to convert the transaction to a Cash Advance.

### Credit Limit

We will establish a credit limit for your Account from time to time. Your initial credit limit is shown on the card carrier. Your current credit limit will be shown on each monthly statement of your Account. The total amount of credit outstanding on your Account at any time must not be more than your then current credit limit. We may also establish at any time a separate credit limit (as a sub-limit within the overall credit limit for your Account) for Cash Advances. If we do, your outstanding Cash Advances balance of your Account must not exceed the Cash Advances credit limit at any time. We may set similar separate sub-limits for other portions of your Account balance. We may change your credit limit or sub-limits from time to time. We will attempt to notify you if we do, but the change may be effective before you receive notice.

### Exceeding Your Credit Limit

If you request credit in any form which, if granted, would cause either your total outstanding balance or your Cash Advances balance or other applicable sub-limit (including, in either case, transactions authorized but not yet posted to your Account) to exceed your credit limit, your Cash Advances credit limit, or any other credit sub-limit we establish for your Account, whether or not those balances were more than the respective credit limits before the request, we may, refuse to honor the request or in our sole discretion, we may honor the request and extend the credit. If we extend the credit, you will not be charged an over-the-credit limit fee, and you agree to repay the credit and the interest and other charges on it as part of the balance of your Account in accordance with the terms of this Agreement. We may extend credit that exceeds any credit limit applicable to your Account on one or more occasions without waiving our rights. If we previously honored requests for credit in excess of your credit limit, that does not mean we will or must honor further over-limit requests. If we refuse to honor a Check or Balance Transfer request, we may advise the person presenting the Check or Balance Transfer that credit has been refused or that there are insufficient funds to pay the Check or Balance Transfer.

### Interest Charges

#### When Interest Begins to Accrue:

- Interest on Purchases.** Except as provided in paragraph (b) below, interest on each Purchase (including a Balance Transfer) will accrue daily from and including the transaction date until the date each Purchase is completely repaid according to the payment allocation method then in effect. If the transaction date was in an earlier billing cycle than the posting date, interest will accrue from and including the first day of the billing cycle in which the transaction was posted.
- How to Avoid Paying Interest on Purchases.** You can avoid paying interest on Purchase (other than Balance Transfers) posted to your Account if you pay the entire New Balance of your Account each month not later than the Payment Due Date shown on your Account statement. If any portion of the balance of your Account is subject to an introductory or promotional rate, to avoid paying interest on Purchases (other than Balance Transfers) posted to your Account during the billing cycle you must pay the entire New Balance (including any part of the balance that is subject to the introductory or promotional rate) shown on the statement of your Account for that billing cycle by the Payment Due Date shown on the statement. If you fail to pay the entire New Balance of your Account before the Payment Due Date in any month, you can again avoid paying interest on Purchase (other than Balance Transfers) in the manner described above after you have paid the entire New Balance of your Account by the Payment Due Date for two consecutive months.
- Interest on Cash Advances.** Interest on each Cash Advance will accrue daily from and including the transaction date until the date each Cash Advance is completely repaid according to the payment allocation method then in effect. The transaction date for Cash Advances obtained by a Check is the date we process the Check.
- Interest that Accrues Prior to Payment in Full.** Interest accrues on the unpaid balance of your Account as described above until the date the balance is paid in full, except to the extent paragraph (b) above applies to Purchases posted to your Account. If you pay the entire New Balance shown on the monthly statement of your Account by the Payment Due Date, you will receive a statement the following month for interest that accrued from the closing date of the previous billing cycle until the date your payment in full was posted to your Account, even if no new transactions are posted to your Account after the closing date of the previous billing cycle. To minimize the amount of this interest, pay the New Balance in full immediately upon receipt of your monthly statement.

**Periodic Rates and Annual Percentage Rates of the Interest Charge:** The periodic rates we use to compute interest on your Account and the corresponding annual percentage rates are described below:

- Rate of Interest Charge on Purchases.** The daily periodic rate we use to compute the interest on all Purchases balances (including Balance Transfers) is a variable rate which is the sum of the Prime Rate plus a margin expressed as a percentage, divided by 365, except as otherwise provided below for certain introductory rates and certain promotional rates.

- Introductory Rate.** The daily periodic rate we use to compute interest on all Purchases or Balance Transfer offers is the introductory rate shown on the card carrier. The corresponding annual percentage rate is shown on the Account-Opening Disclosures on the card carrier. If you abide by the terms of this Agreement, the introductory rate will apply for the period of time shown on the card carrier and at the end of the introductory rate period the Preferred Pricing rate for Purchases will apply to the remaining introductory Purchase or Balance Transfer balances on your Account. If there is no space for disclosure of an introductory rate on the card carrier or if a space for an introductory rate is shown on the card carrier and is completed with "N/A" or is blank, an introductory rate does not apply on your Account.
- Preferred Pricing.** The Preferred Pricing daily periodic rate we use to compute interest on Purchases (including Balance Transfers other than Balance Transfers that are subject to any applicable introductory rate) is a variable rate equal to the sum of the Prime Rate plus the margin shown on the card carrier divided by 365. The current Preferred Pricing daily periodic rate of interest on Purchases (including Balance Transfers) is shown on your card carrier and the corresponding annual percentage rate of interest is shown in the Account-Opening Disclosures on the card carrier.
- Promotional Rates.** From time to time we may offer you certain promotional interest rates for certain types of transactions or certain parts of your Account balance. If you qualify for and accept the offer, the daily periodic interest rate of the promotional rate and the corresponding annual percentage rate will apply to the balance or portion of the balance of your Account in accordance with the terms of the promotional rate offer. At the end of the promotional rate period, Preferred Pricing for Purchases will apply to your Account.

- Rates of Interest on Cash Advances.** The daily periodic rate we use to compute the interest on all Cash Advances is a variable rate which is the sum of the Prime Rate plus a margin expressed as a percentage, divided by 365.

- Preferred Pricing.** The daily periodic rate we use to compute the interest on Cash Advances balances is a variable rate equal to the sum of the Prime Rate plus the margin shown on the card carrier divided by 365. The current Preferred Pricing daily periodic rate of interest on Cash Advances is shown on the card carrier, and the corresponding annual percentage rate of interest is shown in the Account-Opening Disclosures on the card carrier.

- Variable Rates of the Interest:** The Interest rates under subparagraphs (a) and (b) above, other than any applicable introductory rate on balance transfers or Purchases are variable rates based on the Prime Rate published in the "Money Rates" table in *The Wall Street Journal*. The interest rates and the corresponding annual percentage rates of interest charged under this Agreement may increase if the Prime Rate increases. The effect of an increase in the Prime Rate will be an increase in the amount of the Minimum Payment due under this Agreement. We will calculate the interest rates applicable to your Account every month based on the Prime Rate published in the "Money Rates" table in *The Wall Street Journal* two days prior to your statement closing date for the billing cycle. If two or more Prime Rates are published on that day, the highest of those rates will be used to calculate the rates of the interest under this Agreement. If two days prior to your statement closing date is a day on which *The Wall Street Journal* was not published, the previous business day on which *The Wall Street Journal* was published will be used. If *The Wall Street Journal* ceases publication, or no longer publishes the prime rate, or changes the manner by which its prime rate is determined, we may select another comparable index of short-term interest rates to be the "Prime Rate" under this Agreement. The new annual percentage rates, and the new daily periodic interest rates calculated by dividing the new annual percentage rates by 365, will apply to your Account beginning as of the first day of the billing cycle of your Account during which the new annual percentage rates and the corresponding daily periodic rates were calculated, and will continue to apply until new annual percentage rates and the corresponding daily periodic rates are calculated and have become effective in the manner described in this paragraph. The new annual percentage rates and the corresponding new daily periodic interest rates will apply retroactively to the first day of the billing cycle, and transactions that occurred during the billing cycle both prior to and after the date the new annual percentage rates were calculated will be subject to the new annual percentage rates and the corresponding new daily periodic interest rates for the entire billing cycle.

### Calculating the Balances to which the Periodic Interest Rates Are Applied:

We calculate an "average daily balance" separately for Purchases (including Balance Transfer, but excluding any introductory period Balance Transfers), Cash Advances, any introductory period Balance Transfers then in effect, and any special rate offers then in effect. To get the "average daily balance" of your Account we take the beginning balance of your Account each day for each of these types of transactions, add any new Purchases (including Balance Transfers, but excluding any introductory period Balance Transfers and introductory period Purchases), Cash Advances, introductory period Balance Transfers and other special rate offers (as applicable), and subtract any payments and other credits applied to that type of transaction under the payment allocation method then in effect. This gives us the daily balance for each of these types of transactions. (Credit balances are treated as zero for purposes of calculating the daily balances.) Then, we add all of the daily balances for the billing cycle for each of these types of transactions and divide the respective totals by the number of days in the billing cycle. This gives us the "average daily balance" for your Account for each of these types of transactions.

### Calculating Interest and Other Finance Charges; Minimum Interest Charge:

We figure the interest on Purchases (including Balance Transfers) and Cash Advances charged to your Account by multiplying each of the "average daily balances" of your Account by the applicable daily periodic rate of interest and then by the number of days in the billing cycle, and by adding the resulting products together. We then add any transaction fee finance charges, each calculated as provided below. If the amount of finance charge calculated as described above is more than zero but less than \$1.50, a minimum monthly finance charge of \$1.50 will be charged to your Account. We may, at our election, waive the finance charge on small Account balances.

### Finance Charges

- Cash Advance Fee:** If you use your Card or a Check (Convenience Check) to obtain a Cash Advance, we will charge your Account a Cash Advance fee equal to 4% of the U.S. dollar amount of the Cash Advance, subject to a minimum fee of \$10 for each Cash Advance.
- Balance Transfer Fee:** If you make a Balance Transfer to your Account, we will charge your Account a Balance Transfer fee equal to 3% of the U.S. dollar amount of the Balance Transfer transaction, subject to a minimum fee of \$10 and a maximum fee of \$250 for each Balance Transfer.
- International Transaction Fee:** If you use your Card to make an international transaction, we will charge your Account an International Transaction fee equal to 3% of the U.S. dollar amount of the transaction. An international transaction is defined as any transaction that was acquired in any country other than the United States.

### Penalty Charges:

The following fees will be charged to your Account as a Purchase in the billing cycle in which the event occurs:

- a Late Payment Fee if we do not receive payment in an amount at least equal to the Minimum Payment due shown on the monthly statement of your Account by the Payment Due Date shown on the statement. The amount of the Late Payment Fee will be:
  - an amount equal to your minimum Payment Due if your minimum Payment Due is less than \$25; or
  - \$25 if your Minimum Payment Due is \$25 or more.
- a Returned Payment Fee if a check or draft you send us as a payment on your Account is returned for insufficient funds or for any other reason. The amount of the Returned Payment Fee will be:
  - an amount equal to your minimum Payment Due if your minimum Payment Due is less than \$25; or
  - \$25 if your Minimum Payment Due is \$25 or more.
- a Returned Check Fee if we return a Check unpaid for any reason. The amount of the Returned Check Fee will be:
  - an amount equal to your minimum Payment Due if your minimum Payment Due is less than \$25; or
  - \$25 if your Minimum Payment Due is \$25 or more.

However, the amount of the fee will be \$35 if you also incurred the same fee on your Account within the immediately preceding six billing cycles of your Account.

### Other Charges:

The following fees will be charged to your Account as a Purchase in the billing cycle in which the event occurs:

- a monthly fee as disclosed in the State Farm Bank Credit Protection Program Terms and Conditions if you have elected to purchase an optional plan;
- a Statement Reprint Fee of \$5 for each copy of a monthly statement;
- a \$15 per hour (with a \$10 minimum) Account Research Fee for account research incurred in servicing your account at your request; and
- Unless prohibited by applicable law, the amount of any costs we incur in complying with state abandoned or unclaimed property laws with regard to your Account.

### Repayment; Minimum Payment Due Each Month

You promise to pay us the amounts of all credit you obtain through the use of your Card (including all Purchases, Balance Transfers and Cash Advances), all transaction fees and other charges we assess against your Account and all interest and other finance charges as provided in this Agreement. You agree to make your payments in the amounts and at the times provided in this Agreement. Time is of the essence.

We will provide a statement of your Account approximately monthly intervals if there has been activity on your Account, a finance charge is assessed during the preceding month, or there is a balance (credit or debit) in your Account exceeding \$1, unless we deem your Account to be uncollectible, or we have instituted delinquency collection procedures, or we have charged off the Account, or furnishing the statement would violate federal law. You may pay any amount up to the entire unpaid balance (the "New Balance") of your Account at any time. You agree to pay each month at least the amount of the Minimum Payment Due shown on your monthly statement by the Payment Due date shown on the statement. The monthly Minimum Payment Due is 1% of the New Balance (less interest charges and Late Fees and rounded to the nearest \$5.00) + Interest Charges + Late Fees + any Past Due Amounts or \$40, whichever is the greater (or your entire New Balance if less than

