

**FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT
FOR RC WILLEY REVOLVING CHARGE ACCOUNTS**

This Disclosure Statement supersedes all prior Disclosures you may have received from RC Willey Home Furnishings Inc. dba RC Willey Financial Services (RC Willey) and applies to any new or existing RC Willey account, is accurate as of October 1, 2014, and is subject to change after this date as allowed by law. It is given by RC Willey in compliance with the Federal Truth-In-Lending Act.

INTEREST CHARGE COMPUTATION - Average Daily Balance Method: To get the “Average Daily Balance” for the calculation of the interest charge, we take the beginning balance of your plan each day, add any new purchases, late charges, insurance premiums, and subtract any payments or credits, and unpaid interest charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the “Average Daily Balance.” We then multiply this amount by the Monthly Periodic Rate associated with your account to obtain the monthly interest charge.

An interest charge will not be added to your plan during the current billing cycle if you pay the entire “Ending Balance” shown on your billing statement within 25 days of the “Statement Close Date”. The “Statement Close Date” is shown on each billing statement.

DEFAULT APR: The Default APR for Purchases may be charged as of the start of the billing cycle in which any of the following events occur: (i) you fail to pay at least the Minimum Payment due for any billing cycle within two billing cycles of when that Minimum Payment first became due; (ii) you fail to honor any other obligation (other than paying the Minimum Payment due) under the Cardholder Agreement.

STATE DISCLOSURES: California Residents: A married applicant may apply for a separate account. As required by law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations. You have the right to prohibit the disclosure to marketers of goods or marketing information concerning you, which discloses your identity. The telephone number to be used to exercise this right is (916)770-2440 or toll free 1-877-315-0183.

RC WILLEY REPAYMENT PLANS:

- a) **REGULAR REVOLVING PLAN (Reg Plan):** You may elect to pay off your new purchases by the due date on your statement without incurring an interest charge, or finance the purchases with low monthly payments. The “Interest Charge” on your Regular Revolving Plan for each monthly billing cycle is determined by multiplying your Plan’s “Average Daily Balance” (including current transactions) for the billing cycle, by the monthly periodic rate of 1.75%, which corresponds to an ANNUAL PERCENTAGE RATE OF 21%.
- b) **REGULAR ONLY (Reg O) (Reg C):** Based on your credit or payment history as determined by RC Willey, you may be restricted from using “deferred interest” financing. You will be notified at the time of application or review of any such restriction, in which case you may use only the Regular Revolving Plan.
- c) **DEFERRED INTEREST, MINIMUM PAYMENT PLANS (NI Plans) [OAC]:** **Minimum purchase required. These plans require minimum monthly payments.** Payment amount may vary depending on length of terms. Interest charges accrue but are not assessed if the remaining purchase balance is paid in full at the end of the prescribed number of billing cycles. **If payment in full is not made by the indicated due date, the balance plus accrued interest charges will be transferred to the Regular Revolving Plan.** In addition, if two consecutive payments are missed during the term the balance will be transferred to the Reg plan together with accrued interest charges. These plans require a \$1.00 per month statement handling fee for mailed paper statements. No fee for online statements.

PARTICIPATING THIRD PARTY MERCHANT REPAYMENT PLANS [OAC]: Restricted to REG (Regular Revolving) and 6NI – (6 month deferred interest) only.

PAYMENT CALCULATION: Your minimum monthly payment will be the greater of your minimum monthly payment for the previous billing or an amount computed as follows:

If your new plan balance is:		Your minimum monthly payment will be:
Under \$15.00		Amount of the new plan balance.
Over \$15.00	Regular/6NI:	\$15.00 or 3% of the new plan balance, whichever is greater, plus any past due payments.
		\$15.00 or 4% of the new plan balance if coverage under the "Payment Protection Plan" has been requested.
	Reg O/Reg C:	\$15.00 or 5% of the new plan balance, whichever is greater, plus any past due payments.
	12NI/18NI:	\$15.00 or 5% of the new plan balance, whichever is greater, plus any past due payments.

TREATMENT OF PAYMENTS: When your payment is received by RC Willey, it will be applied to the oldest unpaid payment in the following order: 1) to interest charge, 2) to insurance premium, 3) to principal. The remainder, if any, will be applied to the next oldest payment (in the order described above), until all unpaid payments have been paid. Deferred Interest payments are paid after all unpaid Regular Revolving Plan (REG Plan) payments have been paid and will be applied to existing deferred interest plan payments in the following order: 18NI, 12NI, 6NI. Any additional amounts will be applied to the principal balance of the longest term, deferred interest balance (or REG balance if no deferred interest balances) on your account as a single payment for that billing period and not as a future payment. You may "self-direct" individual payments differently by making them: 1) at www.rcwilley.com, 2) at any RC Willey store location, 3) or by payment-by-phone with an RC Willey billing representative. When your account is credited for reasons other than a payment, it will be applied to the balance of your account against which the monthly periodic rate is applied. RC Willey may accept partial payments, or any payment marked with any restrictive endorsement (such as "paid in full" or "settlement") without giving affect to the restrictive endorsement and without losing, waiving, or impairing any of RC Willey's rights under this agreement or under applicable law.

LATE CHARGE: RC Willey will charge a late fee on each payment that is not made within 5 days (10 days in California, Arizona, and Wyoming, 15 days in Idaho) of the previous "Payment Due Date."

SECURITY RIGHTS: You are giving RC Willey a purchase money security interest in all items financed pursuant to the terms of the Credit Application and Security Agreement.

FOR BILLING QUESTIONS REGARDING YOUR ACCOUNT, CALL TOLL FREE 1- 877-315-0183.

PRIVACY POLICY: RC Willey obtains information about you from credit applications, references and other documents you submit to us. We also obtain information about you from consumer credit reporting agencies and individual transactions financed on your account. The information we collect may be used to verify your identity in making purchases or to advertise other promotional offerings to you. RC Willey does not share or sell private information about our customers or former customers to anyone, other than our affiliates to perform specific services on our behalf. These affiliates are prohibited from using the information for any other purpose. If you would like a complete copy of our privacy disclosure or if you have any questions regarding this policy, please write us at: RC Willey, P. O. Box 65320, Salt Lake City, Utah 84165-0320, Attention: Credit Customer Relations, or call us at 1-877-315-0183.

DELINQUENCY: AS REQUIRED BY FEDERAL LAW, YOU ARE HEREBY NOTIFIED THAT SHOULD YOUR ACCOUNT BECOME DELINQUENT, A NEGATIVE CREDIT REPORT REFLECTING ON YOUR CREDIT RECORDS MAY BE SUBMITTED TO CREDIT REPORTING AGENCIES DUE TO YOUR FAILURE TO FULFILL THE TERMS OF YOUR CREDIT OBLIGATION.

RC WILLEY REVOLVING CHARGE SECURITY AGREEMENT TERMS AND CONDITIONS

1. I authorize you, RC Willey Home Furnishings Inc. dba RC Willey Financial Services (RC Willey), to obtain credit reports at any time in connection with (a) the issuance of this account; (b) the collection, review or renewal of the account; and (c) any change to the credit limit or terms of the account. I further authorize my employer (past, present or future) and other references to release and/or verify information to RC Willey as requested. I agree that I will promptly notify RC Willey of any changes to my credit information, i.e. address, phone number, employment etc.
2. By my electronic signature on the submitted Credit Application, I agree to abide by all the terms and conditions of this agreement. I have read the Federal Truth-In-Lending Disclosure Statement for Revolving Charge Accounts ("Disclosure Statement") and agree to pay all amounts I owe you according to the terms of the Disclosure Statement and this Agreement, as those terms may be changed from time to time.
3. I will timely pay to RC Willey, all amounts billed to me under the terms of the Disclosure Statement including all interest charges and other costs. RC Willey agrees to provide a monthly billing statement to the most recent billing address on file, or to my email address as per my request, for each month a balance is outstanding. Non-receipt of the billing statement shall not be deemed "cause" to withhold payment on the balance owing. Any purchase I make on credit evidenced by sales slip, memorandum, invoice or similar document will be deemed to have been made under the terms and conditions of this Agreement.
4. To the extent permitted by law, you may deem the outstanding balance on my account together with accrued interest charges in default if; a) I fail to make my payments on time; b) my account is included in a bankruptcy proceeding, or; c) if I breach any other terms of this agreement. In such event I may be required to pay off my entire balance, including accrued interest charges all at once or at a faster rate than shown on the "Disclosure Statement."
5. I agree that my liability for any purchases made under this Agreement is joint and several, meaning that I am responsible for the entire balance of the account, whether incurred by myself or authorized user.
6. I am giving you a purchase money security interest in all goods financed on credit under this Agreement and all proceeds of such goods. You may exercise any rights granted to a secured party under the provisions of the Uniform Commercial Code, including the right to repossess and sell such goods or proceeds thereof. If the amount received on sale of the goods, less costs of repossession, storage, sale and other costs, is insufficient to pay all amounts I owe you, I agree to pay you the amount of any such deficiency including interest charges and other fees.
7. I agree that, until the entire purchase price together with applicable charges shall have been fully paid for goods purchased under this Agreement, I will not sell the goods to a third party or pledge the goods as collateral to another lender.
8. The decision to offer credit to me is entirely yours, and you may revoke any credit granted to me or decline to grant further credit to me for any reason whatsoever.
9. If I elect Payment Protection insurance coverage in connection with this account, I authorize you to charge the insurance premium for each monthly repayment plan of my account. I understand the amount of the insurance premium is based on each month's ending balance of my revolving plans. Credit Insurance charges begin to accrue on the date of the sale for all purchases made on monthly repayment plans on my account. I understand this coverage is not required to obtain or retain my credit account.
10. You may change the terms of this Agreement at any time after giving me the minimum notice required by law, and the new terms will apply to the balance I owe you on the effective dates of any such changes. Specifically, but without limiting your right to make other changes, I agree that you may raise or lower the annual percentage rate chargeable on my account after two months prior notice to me.
11. In the event you are required to instigate legal action or to take other means to collect amounts I owe you, I agree to pay all your costs of collection, including, but not limited to, a collection agency fee assessed by a collection agency and/or reasonable attorney fees, with or without suit, together with all unpaid interest and court costs. Any Judgment

you obtain against me shall continue to bear interest until satisfied at the annual percentage rate applicable to my account balance at the date of Judgment. If I make payment on any purchase or billing on my account by check or debit card, and the item is returned to you unpaid for any reason, I agree to pay you a minimum fee as allowed by the laws of the state in which I reside for each such item, or for each time the item is resubmitted for payment together with your attorney's fees and costs in collecting payment on the item.

YOUR BILLING RIGHTS
KEEP THIS DOCUMENT FOR FUTURE USE

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

What to Do If You Find A Mistake On Your Statement:

If you think there is an error on your statement, write to us at: RC Willey Financial Services, P.O. Box 65320, Salt Lake City, Utah, 84165-0320 or email us at: credit@rcwilley.com. In your letter, give us the following information:

- Account information: Your name, address, and account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

What Will Happen After We Receive Your Letter:

When we receive your letter, we must do two things:

- Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
- Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your revolving credit limit.

After we finish our investigation, one of two things will happen:

- If we made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
- If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.
- If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

Your Rights If You Are Dissatisfied With Your Credit Card Purchases:

If you are dissatisfied with the goods or services that you have purchased with your credit card and you have tried in good faith to correct the problem with us, or the merchant, you may have the right not to pay the remaining amount due on the purchase.

To use this right, all of the following must be true:

- The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
- You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
- You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at: RC Willey Financial Services, P.O. Box 65320, Salt Lake City, Utah, 84165-0320 or email us at: credit@rcwilley.com.

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.