



EMPLOYEES' FEDERAL

CREDIT UNION

P.O. Box 6006
Bethesda, MD 20827-6006
(800) 821-7280

NOTICE TO PROVIDE INSURANCE

PRE-DISCLOSURE AND SUPPLEMENTAL LOAN AGREEMENT PROVISIONS

You understand that the terms of your loan agreement require that:

(A) You obtain property insurance against loss or damage (subject to a maximum deductible of \$500.00) on the motor vehicle securing your loan in an amount sufficient to cover our interest in the motor vehicle. This coverage is commonly referred to as Comprehensive and Collision Insurance.

(B) The insurance policy obtained must contain a loss payable clause endorsement naming us as an additional insured.

You understand that you may obtain the insurance from any agent or company of your choice. You will instruct your insurance agent to send a copy of the insurance policy, including an appropriate loss payable clause endorsement, to:

**MARRIOTT EMPLOYEES FEDERAL CREDIT UNION
P.O. BOX 6006
BETHESDA, MD 20827-6006**

You hereby agree that if you fail to provide us with acceptable evidence of the required insurance coverage at all times during the term of your loan, you will be in default under the terms of your loan agreement. As a result you will represent a greater risk to us. In this event, the Credit Union may, at our option, default the loan or purchase insurance for our protection only. You authorize us to add such insurance premiums, and finance charges thereon at the interest rate set forth in your loan agreement, to your loan balance. At the same time, you further authorize the Credit Union to increase your scheduled monthly payment by one-twelfth of the total annual premium. The increase to your scheduled payment will remain effective until you provide the requisite insurance or the loan is paid in full. You understand that we will retain a security interest in the vehicle securing your loan until the entire balance, including any premiums and finance charges, is paid.

Because you will represent an increased risk, you understand and agree that any insurance purchased by us following your failure to provide the required insurance:

1. Will contain coverages exceeding the physical damage insurance requirements of your loan agreement, including, for example, Mechanics Lien Coverage (allowing reimbursement for mechanics liens satisfied to effect our repossession of the vehicle), Concealment or Secretion, Skip, Conversion, and Embezzlement Coverages (providing payment in the event of our inability to locate the vehicle), Confiscation Coverage (providing payment in the event we are unable to recover the vehicle because it has been confiscated by a governmental agency or body), Deficiency Coverage (providing reimbursement for unrecovered insurance premiums paid by us where no repossession has occurred), Return of Premium Coverage (providing reimbursement for unrecovered insurance premiums paid by us which we fail to recover following repossession and disposition of the vehicle) and Repossession Coverage (providing reimbursement for expenses incurred by us in the event of repossession of the vehicle, including storage expenses);
2. May provide a form of limited Comprehensive and Collision Coverage which is primarily designed to protect only our interest in the vehicle. This limited coverage will be subject to a \$500.00 deductible and will never exceed the least of (A) the net amount you owe on the loan, (B) the actual cash value of the vehicle at the time of any loss, or (C) the cost of repair or replacement of the vehicle;
3. Will NOT provide bodily injury or property damage liability coverage and will NOT fulfill the requirements of any financial responsibility law or any statutory requirement for no-fault coverages;
4. Will be rated according to high risk criteria and our business address rather than your residence; and
5. Will be effective and billed retroactively to the earliest date on which, to our knowledge, you were without the requisite insurance, regardless of when we actually put such insurance in place.

The terms of this NOTICE TO PROVIDE INSURANCE are hereby made a part of your loan agreement, which you will receive with the proceeds of your loan, and are binding upon you with the same effect as if they were set forth in such loan agreement.

Signature of Borrower	Social Security #	Date	Signature of Co-Borrower	Date
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