

APPLICATION, DISCLOSURES, AND PROGRAM AGREEMENT for DEBT PROTECTION PLAN

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|---------------|------------------|-------------|----------------|--------------|
| BORROWER NAME | CO-BORROWER NAME | LOAN NUMBER | ACCOUNT NUMBER | DATE OF LOAN |
|---------------|------------------|-------------|----------------|--------------|

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 Service First Federal Credit Union ("us" or "we").

Termination of the Plan. You have the right to terminate the Plan at any time. If you terminate within 30 days of the first time we bill you, we will refund any fees paid. We have the right to terminate the Plan by giving you written notice at least 30 days in advance of the termination. See the "Termination of the Plan and Change in Terms" section for other ways the Plan may terminate.

Benefits May Be Denied. Even if you are eligible to purchase this Plan, there are eligibility requirements, conditions, and exclusions that could prevent you from receiving cancellations under the Plan. This agreement will provide you with a complete explanation of all eligibility requirements, conditions, and exclusions for the Plan. **Example:** If you received medical treatment within the 6 months before enrolling, and you become disabled for that condition within the 6 months after enrolling, you will not qualify for Disability cancellations (this is called a "pre-existing condition").

Eligible Loans: Consumer Loans

| I Elect: (Check only one box) | Cost: | |
|---|--|--|
| | Lines of Credit: monthly cost per \$1,000 of outstanding loan balance | Closed-End Loans: estimated total fee |
| ULTIMATE: Plan #852658 Death*: Cancels loan balance up to \$100,000 Disability: Cancels up to \$1,000 per month for up to 12 payments Involuntary Unemployment: Cancels up to \$1,000 per month for up to 3 payments | <input type="checkbox"/> Borrower (single) \$3.22 <input type="checkbox"/> Co-Borrower (single) \$3.22 <input type="checkbox"/> Both Borrowers (joint) \$5.88 | \$ _____ \$ _____ \$ _____ |
| ENHANCED: Plan #852659 Death*: Cancels loan balance up to \$100,000 Disability: Cancels up to \$1,000 per month for up to 12 payments | <input type="checkbox"/> Borrower (single) \$2.31 <input type="checkbox"/> Co-Borrower (single) \$2.31 <input type="checkbox"/> Both Borrowers (joint) \$4.15 | \$ _____ \$ _____ \$ _____ |
| ESSENTIAL: Plan #852660 Death*: Cancels loan balance up to \$100,000 | <input type="checkbox"/> Borrower (single) \$1.04 <input type="checkbox"/> Co-Borrower (single) \$1.04 <input type="checkbox"/> Both Borrowers (joint) \$1.75 | \$ _____ \$ _____ \$ _____ |

* Death includes the following additional benefits:
 Hospitalization: Cancels up to \$1,000 per month for up to 3 Payments

Cancellation Maximums

Monthly cancellations listed are per occurrence for each protected borrower.
Monthly cancellations for Disability and Involuntary Unemployment are limited to a maximum of \$15,000 over the term of the loan, per each Protected Event and per each protected Borrower.

Monthly cancellations for Hospitalization are limited to a maximum of \$3,000 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 Plan at this time. _____ (Borrower initials) _____ (Co-Borrower initials)

APPLICATION ELIGIBILITY

Eligible borrowers may apply for coverage any time up to 180 days after the date of (a) your closed-end loan or (b) an advance under a line of credit. Only one Borrower and one Co-Borrower may apply for the Plan. Co-signers, guarantors, and non-borrower owners of collateral are not eligible to apply.

To be eligible to apply, I must meet the following conditions. By signing this Application, I am stating that:

- I am under age 70;
- 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 had a positive HIV test;
- If applying for Disability or Involuntary Unemployment protection: I am presently working 24 or more hours per week;
- If applying for Involuntary Unemployment protection: 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.

90-Day Waiting Period: Involuntary unemployment that occurs within the first 90 days after your Effective Date will not be covered.

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.

Subsequent Election:

If checked, I am electing to add debt protection to the above closed end loan after my loan has been originated. I understand the monthly fee for debt protection will affect my loan as indicated below:

- Keep My Payment the Same:** The fee will be taken from my existing monthly payment, and my payment amount will not change. This will increase the time it takes to repay my loan. I agree to make additional loan payments of the same amount until the loan is fully repaid.
- Increase My Payment Amount:** The fee will be added to my monthly loan payment, which will increase my monthly payment so that my original maturity date remains the same. I agree to make greater monthly loan payments until the loan is fully repaid.

_____ (Borrower initials) _____ (Co-Borrower initials)

BORROWER'S SIGNATURES

Yes, I want to purchase the Plan. I have received a copy of this Application, Disclosures, and Program Agreement ("**agreement**"), and agree to follow the terms of this agreement. I authorize the Plan fees to be added to my loan payment each month. This document is a part of my loan or line of credit agreement. Each borrower applying for protection must sign (both borrowers must sign if applying for joint protection). You should carefully review all of the terms and conditions of the agreement before signing.

| | |
|--------------------|------|
| BORROWER SIGNATURE | DATE |
| X | |

| | |
|-----------------------|------|
| CO-BORROWER SIGNATURE | DATE |
| X | |

BENEFIT CHART - REQUIREMENTS, CONDITIONS, AND EXCLUSIONS

The following describes the types of Protected Events, the amounts cancelled, and the exclusions and conditions that apply:

| Protected Event | To qualify for cancellations: | Number of cancellations and amount*: | You will not receive cancellations if: |
|-------------------|---|---|--|
| Death | If you die during the term of this agreement, you will be eligible for cancellation. | We will cancel the outstanding balance, up to \$100,000. Only one cancellation will be made, even if you have joint protection. If you have joint protection and both borrowers die at the same time, no more than \$100,000 will be cancelled. | <ol style="list-style-type: none"> 1. Your death is due to: <ol style="list-style-type: none"> a. Suicide or intentionally self-inflicted injury committed within the first 2 years of protection; b. a Pre-existing Condition (see Definition section); c. war or any act of war, whether declared or undeclared; or 2. Your death occurs on or after your 70th birthday; or 3. Within the first 2 years after you apply, we find you were not eligible when you applied. |
| Disability | During the term of this agreement, you must: <ol style="list-style-type: none"> 1. Be continuously unable, due to sickness or injury, to perform the substantial and material duties of your regular occupation; and 2. Be under the regular care and treatment of a licensed physician or licensed health care provider; and 3. Be disabled for at least 14 consecutive days. | <ol style="list-style-type: none"> 1. We will cancel one payment if you are disabled for 14 days. Thereafter, we will cancel one payment for each Monthly Anniversary Date on which you are disabled, for up to 12 total payment cancellations. Your Monthly Anniversary Date is the numerical date of the month on which you become disabled. Example: Suppose you become disabled on April 4. If you are still disabled 14 days later on April 18, we will cancel one monthly payment. If you are still disabled on the Monthly Anniversary Date of May 4, we will cancel one additional monthly payment, and each monthly payment thereafter for each month you remain disabled on your Monthly Anniversary Date. 2. Cancellations will immediately stop if: <ol style="list-style-type: none"> a. you recover or return to work in a capacity that allows you to perform the substantial and material duties of your regular occupation; or b. the loan is paid off, refinanced with a different lender, or discharged. 3. Maximum monthly cancellation: \$1,000. 4. Maximum cancellation over the term of the loan: \$15,000 per borrower regardless of the number of occurrences. | <ol style="list-style-type: none"> 1. Your disability is due to: <ol style="list-style-type: none"> a. an intentionally self-inflicted injury; b. 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; c. a Pre-existing Condition (see Definition section); d. war or any act of war, whether declared or undeclared; or 2. Your disability occurs on or after your 70th birthday; or 3. Within the first 2 years after you apply, we find you were not eligible when you applied. |

| Protected Event | To qualify for cancellations: | Number of cancellations and amount*: | You will not receive cancellations if: |
|---------------------------------|--|---|--|
| Involuntary Unemployment | <p>During the term of this agreement, you must:</p> <ol style="list-style-type: none"> Involuntarily lose your employment in which you were actively working for income for 24 hours or more per week; and Be involuntarily unemployed for 14 consecutive days; and Be receiving state or railroad unemployment benefits.* <p>*If you are still unemployed after reaching your maximum state or railroad benefits, you must be registered with a state employment office or otherwise recognized employment agency to continue having payments cancelled.</p> <p>*If you reside in a state or territory without unemployment benefits, you must be registered with a recognized employment agency in order to continue having payments cancelled.</p> | <ol style="list-style-type: none"> We will cancel one payment if you are involuntarily unemployed for 14 days. Thereafter, we will cancel one payment for each Monthly Anniversary Date on which you are unemployed, for up to 3 total payment cancellations. Your Monthly Anniversary Date is the numerical date of the month on which you become unemployed. Example: Suppose you become involuntarily unemployed on April 4. If you are still unemployed 14 days later on April 18, we will cancel one monthly payment. If you are still unemployed on the Monthly Anniversary Date of May 4, we will cancel one additional monthly payment, and each monthly payment thereafter for each month you remain unemployed on your Monthly Anniversary Date. Cancellations will immediately stop if: <ol style="list-style-type: none"> your unemployment benefits are discontinued for any reason other than reaching the maximum benefit allowed; you regain employment; or the loan is paid off, refinanced with a different lender, or discharged. Maximum monthly cancellation: \$1,000. Maximum cancellation over the term of the loan: \$15,000 per borrower regardless of the number of occurrences. | <ol style="list-style-type: none"> Your unemployment occurs on or after your 70th birthday; Your unemployment occurs within the first 90 days after the Effective Date; Your unemployment was voluntary (e.g., you retired, quit, or resigned); or Within the first 2 years after you apply, we find you were not eligible when you applied. |
| Hospitalization | <p>During the term of this agreement, you must:</p> <ol style="list-style-type: none"> Be admitted to a "hospital" due to a medical condition; and Be hospitalized for 2 consecutive days. The term "hospital" includes any licensed medical hospital or chiropractic hospital, acute care, convalescent nursing, residential drug, psychiatric or hospice facility. | <ol style="list-style-type: none"> If you are hospitalized for two consecutive days, we will cancel up to three payments, or the remaining payments on your loan, whichever is less. Example: Suppose you were admitted to the hospital on March 4. If you are still hospitalized on March 6, we will cancel up to three (3) monthly payments. Maximum monthly cancellation: \$1,000. Maximum cancellation over the term of the loan: \$3,000 regardless of the number of occurrences. | <ol style="list-style-type: none"> Your hospital stay is due to: <ol style="list-style-type: none"> an intentionally self-inflicted injury; 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 hospitalization; a Pre-existing Condition (see Definition section); war or any act of war, whether declared or undeclared; or Your hospital stay occurs on or after your 70th birthday; Your hospital stay occurs within the first 90 days after the Effective Date; or Within the first 2 years after you apply, we find you were not eligible when you applied. |

***Additional Conditions:**

- Monthly cancellations listed above are per occurrence and per each protected borrower.
- If the Monthly Anniversary Date is the 29th, 30th, or 31st, the Monthly Anniversary Date will be the last day of the month in months in which there is no 29th, 30th, or 31st day.
- Cancellations will not be provided under one Protected Event if you are currently receiving cancellations under another Protected Event.
- Additional Disability cancellations will not be provided if you suffer another disability while you are already receiving Disability cancellations.

OTHER IMPORTANT TERMS

FEES AND CANCELLATIONS

What amounts will be cancelled? For Death protection, we will cancel the outstanding balance as of the date of death, up to the maximum listed on the Benefit Chart. For any other Protected Event, we will cancel the minimum regularly scheduled monthly loan payment due as of the month in which your Protected Event occurs, up to the maximum listed on your Benefit Chart. The amounts cancelled will include principal, interest, the monthly Plan fee and any amounts originally financed as part of the loan. We will not cancel late fees or other fees, real estate taxes or property insurance premiums; or any past due amounts. If you have a balloon loan, the balloon payment will only be covered for a Protected Event that cancels the outstanding balance.

How is my Plan Fee calculated and collected? The Plan Fee is calculated by applying the rate per \$1,000 (or any fraction thereof) to your monthly outstanding balance and will be charged and collected monthly. The fee is added to your outstanding balance and becomes part of your monthly loan payment. If you purchase the Plan after your loan has closed, we may increase your minimum monthly payment or extend the term of your loan.

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 do not provide you with guidance on the tax implications, if any, of a cancelled debt.

FILING A CLAIM

How do I file a claim? Contact us at (800) 456-1703. You must be able to verify the Protected Event to our satisfaction. If your delay in filing a claim prevents us from determining eligibility under the Plan, we will not make any cancellations.

In the event of a claim, we may ask you to sign a medical release and provide your past medical history. You also authorize the release of this addendum to the administrator for the purpose of verifying and processing your claim.

Can you dispute my coverage? Yes. If within the first 2 years of this Plan, 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. We can also deny a claim for the reasons listed in the Benefit Chart.

Do I have to make payments while my claim is being processed? Yes. While we are processing your claim, you must make your monthly payment on your loan or line of credit by the due date. Once cancellations begin, you are responsible for any amounts that are not cancelled.

What if I become disabled again or lose my job again? If you become disabled again with the same condition within 6 months of having recovered, or you become involuntarily unemployed again within 6 months of returning to full-time work, this will be a continuation of the first event. This means that if the maximum number of cancellations was already reached, we will not make any additional cancellations. But if you become disabled again with the same condition more than 6 months after your recovery, or you become involuntarily unemployed again more than 6 months after you return to full-time work, this will be a new event. It will also be a new event if you become disabled again with a different condition. This means you start a new set of cancellations, up to the maximums listed in your Benefit Chart.

What if I have an unrelated injury or sickness while I am disabled? If you are disabled ("original occurrence") and sustain another sickness or injury which would also be disabling, the second sickness or injury will not be considered a new occurrence of Disability. This means that you will receive cancellations for the second sickness or injury only if you did not reach your maximum per-occurrence cancellations for the original occurrence.

TERMINATION OF THE PLAN AND CHANGE IN TERMS

How can the Plan be terminated? (a) You may terminate this Plan at any time by writing us at Service First Federal Credit Union, 3901 E 10th St, Sioux Falls, SD 57103. If you do so within 30 days of the first time we bill you, we will credit your loan account for any fees charged. (b) We can terminate this Plan by giving you written notice at least 30 days in advance of the termination. Termination will be effective on the first of the month after you receive notice of termination. Fees for the month in which notice of termination is received will still be due and collected from the loan payment. (c) Your Plan will be terminated immediately and without notice: (1) If your loan is paid off, refinanced with another lender, sold, transferred, or discharged. (2) If your loan or line of credit payments are past due 90 days or more (if you bring your loan current after your Plan has been terminated for delinquency, you must reapply for the Plan). (3) 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. If either borrower dies, any available cancellation for death will be made, subject to the terms of this agreement, and the protection for that borrower will terminate. or (4) When the protected balance is paid off under the Plan or all maximum cancellations are reached.

Can you change the fee and terms of this Plan? Yes. We can change the terms of this Plan, including the fee, at any time. If we do, we will give you prior notice and a chance to terminate the Plan without penalty.

What if I refinance or modify my loan? If you refinance your loan with another lender, this Plan will terminate; if we are making cancellations when you refinance, cancellations will cease.

If you refinance the loan with us so that you have a new loan with us, this Plan will terminate, and you will need to complete a new debt protection application and requalify for protection if you wish to have debt protection on the new loan. However, if we are making cancellations at the time you refinance your loan with us, those cancellations will continue on the new loan in accordance with this agreement.

If you modify the terms of your loan without refinancing, coverage will continue in accordance with this Plan.

What if my loan ends while I am receiving cancellations under the Plan? Cancellations will stop if the loan is paid off, refinanced with a different lender, sold, transferred, or discharged, even if you haven't received all of your cancellations.

DEFINITIONS

Actively working 24 or more hours per week and full-time employment: This means that you are actively working for income for 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.

Effective Date: This means the date your Plan becomes effective, which is the later of: (1) the date you sign the Plan application; or (2) the date the loan funds are disbursed; or (3) the date of your first advance under a protected line of credit.

Pre-existing condition: This means a condition for which you received medical treatment or advice or had diagnostic tests for the same or related condition in the 6-month period prior to the Effective Date or an advance under a line of credit. This exclusion only applies if the Protected Event begins within the 6 months after the Effective Date or within the 6 months after an advance under a line of credit. Example: if you break your leg within the 6 months before the Effective Date or an advance under a line of credit, and you become disabled because of that broken leg within 6 months after the Effective Date or advance, we will not make any cancellations. However, if you become disabled 7 months after the Effective Date or advance, we will make cancellations as described in the Benefit Chart.

WHO TO CONTACT WITH QUESTIONS OR CONCERNS ABOUT THIS PLAN

Call us at (800) 456-1703 or write or visit us at Service First Federal Credit Union, 3901 E 10th St, Sioux Falls, SD 57103.

THIS IS NOT AN INSURANCE POLICY

This agreement is not a policy of insurance and you will not receive cash benefits. This agreement is between you and us as your creditor. Under this agreement, we will cancel your loan balance or payments if you qualify for such cancellation(s) under the terms of this agreement. If your claim is approved by us, we will cancel your balance or loan payments in accordance with this agreement. We have hired Minnesota Life Insurance Company to administer claims on our behalf, but they are not a party to this agreement.