

# Design and Testing of Effective Truth in Lending Disclosures

*Findings from Experimental Study*

December 15, 2008

*Submitted to:*

Board of Governors of the Federal Reserve System



*Submitted by:*



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Board of Governors  
of the Federal Reserve System  
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# EXECUTIVE SUMMARY

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## BACKGROUND OF PROJECT

The Federal Reserve Board (the “Board”) is responsible for implementing the Truth in Lending Act (TILA), and currently does so through its Regulation Z. Since 2004, the Board has been in the process of reviewing portions of Regulation Z related to open-end credit, of which the primary example is general-purpose credit cards. The goal of the review is to ensure that the regulations lead to disclosures that consumers would most likely pay attention to, understand and comprehend, and be able to use in their decisionmaking.

In April 2006, the Board contracted with Macro International Inc. (“Macro”) to assist the Board in this effort. Over the past two and a half years, Macro conducted two rounds of focus groups and eight rounds of one-on-one cognitive interviews with consumers to help the Board refine its proposed regulations and produce model credit card forms that communicate key information to consumers effectively. Results from this qualitative research have been described in two previous reports for the Board.

While Macro’s qualitative work produced a number of important and actionable findings for the Board, after the final round of interviews there remained a number of issues on which the Board sought more conclusive evidence. To get a more definitive answer to these remaining questions, the Board contracted with Macro to conduct a quantitative study using mall intercept methodology. Participants in the study were shown model credit card forms, and were then asked to answer a series of questions to measure their understanding of the forms’ content. Because the forms shown to participants differed on a small number of variables related to format and wording, Macro was able to use the response data to determine whether each of these variables had a significant impact on consumer understanding.

The research questions that were addressed in this quantitative phase of the research were related to four types of disclosures:

- “Schumer Boxes,” which are tabular disclosures that are provided on or with direct-mail solicitations and applications for credit cards to help consumers compare and shop for credit cards.
- Periodic statements, which typically are provided on a monthly basis to inform cardholders about transactions, fees, and interest charges incurred in the previous billing cycle.
- Change-in-terms notices that may be provided with periodic statements or separately to inform consumers about revisions to their account agreements.
- Payment allocation disclosures, which the Board proposed in June 2007 to require in the Schumer Box, to describe to consumers how the issuer would allocate payments between balances with different interest rates. These notices are not currently required.

## METHODOLOGY

Macro carried out the survey using mall intercept methodology in seven locations across the country: Dallas, TX; Detroit, MI; Los Angeles, CA; Seattle, WA; Springfield, MA; St. Louis, MO; and Tallahassee, FL. Over a fielding period of four weeks in September 2008, a total of 1,022 consumers were interviewed.

After being recruited from public areas of the mall based on a series of screening questions, participants were directed to a self-contained research office where they completed the interview. Participants were first given one of eight different Schumer Box models and asked to review it just as they normally would if they had received it as part of a credit card offer. After the participants finished reviewing the Schumer Box, they were asked a series of questions to test their understanding of what they had read.

After participants had answered the series of questions about the Schumer Box, they were given an envelope containing one of 12 different periodic statement models. Participants were asked to review the contents of the envelope just as they do when they receive their credit card statements each month. Once they had completed their review, they were asked a series of questions to test their understanding of the contents of the envelope. Again, these questions were designed to answer the research questions related to periodic statements.

After participants had answered the series of questions about the periodic statement, they were asked about a hypothetical scenario in which they had account balances with two different interest rates. They were then asked a series of three questions to test their understanding of how banks typically allocate payments between balances. Once they had answered these questions, they were asked to read one of three sample disclosures related to payment allocation. After reading the notice, they were asked the same three questions again to test whether reading the notice had an impact on their understanding of payment allocation.

The models that were shown to consumers were rotated, so that approximately equal numbers saw each model. Participants received \$5 for completing the survey, which on average took approximately 15 minutes.

## KEY FINDINGS

Prior to designing the study, Macro worked with DCCA to develop a set of 13 specific research questions, most of which related to the impact of a particular design variable on consumer understanding. The testing forms and experimental framework were designed to answer these specific questions. Our findings were as follows:

### Findings Related to Schumer Boxes

- **Finding 1:** Adding references in the transaction APR rows of the Schumer Box directing participants' attention to corresponding transaction fees that they could be charged had very little impact on their awareness of those fees.



- **Finding 2:** Displaying identical APRs for different types of transactions in separate rows, rather than combining them into a single row, had a small, statistically insignificant ( $p=.16$ ) positive impact on participants' ability to identify the APRs. 70.2 percent of participants who saw Schumer Boxes with separate APR rows were able to identify their APR on balance transfers, compared to 65.6 percent who saw models with a combined APR row.
- **Finding 3:** Disclosing different types of fees in separate rows when the fee amounts were the same had a small, statistically insignificant ( $p=.27$ ) positive impact on participants' ability to identify these fees. 57.2 percent of participants who were shown Schumer Boxes with separate fee rows were able to correctly identify the fee they would pay for going over their credit limit, compared to 52.0 percent who saw models with a combined fee row.
- **Finding 4:** Participants who saw Schumer Box forms that listed the over-the-credit limit fee on the back of the page were statistically less likely to be able to identify this fee (40.6% vs. 68.7%,  $p<.01$ ).
- **Finding 5:** Adding a reference in the rows disclosing penalty fees that directed participants' attention to the Penalty APR had a small but statistically insignificant ( $p=.23$ ) positive impact on the percentage of participants who could identify this rate. 54.5 percent of participants who saw a form with this reference correctly identified the Penalty APR, compared to 50.0 percent who saw a form without the reference. The reference was more effective when the rows in which it was located appeared on the front of the page rather than the back.

## Findings Related to Periodic Statements

- **Finding 6:** Grouping the transaction list on the periodic statement by transaction type led to a statistically significant increase in the percentage of participants who could correctly identify their first cash advance. 61.6 percent of participants who saw a grouped transaction list could identify this transaction, compared to 49.7 percent of those who saw a list in which transactions were displayed chronologically ( $p<.01$ ).
- **Finding 7:** Participants who saw a grouped transaction list were more likely than those who saw chronological lists to be able to correctly identify the number of fees that they had been charged (53.6% vs. 28.1%,  $p<.01$ ).
- **Finding 8:** Participants who were shown a chronological transaction list were more likely than those who saw grouped lists ( $p=.03$ ) to be able to correctly match a transaction fee to its corresponding transaction. Among participants who correctly identified the first cash advance on their statement, 91.9 percent of those who saw chronological lists were able to identify the corresponding cash advance fee they were charged for that transaction, compared to 80.9 percent of those who saw a grouped list.

- **Finding 9:** When asked what would happen to the Fee-Inclusive APR<sup>1</sup> for cash advances if no more advances were made and the balance was not entirely paid off, only 6.8 percent of participants understood that the following month the Fee-Inclusive APR would be the same as the nominal APR on cash advances. 39.3 percent said that the Fee-Inclusive APR would stay the same in this scenario, while 31.9 percent indicated that they did not know the answer to this question.
- **Finding 10:** Participants who were shown a periodic statement that displayed the Fee-Inclusive APR were less likely to be able to correctly identify their current APR on cash advances than those who saw a statement that did not include the Fee-Inclusive APR (53.4% vs. 66.6%,  $p < .01$ ). At least part of this effect can be explained by the fact that participants had difficulty distinguishing these two terms.
- **Finding 11:** All models used in testing included a section at the top of the page that included payment information such as the due date, account balance, and minimum payment. This section also included a Late Payment Warning that stated the fee and Penalty APR that could be charged if a payment was not made on time. This information was arranged in three different ways on the different statement models. However, this difference had almost no impact on consumers' ability to find the information in the Late Payment Warning.

### Finding Related to Change-in-Terms Notices

- **Finding 12:** All periodic statement models that were shown to participants included a notice of changes in terms on either the first or second page. In some cases, this notice included a summary table of key changes; in other cases the notice simply stated that changes were being made and directed the account holder to a separate insert for more details. Participants who saw forms that included the summary table were more than twice as likely to be able to identify their new APR on purchases (7.2% vs. 3.5%,  $p < .01$ ).

### Finding Related to Payment Allocation Notices

- **Finding 13:** As noted above, participants were asked a series of three questions to test their understanding of how and why banks might allocate payments between balances. They were then given a written description of a hypothetical bank's payment allocation practice and asked the same three questions again. After reading this description, the percentage of participants who correctly answered the three questions increased from 17.7 percent to 22.9 percent. However, there seemed to be uncertainty even among people who answered all three questions correctly; about a fifth (19.4%) of participants who answered the questions correctly before reading the notice went on to answer at least one incorrectly after reading the notice.

<sup>1</sup> The Fee-Inclusive APR was the label used in testing for the term currently known as the Effective APR. This term was used because it was considered by the Board, based on one-on-one cognitive interviews, to be more descriptive for consumers.



# CHAPTER I: INTRODUCTION

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## BACKGROUND

The Truth in Lending Act (TILA) was enacted by Congress in 1968. The primary purpose of this act was to protect consumers by requiring that lenders disclose key pieces of information to consumers at various points in time. The Federal Reserve Board (the “Board”) was assigned by Congress the responsibility of implementing TILA, and currently does so through its Regulation Z.

In 2004, the Board began the process of revisiting some portions of Regulation Z to determine whether revisions were necessary. The rules being reviewed relate to open-end credit, of which the primary example is general-purpose credit cards. The goal of the review is to ensure that the regulations lead to disclosures that consumers would most likely pay attention to, understand and comprehend, and be able to use in their decisionmaking.

In April 2006, the Board contracted with Macro International Inc. (“Macro”) to assist the Board in this effort. Macro is a research and evaluation company headquartered in Calverton, MD, that has 40 years of experience working with government and non-profit clients. Over the past two and a half years, Macro conducted qualitative consumer testing for the Board to help it refine its proposed regulations and produce model credit card forms that communicate key information to consumers effectively. This consumer testing consisted of two rounds of focus groups and seven rounds of one-on-one cognitive interviews. Results from this qualitative research have been described in two other reports Macro has produced for the Board.

While Macro’s qualitative work produced a number of important and actionable findings for the Board, at the conclusion of this phase of the project there remained a number of issues on which the Board sought more conclusive evidence. In other words, there were several questions related to the formatting or wording of model forms for which it was unclear which option was most effective—or whether variation in that area made any difference at all to consumer understanding. To get a more definitive answer to these remaining questions, the Board contracted with Macro to conduct a quantitative study using mall intercept methodology. Participants in the study were shown model credit card forms, and then asked to answer a series of questions to measure their understanding of the forms’ content. Because the forms shown to participants differed on a small number of variables related to formatting and wording, Macro used the response data to determine whether each of these variables had a significant impact on consumer understanding.

This report describes this quantitative mall intercept research project. The report is divided into three primary sections; Chapter II describes the research questions that the Board was trying to answer through this study, Chapter III describes the methodology used by Macro to conduct the study, and Chapter IV provides a detailed account of the results of the experiment.

# CHAPTER II: RESEARCH QUESTIONS

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## INTRODUCTION

Macro began conducting consumer research for the Board related to Regulation Z open-end credit rules in the spring of 2006. Between then and the spring of 2007, Macro completed two sets of focus groups and five rounds of cognitive interviews with consumers. Based in part on findings from this research, the Board released proposed revisions to Regulation Z in June of 2007 and solicited public comment on its proposals. Following the comment period, Macro conducted another round of cognitive interviews in March 2008, the results of which informed the Board's release of a second round of proposed revisions in May of that year. Macro continued its work with two more rounds of cognitive interviews in July and August 2008.

As noted in Chapter I, Macro's qualitative research produced a number of clear findings related to how credit card disclosures could be made most effective and useful for consumers. In other cases, results from the focus groups and interviews did not provide a clear answer as to how disclosure factors impacted consumer understanding. It was these unresolved issues that the Board selected for further investigation in Macro's mall intercept study.

The research questions that were addressed in this quantitative phase of the research were related to four types of disclosures:

- **Schumer Boxes**, which are tabular disclosures that are provided on or with direct-mail solicitations and applications for credit cards to help consumers compare and shop for credit cards. Schumer Boxes are the only type of credit card disclosure for which a specific layout is currently required by the Board.
- **Periodic statements**, which typically are provided on a monthly basis to inform cardholders about transactions, fees, and interest charges incurred in the previous billing cycle. These statements inform consumers of when they must make a payment in order to avoid additional charges, as well as how large their payment must be. Periodic statements also include the interest rates that apply to the account.
- **Change-in-terms notices** that may be provided with periodic statements or separately to inform consumers about revisions to their account agreements. Currently, most issuers provide a notice on the statement that indicates that changes have been made to account terms and directs consumers to a separate insert that contains more detail about the changes. Some forms used in this study also included a summary of key changes on the statement itself.
- **Payment allocation disclosures**, which the Board proposed in June 2007 to require in the Schumer Box, to describe to consumers how the issuer would allocate payments between balances with different interest rates. These notices are not currently required.



## RESEARCH QUESTIONS RELATED TO SCHUMER BOX

### References from Transaction APRs to Transaction Fees

In early rounds of qualitative testing, there were some participants who, even after reading the Schumer Box, did not realize that fees could be charged for balance transfers and cash advances. In order to make this information more noticeable, cross-references were added in the APR rows for these types of transactions stating that fees will apply, and directing consumers to the Fees section of the Schumer Box for more information. Qualitative testing produced some evidence that adding these references did increase participants' awareness of transaction fees. At the same time, however, requiring this text would add to the length of the Schumer Box. The Board sought to obtain additional data regarding whether cross-references were effective, to determine whether the references should be required by the final rule. Therefore, this was included as a research question in the quantitative study.

**Research Question #1: Does including references to transaction fees in rows for transaction APRs impact consumers' ability to correctly identify those fees?**

### Combined vs. Separate Rows for Transaction APRs and Penalty Fees

The proposed rules released by the Board in June 2007 would have required that Schumer Boxes include separate rows displaying the APRs for purchases, balance transfers, and cash advances. Some industry commenters asked that issuers be allowed to combine APRs for different transaction types into the same row, assuming that all the information was the same. For example, rather than including separate rows indicating that the APRs for balance transfers and cash advances were variable rates of 21.99%, commenters suggested that the Board allow issuers to show a single row listing information for "APRs on Balance Transfers and Cash Advances." The commenters noted that this would save space on the form. However, the Board was concerned that allowing issuers to combine rows in this way might negatively impact consumers' ability to distinguish the different APRs. To test whether this was the case, the Board decided to include this as a research question in the quantitative study.

**Research Question #2: Does combining information about APRs for different transaction types into a single row (as opposed to having a separate row for each type) impact consumers' ability to correctly identify transaction APRs?**

Similarly, the Board's June 2007 proposed rules also required that the Schumer Boxes include separate rows for each type of fee. Again, commenters asked for the flexibility to combine multiple types of fees into a single row if the fee amounts were the same. As with Research Question #2 above, the Board decided to test the impact of combining rows for different types of fees on consumers' awareness of the fees.

**Research Question #3: Does combining information about penalty fees into a single row (as opposed to having a separate row for each type of fee) impact consumers' ability to correctly identify these fees?**



## Displaying Penalty Fees on the Back of the Schumer Box

In its June 2007 proposed rules, the Board added some requirements for what information should be included in the Schumer Box. In doing so, it was aware that it was increasing the possibility that the Schumer Box would not fit on a single page, and therefore that the final rows of the box could appear on the back of the page. However, there was some evidence from the final three rounds of qualitative testing that information that appeared on the back of the Schumer Box was less likely to be seen by consumers. To test the extent to which this was truly the case, the Board included this as a research question for this quantitative study.

**Research Question #4: Does having penalty fees appear on the back of the Schumer Box, as opposed to the front, impact consumers' ability to correctly identify these fees?**

## References from Penalty Fees to Penalty APR

Most participants in early rounds of testing understood that they could be charged penalty fees if they paid late or went over their credit limit. However, a significant number did not understand that their APRs could also be increased in these situations. Even after a number of formatting changes were made to the Schumer Box to increase the prominence of the information about Penalty APRs (such as requiring that it be displayed in a separate row), a number of participants still did not notice this information. To address this issue, references were added to the Penalty Fee rows stating that APRs could also increase, and directing consumers to the Penalty APR section of the Schumer Box for more information. Qualitative testing provided some evidence that adding these references did increase participants' awareness of the Penalty APR. Again, however, the Board was aware that requiring this text would add to the length of the Schumer Box. For this reason, the Board wanted to obtain additional data regarding the effectiveness of these references quantitatively before requiring them in the Schumer Box.

**Research Question #5: Does including a reference to the Penalty APR in the rows containing penalty fees impact consumers' awareness of the Penalty APR?**

## RESEARCH QUESTIONS RELATED TO PERIODIC STATEMENT

### Grouped vs. Chronological Transaction Lists

One aspect of periodic statement design that was investigated through cognitive interviews with consumers was grouping transaction lists by type. Currently, the transaction lists provided by most issuers display transactions and charges in chronological order, regardless of their type—that is, purchases, cash advances, fees, etc. are interspersed throughout the list. Qualitative research, however, provided some preliminary evidence that listing all transactions of a given type together made it easier for consumers to find and identify information in the list. Because commenters on the Board's proposals stated that requiring transaction lists to be designed in this way would entail significant burden for many credit card issuers, the Board wanted to investigate

further whether grouping the lists in this way has an impact on consumers' ability to identify individual transactions. As a result, this research question was included in this quantitative study.

**Research Question #6: Does grouping the transaction list by transaction type, rather than presenting transactions in chronological order, impact consumers' ability to identify individual transactions?**

Results from the qualitative research showed that grouping transaction lists by type might have a particularly strong impact on consumers' awareness of fees that they were charged. Cognitive interviews showed that some consumers only skimmed their transaction lists quickly and as a result did not notice fees that were interspersed in the list among other types of transactions. When fees were displayed as a separate section in the list, however, participants were more likely to see them. Because it considered the disclosure of fees to be a particularly important purpose of periodic statements, the Board wanted to test the effect of grouped transaction lists on consumers' awareness of fees.

**Research Question #7: Does grouping the transaction list by transaction type, rather than presenting transactions in chronological order, impact consumers' awareness of fees that they have been charged?**

Some industry commenters on the Board's June 2007 proposal expressed concern that grouping transaction lists might make it more difficult for consumers to connect transaction fees with their corresponding transactions. For example, they noted, in a chronological transaction list it is relatively easy for consumers to connect cash advances and the fees they were charged for the advances, because they are listed next to each other. In a grouped list, commenters argued, it would be more difficult for consumers to connect cash advance fees with the corresponding cash advances, which would no longer be listed next to the fees. Cognitive interviews provided some preliminary evidence that this might be the case, but this evidence was not conclusive. As a result, the Board decided to test this question quantitatively.

**Research Question #8: Does grouping the transaction list by transaction type, rather than presenting transactions in chronological order, impact consumers' ability to relate transactions to their corresponding transaction fees?**

## Fee-Inclusive APR

Throughout the multiple stages of qualitative testing, one of the most consistent findings was that very few participants understood the meaning of the Fee-Inclusive APR that was included on statement models.<sup>2</sup> Participants had a wide variety of incorrect interpretations of these percentages, including that they were the interest rates that would be paid on fees, penalty rates that would be charged if late payments were made, or the percentages of total transactions that

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<sup>2</sup> This term is currently called the Effective APR. However, during qualitative testing it was re-labeled "Fee-Inclusive APR" because the term was considered more descriptive to consumers.



were made of each type. These misconceptions persisted even after multiple labels were tested for this term and a more detailed description was added to the statement. At the same time, some consumer group commenters on the Board's June 2007 proposal felt strongly that this term is the best measure of the true cost of credit and that it should continue to be required on statements. In order to gather more data as to how many consumers are able to understand this term, the Board decided to include it in the quantitative study.

### **Research Question #9: What percentage of consumers understand the meaning of the Fee-Inclusive APR?**

In addition to a general lack of understanding of the Fee-Inclusive APR, qualitative testing also found several instances when participants confused this term with their nominal APR for a given transaction. The Board was concerned that continuing to require that the Fee-Inclusive APRs be disclosed would cause confusion for consumers—particularly if, as described under Research Question #8 above, they did not understand the significance of the term itself. Therefore, the Board decided to test the extent to which consumers confuse these two terms.

### **Research Question #10: Does including the Fee-Inclusive APR on periodic statements impact consumers' ability to correctly identify their transaction APRs?**

## **Late Payment Warning and Format of Payment Information**

The Board's June 2007 proposal required the inclusion of a Late Payment Warning that disclosed that if a late payment was made a late fee would be charged and APRs may be increased. The proposed Late Payment Warning also disclosed the amount of the late fee, as well as the specific Penalty APR that would be charged. The proposal indicated that this warning would have to be located "in close proximity" to the account balance and minimum payment amount. However, some industry commenters were concerned that because the Board released a model form with its proposal, this would amount to a de facto requirement for how this section of the statement should be laid out and formatted. These commenters asked for more flexibility for how this information (referred to here as the "payment information" section of the statement) could be designed. Before granting this flexibility, however, the Board wished to ensure that alternate formats would not negatively impact consumer awareness of the Late Payment Warning. Therefore, this question was included in the quantitative study.

### **Research Question #11: Does the format in which payment information is provided impact consumers' awareness of the required Late Payment Warning?**

## **RESEARCH QUESTION RELATED TO CHANGE-IN-TERMS NOTICE**

Currently, when credit card issuers make account changes they often put a notice on the periodic statement that changes have been made, but then provide details about the changes themselves in a separate insert that is provided with the statement. However, qualitative research showed that many consumers do not notice these minimal change-in-terms notices on their statements, and do

not read inserts that come in the same envelope as their statement. Because the Board was concerned that consumers were not becoming aware of changes to their account, it proposed that when changes are made to account terms, issuers would have to include a notice on the statement that includes a summary chart of key changes, when a change-in-terms notice is included with the periodic statement. Because complying with this regulation would entail some burden on the part of issuers, before finalizing the rule the Board decided to gather more quantitative data as to the effectiveness of adding a summary chart to the periodic statement when a change-in-terms notice is included with the statement.

The Board was also interested in investigating whether the placement of this change-in-terms notice had an impact on consumer awareness of the changes—specifically, whether the notice was displayed on the first or second page of the statement. This research question was also included in this study.

**Research Question #12: Is consumers' awareness of changes to their account impacted by a) whether the periodic statement includes a summary table of changes to key terms, and b) whether the change-in-terms notice appears on the first or second page of their statement?**

## RESEARCH QUESTION RELATED TO PAYMENT ALLOCATION DISCLOSURE

One of the topics of qualitative testing was how and if issuers should disclose in the Schumer Box their method of allocating payments to different account balances. Over the course of this testing, a number of different disclosure wordings and locations were tested. However, the researchers found that regardless of how this disclosure was presented, it was unclear whether it had a significant impact on consumer understanding. Among participants who did not already understand how banks allocated payments based on prior knowledge or experience, many did not understand it any better after reading the disclosure. The Board felt that the effectiveness of this disclosure was an important factor in how and if it should be required, and therefore included this as a research question in the quantitative testing.

**Research Question #13: Does consumers' understanding of payment allocation practices improve after reading a written description of these practices?**



# CHAPTER III: EXPERIMENTAL METHODOLOGY

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## MODEL DISCLOSURES USED IN TESTING

Each of the 13 research questions above was designed to test one or more factors related to the location or wording of disclosures. Therefore, the forms that were shown to participants in testing were designed so that each of these factors was varied between forms. A total of three factors were varied in Schumer Box forms, and five factors were varied in periodic statement forms. These factors are described below in narrative form. Figures 1 and 2 illustrate how these differing factors appeared on the forms that were used in testing. Figure 1 shows the front and back of two representative Schumer Box forms, while Figure 2 shows the first and second page of two representative periodic statement forms.<sup>3</sup>

### Schumer Boxes (Figure 1)

#### *Factor 1: Combined APR and Penalty Fee Rows*

In some Schumer Box models, the APRs for balance transfers and cash advances were listed in separate rows, as were the returned payment and over-the-credit limit fees (Model A). In other models, these two APRs were listed in a single row, as were the two penalty fees (Model B).

#### *Factor 2: Inclusion of Cross-References*

Some Schumer Box models (such as Model A) included two types of references: a) references in the transaction APR rows directing readers to information about corresponding transaction fees; and b) references in the Penalty Fee rows directing readers to information about the Penalty APR. Other models did not include these references (Model B).

#### *Factor 3: Penalty Fees on Back*

In some Schumer Box models, information about returned payment and over-the-credit limit fees appeared on the back of the page (Model A). In other models, this information appeared on the front of the page (Model B).

For the portion of the experiment related to Schumer Boxes, a full factorial experimental design was used. Eight different Schumer Box models were developed and used in testing, each of which represented one of the possible combinations of the three factors listed above. Appendix A provides the eight models that were used in testing, as well as a table that summarizes the characteristics of each.

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<sup>3</sup> Note: The Schumer Box and periodic statement models shown in Figures 1 and 2 are meant only to illustrate the factors that were varied between forms; they are not models that were actually used in testing.

Figure 1

Form A

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	0.00% (Intro. APR through your May 2009 billing cycle) <b>11.99%</b> (Standard APR after May 2009)  Your standard APR will vary with the market based on the Prime Rate.
<b>F1</b> { APR for Cash Advances and Balance Transfers	<b>20.99%</b>  This APR will vary with the market based on the Prime Rate.
Loss of Introductory APR	We will end your introductory APR and apply the standard APR to your outstanding balance if you perform any of the actions listed in the Penalty APR row below.
Penalty APR and When It Applies	<b>31.99%</b>  This APR may be applied to your account if you: 1) Make a late payment twice in a six-month period; 2) Go over your credit limit; or 3) Make a payment that is returned.  <b>How Long Will the Penalty APR Apply?:</b> If your APRs are increased for any of these reasons, we may keep them at this higher level indefinitely.
How To Avoid Paying Interest On Purchases	Your due date is at least 24 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire outstanding balance (excluding promotional balances) by the due date each month.
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$1.50.
For Credit Card Tips from the Federal Reserve Board	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at <a href="http://www.federalreserve.gov/location">www.federalreserve.gov/location</a> .

Fees	
Annual Fee	<b>\$60</b>
Transaction Fees	<ul style="list-style-type: none"> <li>Balance Transfer: <b>\$20</b> if amount of transfer is less than or equal to \$1,000; <b>\$30</b> if amount of transfer is more than \$1,000</li> <li>Cash Advance: Either <b>\$10</b> or <b>5%</b> of the amount of each cash advance, whichever is greater.</li> <li>Foreign Transaction: <b>2%</b> of the amount of each transaction.</li> </ul>
<b>F3</b> { Penalty Fees	<ul style="list-style-type: none"> <li>Late Payment: <b>\$24</b> if balance is less than or equal to \$1,000; <b>\$27</b> if balance is more than \$1,000</li> <li>Returned Payment or Over-the-Credit Limit: <b>\$35</b></li> </ul>

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)".

Form B

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	0.00% (Intro. APR through your May 2009 billing cycle) <b>11.99%</b> (Standard APR after May 2009)  Your standard APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	<b>20.99%</b>  This APR will vary with the market based on the Prime Rate.  Balance transfer fees will also apply (see Fees section below). } <b>F2</b>
<b>F1</b> { APR for Cash Advances	<b>23.99%</b>  This APR will vary with the market based on the Prime Rate.  Cash advance fees will also apply (see Fees section below). } <b>F2</b>
Loss of Introductory APR	We will end your introductory APR and apply the standard APR to your outstanding balance if you perform any of the actions listed in the Penalty APR row below.
Penalty APR and When It Applies	<b>31.99%</b>  This APR may be applied to your account if you: 1) Make a late payment twice in a six-month period; 2) Go over your credit limit; or 3) Make a payment that is returned.  <b>How Long Will the Penalty APR Apply?:</b> If your APRs are increased for any of these reasons, we may keep them at this higher level indefinitely.
How To Avoid Paying Interest On Purchases	Your due date is at least 24 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire outstanding balance (excluding promotional balances) by the due date each month.
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$1.50.
For Credit Card Tips from the Federal Reserve Board	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at <a href="http://www.federalreserve.gov/location">www.federalreserve.gov/location</a> .

Fees	
Annual Fee	<b>\$60</b>
Transaction Fees	<ul style="list-style-type: none"> <li>Balance Transfer: <b>\$20</b> if amount of transfer is less than or equal to \$1,000; <b>\$30</b> if amount of transfer is more than \$1,000</li> <li>Cash Advance: Either <b>\$10</b> or <b>5%</b> of the amount of each cash advance, whichever is greater.</li> <li>Foreign Transaction: <b>2%</b> of the amount of each transaction.</li> </ul>
Penalty Fees	<ul style="list-style-type: none"> <li>Late Payment: <b>\$24</b> if balance is less than or equal to \$1,000; <b>\$27</b> if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above.) } <b>F2</b></li> </ul>

TURN OVER for more important information about your account.

Figure 1 (continued)

Form A

State Law Disclosures

**Notice to New York State Residents:** Consumer reports may be requested in connection with the processing of your application and any resulting account. Upon request, we will inform you of the names and addresses of any consumer reporting agencies which have provided us with such reports.

**Notice to Ohio Residents:** Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

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:

Artesian Bank  
P.O. Box 1390  
Norfolk, VA 23501-1390

You may also contact us on the web: [www.artesianbank.com](http://www.artesianbank.com)

In your letter, give us the following information:

- **Account information:** Your name 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 or electronically. 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:

1. 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.
2. 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 the amount in question.
- 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 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 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:

1. 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.)
2. 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.
3. 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 or electronically at:

Artesian Bank  
P.O. Box 1390  
Norfolk, VA 23501-1390  
[www.artesianbank.com](http://www.artesianbank.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.



Form B

Penalty Fees (cont.)

F3

- Returned Payment
- Over-the-Credit Limit

**\$38** (Your APRs may also increase; see Penalty APR section above.)  
**\$35** (Your APRs may also increase; see Penalty APR section above.)

F2

**How We Will Calculate Your Balance:** We use a method called "average daily balance (including new purchases)".

State Law Disclosures

**Notice to New York State Residents:** Consumer reports may be requested in connection with the processing of your application and any resulting account. Upon request, we will inform you of the names and addresses of any consumer reporting agencies which have provided us with such reports.

**Notice to Ohio Residents:** Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

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In your letter, give us the following information:

- **Account information:** Your name 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 or electronically. 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:

1. 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.
2. 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 the amount in question.
- 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 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 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:

1. 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.)
2. 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.
3. 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 or electronically at:

Artesian Bank  
P.O. Box 1390  
Norfolk, VA 23501-1390  
[www.artesianbank.com](http://www.artesianbank.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.





## Periodic Statements (Figure 2)

### ***Factor 1: Presence of Change-in-Terms Summary Table***

In some statement models, the change-in-terms notice included a summary table that highlighted changes to the APR on Purchases and returned payment fee (Model A) with a reference to a separate insert for more details. In other models, the change-in-terms notice noted only that changes were being made to the account, and also directed readers to a separate insert for more details (Model B). The same insert was provided with all models; this insert provided a summary table, as well as more details about the account changes. The insert is shown in Appendix C.

### ***Factor 2: Change-in-Terms Notice on First Page***

Some statement models displayed the change-in-terms notice on the first page of the statement (Model B). Other models displayed this notice on the second page (Model A).

### ***Factor 3: Chronological Transaction List***

In some models, transactions and fees were listed chronologically (Model A). In other models, transactions in the list and fees were grouped by type (Model B).

### ***Factor 4: Presence of Fee-Inclusive APR***

Some statement models included the Fee-Inclusive APRs on the second page (Model B), while others did not include the Fee-Inclusive APRs (Model A).

### ***Factor 5: Formatting of Payment Information and Late Payment Warning***

In all models, the top section of the first page displayed summary information about the account such as the balance, minimum payment, and payment due date. This section also included the Late Payment Warning. Three different formats for this section of the statement were tested: Version 1 (Model A), Version 2 (Model B), and Version 3, which is shown in Figure 4.

Because of the larger number of factors involved, a fractional factorial experimental design was used for the portion of the experiment related to periodic statements. A total of 12 different periodic statement models were developed and used in testing, each of which represented one of the 48 possible combinations of the five factors listed above. The 12 combinations represented in the testing models were selected so that factors are orthogonal. This orthogonality, combined with the fact that the models were randomly assigned to participants, allows for the measurement of the effect of each of the factors independently. Appendix B provides the 12 models that were used in testing, as well as a table that summarizes the characteristics of each.

Figure 2

Form A

Artesian Bank Credit Card Account Statement  
 Account Number 1234 5678 9012 3456  
 August 24, 2008 to September 22, 2008

F5

Account Summary/Payment Information	
Previous Balance	\$535.07
Payments and Other Credits	-\$463.45
New Activity including Fees and Interest	+\$1,717.01
<b>New Balance</b>	<b>\$1,788.63</b>
Payment Due Date	10/17/08
Minimum Payment Due	\$48.00
Credit Limit	\$2,000.00
Available Credit	\$211.37
Days in Billing Cycle	30

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/minimumpayment](http://www.artesianbank.com/minimumpayment).

**QUESTIONS?**

Call Customer Service 1-800-987-5521  
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:  
 PO Box 1390, Norfolk, VA 23501-1390.

F3

Transactions				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05
0544400060ZLV72VL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11
554328608008V90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95
854338203FS8000Z5	8/25	8/25	Payment Thank You	\$450.00-
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00
054830709LYMRPT4L	8/25	8/26	Wayfield Foods #1 S9B Atlanta GA	\$7.35
564891561545KOSHD	8/25	8/26	Acme #1456 Atlanta GA	\$14.35
841517877845AKOJIO	8/25	8/26	Citgo #1276 Decatur GA	\$40.35
55541860705RDYD0X	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50
564891561545KOSHD	8/26	8/26	Cash Advance Fee "Transaction Fee"	\$5.00
895848561561894KOH	8/26	8/27	Save-a-Lot Grocery #287 Atlanta GA	\$27.68
1871556189456SAMKL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76
4545754784KOHUIOS	8/27	8/27	Balance Transfer	\$785.00
84151564SADS8745H	8/27	8/27	Balance Transfer Fee "Transaction Fee"	\$23.55
2564894185189LKDFD	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87
14547847586KDL0564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50
256489156189451516L	8/28	8/28	Cash Advance Fee "Transaction Fee"	\$7.00
2564561023184102315	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
55542818705RASD0X	9/1	9/2	Walmart #2998 Athens GA	\$3.76
289189194ASDS8744	9/1	9/3	Macys #78 Decatur GA	\$13.45
178105417841045784	9/2	9/6	Citgo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34
045148714518979874	9/11	9/15	Macys #78 Decatur GA	\$13.45-
04518478415615ASD	9/11	9/16	Save-a-Lot Grocery #287 Atlanta GA	\$10.56

(transactions continued on next page)

8025 TRD 2 100 7 Page 1 of 2 8302 4000 USM2 0000 050118 01AC5525 35ACM

Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Account Number: 1234 5678 9012 3456  
 New Balance: \$1,788.63  
 Minimum Payment Due: \$48.00  
 Payment Due Date: 10/17/08

AMOUNT ENCLOSED: \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
 P.O. Box 1390  
 Norfolk, VA 23501-1390



35806

Artesian Bank Credit Card Account Statement  
 Account Number 1234 5678 9012 3456  
 August 24, 2008 to September 22, 2008

F5

Account Summary/Payment Information				
Previous Balance	Payments and Other Credits	New Activity Including Fees and Interest	New Balance	
\$535.07	-\$463.45	+\$1,717.01	\$1,788.63	
Minimum Payment Due	Payment Due Date	Days in Billing Cycle	Total Credit Line	Available Credit Line
\$48.00	10/17/08	30	\$2,000.00	\$211.37

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/minimumpayment](http://www.artesianbank.com/minimumpayment).

F1 and F2

**Important News**

**Important Changes to Your Account Terms:** Please see the enclosed Notice of Change in Terms for important changes to your Card agreement.

**Want to receive your billing statement in Spanish?** Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en [www.artesianbank.com](http://www.artesianbank.com), modificando su Perfil Personal en la seccion Administrar mi Cuenta.

**Save Time. Save Paper. Sign up for All Electronic.** You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to [www.artesianbank.com](http://www.artesianbank.com) and choose Manage My Account.

**Need to add an authorized user to your account?** Just sign on to [www.artesianbank.com](http://www.artesianbank.com), go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!

F3

Transactions				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
Payments and Other Credits				
854338203FS8000Z5	8/25	8/25	Payment Thank You	\$450.00-
045148714518979874	9/11	9/15	Macys #78 Decatur GA	\$13.45-
Purchases				
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05
0544400060ZLV72VL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11
554328608008V90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95
55541860705RDYD0X	8/25	8/26	Wayfield Foods #1 S9B Atlanta GA	\$7.35
054830709LYMRPT4L	8/25	8/26	Acme #1456 Atlanta GA	\$14.35
564891561545KOSHD	8/25	8/26	Citgo #1276 Decatur GA	\$40.35
841517877845AKOJIO	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63

(transactions continued on next page)

8025 TRD 2 100 7 Page 1 of 2 8302 4000 USM2 0003 050118 01AC5525 35ACM

Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Account Number: 1234 5678 9012 3456  
 New Balance: \$1,788.63  
 Minimum Payment Due: \$48.00  
 Payment Due Date: 10/17/08

AMOUNT ENCLOSED: \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
 P.O. Box 1390  
 Norfolk, VA 23501-1390



35806

Figure 2 (continued)

Form A

Artesian Bank Credit Card Account Statement  
 Account Number 1234 5678 9012 3456  
 August 24, 2008 to September 22, 2008

Transactions (cont.)				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
0547810544898718AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50
056489413216848OP	9/16	9/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	9/19	9/20	Macy's #78 Decatur GA	\$23.76
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$68.55</b>
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
<b>TOTAL INTEREST CHARGES FOR THIS PERIOD</b>				<b>\$10.89</b>

2008 Totals Year-to-Date	
Total fees charged in 2008	\$124.50
Total interest charged in 2008	\$47.42

Interest Charge Calculation			
Your Annual Percentage Rate (APR) is the annual interest rate on your account.			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

Important Changes to Your Account Terms	
The following is a summary of changes that are being made to your account terms. These changes will impact your account as follows:	
Transactions made on or after 10/10/08: As of 11/10/08, any changes to APRs described below will apply to these transactions.	
Transactions made before 10/10/08: Current APRs will continue to apply to these transactions.	

Revised Terms, as of 11/10/08	
APR for Purchases	16.99%
Balance Transfer Fee	\$24 if amount of transfer is less than or equal to \$1,000; \$34 if amount of transfer is more than \$1,000

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**Save Time. Save Paper. Sign up for All Electronic.**  
 You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to [www.artesianbank.com](http://www.artesianbank.com) and choose Manage My Account.

**Need to add an authorized user to your account?**  
 Just sign on to [www.artesianbank.com](http://www.artesianbank.com), go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!

Form B

Artesian Bank Credit Card Account Statement  
 Account Number 1234 5678 9012 3456  
 August 24, 2008 to September 22, 2008

Transactions (cont.)				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
895848561561894KCH	8/26	8/27	Save-A-Lot Grocery #287 Atlanta GA	\$27.68
1871556189456SAMKL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76
2564894185189LKDFFID	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87
14547847586KDDL564	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
256489156189451516L	9/1	9/2	Walmart #2998 Athens GA	\$3.76
2564894185189LKDFFID	9/1	9/3	Macy's #78 Decatur GA	\$13.45
178105417841045784	9/2	9/6	Cligo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34
04518478415615ASD	9/11	9/16	Save-A-Lot Grocery #287 Atlanta GA	\$10.56
0547810544898718AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50
056489413216848OP	9/16	9/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	9/19	9/20	Macy's #78 Decatur GA	\$23.76
<b>Cash Advances</b>				
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50
14547847586KDOL564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50
<b>Balance Transfers</b>				
4545754784KCHUIIOS	8/27	8/27	Balance Transfer	\$785.00
<b>Fees</b>				
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00
56415615647QJNSDS	8/26	8/26	Cash Advance Fee "Transaction Fee"	\$5.00
84151564SADS8745H	8/27	8/27	Balance Transfer Fee "Transaction Fee"	\$23.55
256489156189451516L	8/28	8/28	Cash Advance Fee "Transaction Fee"	\$7.00
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$68.55</b>
<b>Interest Charged</b>				
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
<b>TOTAL INTEREST FOR THIS PERIOD</b>				<b>\$10.89</b>

2008 Totals Year-to-Date	
Total fees charged in 2008	\$124.50
Total interest charged in 2008	\$47.42

Interest Charge Calculation			
Your Annual Percentage Rate (APR) is the annual interest rate on your account.			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

Fee-Inclusive APR			
The Fee-Inclusive APRs in this table are the APRs that you paid this period when transaction or fixed fees are taken into account as well as interest.			
Type of Balance	Interest Charges	Transaction or Fixed Fees	Fee-Inclusive APR
Purchases	\$6.31	\$0.00	14.99%
Cash Advances	\$4.58	\$12.00	61.60%
Balance Transfers	\$0.00	\$23.55	36.00%



## Payment Allocation Disclosures

The research question related to payment allocation disclosures asked whether consumers would understand the disclosures after reading them, as opposed to whether or not consumers would notice and comprehend the disclosures in the context of the Schumer Box or periodic statement. Therefore, the Board and Macro made the decision to test these disclosures in a separate portion of the interview. Three different versions of the disclosure were tested with participants:

- Version 1: “You will have to pay off your low-interest balances in full before your payment is used to satisfy your higher-interest balances, such as purchases or cash advances. If you do not pay in full, payments will be applied to the low-rate portion of your balance, and your higher rate balances will continue to accrue interest, extending the time it will take you to repay your debt.”
- Version 2: “Payments will be applied to balances with lower APRs before balances with higher APRs. This means that if you have balances at higher APRs, you may pay more in interest because these balances cannot be paid off until all lower-APR balances are paid in full.”
- Version 3: “You authorize us to allocate your payments and credits in a way that is most favorable to or convenient to us. For example, you authorize us to apply your payments and credits to balances with lower APRs (such as promotional or introductory APRs) before balances with higher APRs.”

## SCREENING OF POTENTIAL PARTICIPANTS

Macro carried out the survey using mall intercept methodology in seven mall locations across the country: Dallas, TX; Detroit, MI; Los Angeles, CA; Seattle, WA; Springfield, MA; St. Louis, MO; and Tallahassee, FL. The seven locations were selected because of their geographic and demographic diversity. The study was fielded over a period of four weeks in September 2008. Over that time, 1,022 consumers were interviewed in the seven locations.

Potential participants were approached by an interviewer in the public areas of the mall. The interviewer asked the participant a series of screening questions (Appendix D). Participation was limited to individuals who were literate in English and who were not an employee of a bank, savings and loan, credit union, or investment firm. Participants also had to have one or more general purpose credit cards and be responsible for making credit card decisions in their household. Recruiting quotas were used in each location to ensure a representative mix of participants in terms of gender, age, and educational level. If participants qualified for the interview based on their responses to the screening questions, they were then taken to a self-contained research office in the mall, where they completed the interview. Appendix E lists the characteristics of participants in each location.

## INTERVIEW PROTOCOL

Participants received a stipend of \$5 for completing the interview, which in most cases took about 15 minutes. Interviewers used a CAPI (computer-assisted personal interviewing) instrument to conduct the interviews; participants' responses were entered into an online system.

In the first portion of the interview, participants were given one of the eight Schumer Box models and asked to review it just as they normally would if they had received it as part of a credit card offer.<sup>4</sup> After the participants finished reviewing the Schumer Box, they were asked a series of questions to test their understanding of what they had read. These questions were specifically designed to answer the research questions related to Schumer Boxes (see Section II).

After participants had answered the series of questions about the Schumer Box, they were given an envelope containing one of the 12 periodic statement models. Along with the periodic statement, this envelope also contained two marketing inserts and an insert describing upcoming changes to account terms.<sup>5</sup> Participants were asked to review the contents of the envelope just as they do when they receive their credit card statement each month. Once they had completed their review, they were asked a series of questions to test their understanding of the contents of the envelope. Again, these questions were designed to answer the research questions related to periodic statements and change-in-terms notices.

After participants had answered the series of questions about the periodic statement, they were given a scenario in which they had account balances with two different interest rates.<sup>6</sup> They were then asked a series of three questions to test their understanding of how banks typically allocate payments between balances. Once they had answered these questions, they were asked to read one of the three sample disclosures related to payment allocation. After reading the disclosure, they were asked the same three questions again to test whether reading the notice had an impact on their understanding.

At the conclusion of the interview participants were asked to identify their race/ethnicity, annual household income, the credit limit on their primary credit card, and how long ago they had opened their first credit card account.

Most of the interview questions were "closed-ended" items, in which participants selected a response from a defined set of options, but some were "open-ended" items (e.g., "What is the fee you would pay if you transferred a balance of \$2,000?"). For most open-ended items, the interviewer recorded verbatim answers. For four open-ended questions (Q14, 30, 34, and 37), interviewers selected the pre-coded response option that was closest to the participant's answer.

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<sup>4</sup> In the case of the Schumer Box, periodic statement, and payment allocation notices, the models that were given to participants were rotated so that each was used an approximately equal number of times.

<sup>5</sup> The marketing inserts, which did not contain any information relevant to the test, were included to more accurately simulate consumers' "real world" experience when they open their periodic statements. These inserts are shown as Appendix F.

<sup>6</sup> Because this scenario was fairly complex, participants were both read the scenario aloud and given it in written form.



Responses were required for all questions, except for demographic questions at the end of the survey. For all questions, however, participants could indicate that they did not know the answer.

The final interview protocol is included as Appendix G.

## PRE-TESTING OF PROTOCOL

Macro and the Board conducted one round of pre-testing of the interview protocol and materials. This pre-test, which was conducted in an actual mall intercept facility and was attended by representatives of both Macro and the Board, had two primary goals. The first was to test whether the questions were clear and would be interpreted as intended by participants. Second, the pre-test was used as an opportunity to clarify the directions that would be given to interviewers, and to identify issues that would be emphasized in onsite interviewer trainings. After the pre-test, Macro and the Board used the findings to make appropriate revisions to the protocol and the testing forms that were used.

## TRAINING OF INTERVIEWERS

Before fielding began, a representative from Macro's research team visited each of the seven mall intercept locations to conduct a training session with interviewers. The director of each local facility also attended this training. The training session focused on explaining the goals of the study, clarifying the screening criteria, and familiarizing interviewers with the interview protocol and procedures. Interviewers were given an opportunity to conduct mock interviews until they felt comfortable with the questions. During these interviews, the Macro trainer answered questions and provided feedback to each interviewer.

## QUALITY ASSURANCE PROCEDURES

Macro built into its methodology a number of strategies to ensure that the data that were collected were accurate and reliable. Some of these included the following:

- Participants were “double-screened” to ensure that they met the study requirements. After being told that they qualified for the study based on a series of questions, participants were asked the screening questions again when the actual survey began. In most cases, these questions were asked by a different interviewer than the one that had initially screened them. If participants' responses varied at all, they were not allowed to complete the survey.
- The organization responsible for the day-to-day operation of the interview facilities conducted phone verification of 10 percent of completed interviews. Participants were contacted by phone within 48 hours of their interviews, and asked the screening questions a third time. If their responses varied at all from their original answers, their interview was removed from the database.

- The online survey instrument included a series of “checks” to make sure that interviewers showed participants the correct credit card offer and periodic statement. Each time they were handed one of these documents, participants were asked to read an alphanumeric code that was on the bottom-right corner. The interviewer then typed this code into the survey instrument. If the code was not correct, the interviewer was notified by the survey programming that he or she was using the wrong notice, and the interview was immediately terminated.
- As noted above, facility directors participated in all training conducted by Macro staff. Throughout the fielding process, directors then took an active role in verifying that all interviewers were following the survey protocol exactly.
- Macro research staff downloaded and reviewed the survey data on a daily basis. In situations when a facility appeared to be in danger of missing its participant quotas, Macro contacted the facility to inquire. Macro staff also reviewed the data for patterns indicating that one or more interviewers were not following the study protocols carefully; however, no such patterns appeared during fielding.



## CHAPTER IV: RESULTS AND ANALYSIS

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### INTRODUCTION

This section of the report addresses each of the 13 research questions individually. For each research question, the report provides a) the relevant survey items that were used to collect data; b) how responses to these items were interpreted in the context of the analysis; c) tables of results; and d) a summary of conclusions related to that research question.

In most cases, response data were analyzed through one or more regression models. The goal was to isolate the impact of relevant disclosure factors on the outcome variable, which was the likelihood that consumers would answer survey items correctly. Whenever regressions were used, this report provides two different tables of data. The first provides estimated parameters for the regression model used for the analysis, as well as significance tests for each parameter. Following the table of estimated regression parameters, we provide a table that illustrates the impact that changing a particular factor (e.g., moving penalty fees from the front to the back of the form) would have on the percent of consumers that could answer the survey question correctly.

## RESEARCH QUESTIONS RELATED TO SCHUMER BOX

### Research Question #1: Does including references to transaction fees in rows for transaction APRs impact consumers' ability to correctly identify those fees?

#### Relevant Survey Questions:

Question 12: "If you transferred a balance from another credit card to this one, would you be charged a fee?"

- Yes
- No
- I don't know

[Correct response: Yes]

Question 13: "If you transferred a balance of \$2,000, what is the amount of the fee you would pay?"

[Correct response: \$30]

#### Interpretation of Responses:

Participants who answered Q12 correctly were asked Q13; participants who answered Q12 incorrectly were not asked Q13. If participants answered Q13 correctly they were assumed to be able to identify the fee they would pay for making a balance transfer. If they answered Q12 or Q13 incorrectly, they were assumed not to be able to identify this fee.

#### Results and Analysis:

Table 1A: Estimated Regression Parameters for Question 11<sup>7</sup>

Term	Estimated Effect	Std Error	t Ratio	p
Intercept	0.622	0.006	98.87	<.0001*
Factor 2: Inclusion of References	0.004	0.006	0.71	.5072

\*p<.05

Summary of Fit:  $R^2=.077$

<sup>7</sup> The regression models shown in this report do not include all possible factors, only a subset that proved to be most relevant to the given research question. However, before removing any factors from the model the researchers checked to make sure that none had unanticipated effects. Therefore, if a given factor is not included in the model shown, the reader can assume that this factor does not have a significant effect on the outcome variable.

**Table 1B: Predicted Percentage of Correct Answers to Question 13, by Factor 2<sup>8</sup>**

	<b>Forms with References to Fees</b>	<b>Forms without References to Fees</b>
Percentage of Participants Answering Q13 Correctly	62.7%	61.8%

As Tables 1A and 1B show, the percentage of participants who answered Q13 correctly when looking at forms with and without references to the transaction fees in the APR rows was almost exactly the same (62.7% with the fee references vs. 61.8% without the fee references).

Therefore, based on the results of this experiment there is no conclusive evidence that including these references in the Schumer Box would impact consumers' ability to identify transaction fees.

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<sup>8</sup> The percentages shown in Table 1B and similar tables in this report are not observed response percentages—that is, they are not the actual percentage of participants who answered the question correctly. Rather, they represent the predicted percentage of correct answers after controlling for the effect of any other terms in the regression model. Because forms were randomized between participants, however, observed percentages are in all cases very close to those shown.

## Research Question #2: Does combining information about APRs for different transaction types into a single row (as opposed to having a separate row for each type) impact consumers' ability to correctly identify transaction APRs?

### Relevant Survey Questions:

Q11: "Assume that when you applied for this card, you transferred a balance from another card to this one. What interest rate would you be charged on the balance that you transferred to this card?"

[Correct response: 20.99%]

### Interpretation of Responses:

If participants answered Q11 correctly, they were assumed to be able to correctly find the APR on balance transfers. If they answered Q11 incorrectly, they were assumed not to be able to find this APR.

### Results and Analysis:

**Table 2A: Estimated Regression Parameters for Question 11**

Term	Estimated Effect	Std Error	t Ratio	p
Intercept	0.679	0.014	47.01	<.0001*
Factor 1: Combined APR and Fee Rows	-0.023	0.019	-1.24	.1555

\*p<.05

Summary of Fit:  $R^2=.305$

**Table 2B: Predicted Percentage of Correct Answers to Question 11, by Factor 1**

	Forms with Combined APR Rows	Forms with Separate APR Rows
Percentage of Participants Answering Q11 Correctly	65.6%	70.2%

As Tables 2A and 2B show, participants who saw forms in which the APR for Balance Transfers and APR for Cash Advances were displayed in the same row were slightly less likely to answer Q11 correctly than those who saw forms in which these terms were displayed in two separate rows (65.6% vs. 70.2%). However, this difference was not large enough to be statistically significant. Therefore, based on the results of this experiment there is no conclusive evidence that combining rows in this way will impact consumers' awareness of transaction APRs.



**Research Question #3: Does combining information about penalty fees into a single row (as opposed to having a separate row for each type of fee) impact consumers' ability to correctly identify these fees?**

**Research Question #4: Does having penalty fees appear on the back of the Schumer Box, as opposed to the front, impact consumers' ability to correctly identify these fees?**

**Relevant Survey Questions:**

Q14: What would happen on this account if you went over the credit limit? (check all that apply)

- a) I would be charged a fee
- b) My interest rate/APR may increase
- c) Nothing would happen
- d) Other
- e) I don't know

*[Correct response: a and b]*

Q15: What is the dollar amount of the fee you would pay for going over the credit limit?

*[Correct response: \$35]*

**Interpretation of Responses:**

Participants who provided an answer of 'a' to Q14 were asked Q15; participants who did not answer 'a' were not asked Q15.<sup>9</sup> If participants answered Q15 correctly they were assumed to be able to correctly identify the fee they would pay for going over their credit limit (the "OCL fee"). If they answered Q15 incorrectly, or were not asked this question, they were assumed not to be able to identify this fee.

**Results and Analysis:**

**Table 3A: Estimated Regression Parameters for Question 15**

Term	Estimated Effect	Std Error	t Ratio	p
Intercept	0.967	0.041	23.76	<.0001*
Factor 1: Combined APR and Fee Rows	-0.026	0.013	-1.99	.1171
Factor 3: Penalty Fees on Back	-0.281	0.026	-10.90	.0004*
Interaction: Factor 1 x Factor 2	0.011	0.026	-0.44	.6860

\*p<.05

Summary of Fit: R<sup>2</sup>=.969

<sup>9</sup> Response 'b' was also a correct response to Q14, but this response did not relate to this research question. For an analysis of these responses, see our discussion of Research Question 5.

**Table 3B: Predicted Percentage of Correct Answers to Question 15, by Factor 1**

	<b>Forms with Combined Fee Rows</b>	<b>Forms with Separate Fee Rows</b>
Percentage of Participants Answering Q15 Correctly	52.0%	57.2%

**Table 3C: Predicted Percentage of Correct Answers to Question 15, by Factor 3**

	<b>Forms with OCL Fee on Back</b>	<b>Forms with OCL Fee on Front</b>
Percentage of Participants Answering Q15 Correctly	40.6%	68.7%

As Tables 3A and 3B show, participants were slightly more likely to answer Q15 correctly when looking at forms that listed the over-the-credit limit fee and returned payment fees in separate rows, as opposed to a single combined row (57.2% vs. 52.0%). However, this difference was not large enough to be statistically significant. Therefore, based on this experiment there is no conclusive evidence that allowing issuers to combine fee rows in this way would negatively impact consumers' ability to identify fees.

As Tables 3A and 3C show, participants were more likely to answer Q15 correctly when looking at forms with the OCL fee on the front (68.7%) than when the OCL fee was on the back (40.6%). This difference was extremely statistically significant ( $p < .0001$ ). This provides strong evidence that displaying penalty fees on the back of the Schumer Box would negatively impact consumers' ability to identify these fees.

## Research Question #5: Does including a reference to the Penalty APR in the rows containing penalty fees impact consumers' awareness of the Penalty APR?

### Relevant Survey Questions:

Question 14: What would happen on this account if you went over the credit limit?

- a) I would be charged a fee
- b) My interest rate/APR may increase
- c) Nothing would happen
- d) Other
- e) I don't know

*[Correct response: a and b]*

Question 16: If you went over the credit limit on this credit card account, what is the interest rate that you would pay on new purchases with this credit card?

*[Correct response: 31.99%]*

### Interpretation of Responses:

Participants who provided an answer of 'b' to Q14 were asked Q16; participants who did not answer 'b' were not asked Q16.<sup>10</sup> If participants answered Q16 correctly they were assumed to be able to correctly identify the Penalty APR that they would be charged if they went over their credit limit. If they answered Q16 incorrectly, or were not asked this question, they were assumed not to be able to identify this APR.

### Results and Analysis:

**Table 4A: Estimated Regression Parameters for Question 16**

Term	Estimated Effect	Std Error	t Ratio	p
Intercept	0.539	0.050	10.68	.0004*
Factor 2: Inclusion of References	0.023	0.016	1.41	.2307
Factor 3: Penalty Fees on Back	-0.011	0.032	-0.34	.7526
Interaction: Factor 2 x Factor 3	-0.080	0.032	-2.51	.0659

\*p<.05

Summary of Fit:  $R^2=.678$

<sup>10</sup> Response 'a' was also a correct response to Q14, but this response did not relate to this research question. For an analysis of these responses, see our discussion of Research Questions 3 and 4.



**Table 4B: Predicted Percentage of Correct Answers to Question 16, by Factors 2 and 3**

	<b>Forms with References to Penalty APR</b>	<b>Forms without References to Penalty APR</b>	<b>All Forms</b>
<b>Forms with OCL Fee on Back</b>	49.9%	53.6%	<b>51.7%</b>
<b>Forms with OCL Fee on Front</b>	59.2%	46.5%	<b>52.8%</b>
<b>All Forms</b>	<b>54.5%</b>	<b>50.0%</b>	

Overall, participants were slightly more likely to answer Q16 correctly when looking at forms that included references to the Penalty APR in the Penalty Fees rows. However, this difference was not large enough to be statistically significant (54.5% with the references, vs. 50.0% without the references). Based on these results, there is no conclusive evidence that including these references would improve consumers' awareness of the Penalty APR.

It is interesting to note that the impact of references to the Penalty APR was substantially greater when the row containing the references was located on the front of the form. When the over-the-credit limit fee row appeared on the front, the presence of the references was associated with an improvement in 12.7 percent in the proportion of participants correctly answering Q16 (59.2% with the references vs. 46.5% without). When this row appeared on the back of the page, the references had essentially no effect—they were associated with a small decrease of 3.7 percent in the proportion of participants who answered Q16 correctly.<sup>11</sup> This finding should not be surprising, because the results of Research Question #4 showed that participants were significantly more likely to notice the Penalty Fee rows when they appeared on the front. Therefore, one would hypothesize that participants would also be more likely to notice other text that appears in this row when it appears on the front of the page.

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<sup>11</sup> While it may seem counterintuitive that the presence of references would have a negative effect on consumer understanding, the fact that this difference is so small means that the direction of the effect is likely due to random variation.

## RESEARCH QUESTIONS RELATED TO PERIODIC STATEMENT

### Research Question #6: Does grouping the transaction list by transaction type, rather than presenting transactions in chronological order, impact consumers' ability to identify individual transactions?

#### *Relevant Survey Questions:*

Q19: Often, people with credit cards can use their cards to get money at ATM machines. These transactions are called "cash advances." Based on the information you have been given, were any cash advances taken during the past billing period?

- Yes
- No
- I don't know

*[Correct response: Yes]*

Q20: What was the dollar amount of the first cash advance taken?

*[Correct response: \$121.50]*

#### *Interpretation of Responses:*

Participants who answered Q19 correctly were asked Q20; participants who answered Q19 incorrectly were not asked Q20. If participants answered Q20 correctly they were assumed to be able to identify the first cash advance that took place during the statement period shown. If they answered Q19 or Q20 incorrectly, they were assumed not to be able to identify this cash advance.

#### *Results and Analysis:*

**Table 5A: Estimated Regression Parameters for Question 20**

Term	Estimated Effect	Std Error	t Ratio	p
Intercept	0.557	0.012	47.83	<.0001*
Factor 3: Chronological Transaction List	-0.060	0.012	-5.15	.0004*

\*p<.05

Summary of Fit:  $R^2=.726$

**Table 5B: Predicted Percentage of Correct Answers to Question 20, by Factor 3**

	<b>Forms with Grouped Transaction List</b>	<b>Forms with Chronological Transaction List</b>
Percentage of Participants Answering Q20 Correctly	61.6%	49.7%

As Tables 5A and 5B show, participants were more likely to answer Q20 correctly when looking at forms in which the transaction list was grouped by type (61.6%, compared to 49.7% of those who saw a chronological list). This difference was statistically significant ( $p=.0004$ ), indicating that grouping transaction lists by transaction type does appear to make it easier for consumers to identify individual transactions.



## Research Question #7: Does grouping the transaction list by transaction type, rather than presenting transactions in chronological order, impact consumers' awareness of fees that they have been charged?

### Relevant Survey Questions:

Q24: Not including interest charges, were there any fees charged during the billing period on this statement?

- Yes
- No
- I don't know

*[Correct response: Yes]*

Q25: Not including interest charges, how many fees were charged during this billing period? Please give me the number of fees, not the total dollar amount.

*[Correct response: 5]*

### Interpretation of Responses:

Participants who answered Q24 correctly were asked Q25; participants who answered Q24 incorrectly were not asked Q25. If participants answered Q25 correctly they were assumed to be aware of all fees that were charged during the statement period shown. If they answered Q24 or Q25 incorrectly, they were assumed not to be aware of all of the fees they had been charged.<sup>12</sup>

### Results and Analysis:

**Table 6A: Estimated Regression Parameters for Question 25**

Term	Estimated Effect	Std Error	t Ratio	p
Intercept	0.408	0.017	23.34	<.0001*
Factor 3: Chronological Transaction List	-0.127	0.017	-7.27	<.0001*

\*p<.05

Summary of Fit:  $R^2=.841$

<sup>12</sup> Question 21 asked whether the participant had been charged a fee for their first cash advance. Participants who had already answered "Yes" to Q21 were not asked Q24, because they had already indicated that they had been charged at least one fee. Participants who were not asked Q24 for this reason were then asked Q25.

**Table 6B: Predicted Percentage of Correct Answers to Question 25, by Factor 3**

	<b>Forms with Grouped Transaction List</b>	<b>Forms with Chronological Transaction List</b>
Percentage of Participants Answering Q25 Correctly	53.6%	28.1%

As Tables 6A and 6B show, participants were more likely to answer Q25 correctly when looking at forms in which the transaction list was grouped by type (53.6%, compared to 28.1% of those who saw a chronological list). This difference was statistically significant ( $p < .0001$ ). This provides very strong evidence that grouping transaction lists by transaction type increases consumers' awareness of fees that they have been charged.

## Research Question #8: Does grouping the transaction list by transaction type, rather than presenting transactions in chronological order, impact consumers' ability to relate transactions to their corresponding transaction fees?

### *Relevant Survey Questions:*

Question 19: Often, people with credit cards can use their cards to get money at ATM machines. These transactions are called "cash advances." Based on the information you have been given, were any cash advances taken during the past billing period?

- Yes
- No
- I don't know

*[Correct response: Yes]*

Question 20: What was the dollar amount of the first cash advance taken?

*[Correct response: \$121.50]*

Question 21: Was a fee charged for this first cash advance?

- Yes
- No
- I don't know

*[Correct response: Yes]*

Question 22: What was the dollar amount of the fee that was charged to take out the first cash advance?

*[Correct response: \$5]*

### *Interpretation of Responses:*

Participants who answered Q19 correctly were asked Q20 and Q21; participants who answered Q19 incorrectly were not asked these two questions. Participants who answered Q21 correctly were then asked Q22; those who did not were not asked this question. If participants answered Q22 correctly they were assumed to be able to identify the fee that was charged for the first cash advance. If they answered Q22 incorrectly, they were assumed not to be able to identify this fee.

NOTE: In the analysis shown below, participants' responses were only included if they correctly answered Q20 (i.e., if they correctly identified the first cash advance on the statement). The reason for excluding participants who did not answer Q20 correctly is that



Research Question #8 asks whether grouping the transaction list by type impacts consumers' ability to relate transactions to their corresponding fees. Therefore, responses from people who could not identify the transaction in question are irrelevant to this research question.

**Results and Analysis:**

**Table 7A: Estimated Regression Parameters for Question 22**

Term	Estimated Effect	Std Error	t Ratio	p
Intercept	0.864	0.021	40.45	<.0001*
Factor 3: Chronological Transaction List	0.055	0.021	2.59	.0268*

\*p<.05

Summary of Fit: R<sup>2</sup>=.402

**Table 7B: Predicted Percentage of Correct Answers to Question 22, by Factor 3**

	Forms with Grouped Transaction List	Forms with Chronological Transaction List
Percentage of Participants Answering Q22 Correctly	80.9%	91.9%

As Tables 7A and 7B show, participants who successfully identified the first cash advance on their statement (i.e., those that answered Q20 correctly) were more likely to answer Q22 correctly when looking at forms in which transactions were listed chronologically, rather than grouped by type (91.9% vs. 80.9%). This difference was statistically significant (p=.0268). This provides evidence that grouping transaction lists by transaction type makes it more difficult for consumers to connect transactions to corresponding fees.

## Research Question #9: What percentage of consumers understand the meaning of the Fee-Inclusive APR?

### *Relevant Survey Questions:*

*Interviewer points to the Fee-Inclusive APR on cash advances, and asks the following question:*

Question 32: Imagine that during the next month you did not make a cash advance with this card, but had not entirely paid off your current balance of cash advances. When you received your next monthly statement, what percentage would be listed in this location on that statement?<sup>13</sup>

*[Correct response: 21.99%, the nominal APR on cash advances]*

### *Interpretation of Responses:*

Participants who answered Q32 correctly were assumed to understand that if no transaction fees are paid, the Fee-Inclusive APR would be the same as the transaction APR. Therefore, participants who provided a correct answer were assumed to understand the meaning of the Fee-Inclusive APR, while those that did not provide a correct answer were assumed not to understand its meaning.

### *Results and Analysis:*

Of 511 participants who were asked this question, only 35 (6.8%) answered Q32 correctly. Two responses to Q32 were by far most common; 201 participants (39.3%) incorrectly said if no cash advances were made the Fee-Inclusive APR the following month would remain 61.60 percent (the Fee-Inclusive APR shown on the statement for the current month), and 163 participants (31.9%) indicated that they did not know the answer.

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<sup>13</sup> Participants who were given a version of the periodic statement that did not include the Fee-Inclusive APR were not asked this question.

## Research Question #10: Does including the Fee-Inclusive APR on periodic statements impact consumers' ability to correctly identify their transaction APRs?

### Relevant Survey Question:

Question 23: What is the interest rate that you would be charged if you used this card to take out a cash advance?

[Correct response: 21.99%]

### Interpretation of Responses:

Participants who answered Q23 correctly were assumed to be able to correctly identify their current APR on cash advances.

### Results and Analysis:

**Table 8A: Estimated Regression Parameters for Question 23**

Term	Estimated Effect	Std Error	t Ratio	p
Intercept	0.600	0.009	66.16	<.0001*
Factor 1: Presence of CIT Summary Table	-0.024	0.009	-2.61	.0309*
Factor 2: CIT Notice on First Page	-0.015	0.009	-1.62	.1443
Factor 4: Presence of Fee-Inclusive APR	-0.066	0.009	-7.24	<.0001*

\*p<.05

Summary of Fit:  $R^2=.885$

**Table 8B: Predicted Percentage of Correct Answers to Question 23, by Factor 4<sup>14</sup>**

	Forms with Fee-Inclusive APR	Forms without Fee-Inclusive APR
Percentage of Participants Answering Q23 Correctly	53.4%	66.6%

**Table 8C: Predicted Percentage of Correct Answers to Question 23, by Factor 1<sup>15</sup>**

	Forms with CIT Summary Table	Forms without CIT Summary Table
Percentage of Participants Answering Q23 Correctly	57.6%	62.4%

<sup>14</sup> The figures shown in Table 8B assume no effect from Factors 1 or 2; in other words, they assume that these two factors are held constant in all forms.

<sup>15</sup> The figures shown in Table 8C assume no effect from Factors 2 or 4; in other words, they assume that these two factors are held constant in all forms.



As Tables 8A and 8B show, participants were more likely to answer Q23 correctly when looking at forms that did not include the Fee-Inclusive APR (66.6%, compared to 53.4% of those who saw forms that included this term). This difference was statistically significant ( $p < .0001$ ). This provides strong evidence that the inclusion of the Fee-Inclusive APR on periodic statements causes confusion that makes it more difficult for consumers to correctly identify their transaction APRs. In fact, 8.4 percent of participants who saw models with the Fee-Inclusive APR incorrectly identified that rate as their nominal APR.

As Tables 8A and 8C show, participants were also more likely to answer Q23 correctly when looking at forms that did not have a summary table in the change-in-terms notice (62.4%, compared to 57.6% of those who saw forms with a summary table). While this effect was less than half the size of the effect of the Fee-Inclusive APR, it was statistically significant at the  $p < .05$  level. This negative impact of the summary table is likely for the same reason as the negative impact of the Fee-Inclusive APR described above—the more percentages that appear on a statement, the less likely consumers will be able to correctly identify their transaction APRs. In fact, 3.7 percent of participants who saw forms in which the change-in-terms notice included a summary table incorrectly provided the new rate on purchases (16.99%), compared to 1.4 percent of those who saw a form in which the change-in-terms notice did not include such a table.<sup>16</sup>

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<sup>16</sup> If the change-in-terms notice did not include a summary table, then the new rate on purchases appeared only on a separate insert provided with the periodic statement. This could explain why participants were less likely to confuse this rate with their current rate on cash advances.

## Research Question #11: Does the format in which payment information is provided impact consumers' awareness of the required Late Payment Warning?

### *Relevant Survey Questions:*

Question 29: Is there any information on this statement about what would happen if you made a payment late?

- Yes
- No
- I don't know

*[Correct response: Yes]*

Question 30: What would happen if you made a payment late?

- a) I would be charged a fee
- b) My interest rate/APR may increase
- c) Nothing would happen
- d) Other
- e) I don't know

*[Correct response: a and b]*

Question 31: If you make a payment late, what is the amount of the late fee you would pay?

*[Correct response: \$35]*

Question 31b: If you made a payment late, what is the interest rate you would pay on new purchases?

*[Correct response: 28.99%]*

### *Interpretation of Responses:*

Participants who answered Q29 correctly were asked Q30; those that did not were not asked Q30. Participants who provided an answer of 'a' to Q30 were asked Q31; participants who did not answer 'a' were not asked Q31. Participants who provided an answer of 'b' to Q30 were asked Q31b; participants who did not answer 'b' were not asked Q31b. If participants answered Q31 correctly they were assumed to be able to correctly identify the amount of the fee they would be charged for making a late payment. If they answered Q31b correctly they were assumed to be able to correctly identify the Penalty APR they would be charged if they made a late payment. Both of these pieces of information were provided in the Late Payment Warning on the statement.

**Results and Analysis:**

**Table 9A: Estimated Regression Parameters for Question 31**

Term	Estimated Effect	Std Error	t Ratio	p
Intercept	0.646	0.016	41.99	<.0001*
Factor 5: Payment Info Version 1	-0.003	0.022	-0.13	.9028
Factor 5: Payment Info Version 2	-0.016	0.022	-0.75	.4695

\*p<.05

Summary of Fit:  $R^2=.092$

**Table 9B: Predicted Percentage of Correct Answers to Question 31, by Factor 5**

	Forms with Payment Info Version 1	Forms with Payment Info Version 2	Forms with Payment Info Version 3
Percentage of Participants Answering Q31 Correctly	64.3%	63.0%	64.6%

**Table 9C: Estimated Regression Parameters for Question 31b**

Term	Estimated Effect	Std Error	t Ratio	p
Intercept	0.543	0.007	76.64	<.0001*
Factor 1: Presence of CIT Summary Table	-0.011	0.007	-1.62	.1565
Factor 2: CIT Notice on First Page	-0.035	0.007	-4.98	.0025*
Factor 5: Payment Info Version 1	0.009	0.010	0.90	.4037
Factor 5: Payment Info Version 2	-0.005	0.010	-0.48	.6472
Interaction: Factor 1 x Factor 2	0.008	0.007	1.07	.3271

\*p<.05

Summary of Fit:  $R^2=.092$

**Table 9D: Predicted Percentage of Correct Answers to Question 31b, by Factor 5**

	Forms with Payment Info Version 1	Forms with Payment Info Version 2	Forms with Payment Info Version 3
Percentage of Participants Answering Q31b Correctly	55.2%	53.8%	54.3%



Tables 9A through 9D show that Factor 5, the formatting of the payment information on the statement, did not have a significant impact on participants' ability to answer Q31 or Q31b correctly. For both questions, the difference in correct responses was extremely small between the different versions of Factor 5. Therefore, based on this experiment there is no evidence that varying the formatting of this section of the statement would have an impact on consumer understanding of the Late Payment Warning. It is important to note, of course, that only three possible formats were tested. While the results here imply that none of these three formats is more or less effective in this respect, it is possible that other formats that were not tested could perform significantly better or worse.

Table 9C shows that the one factor that did have a significant impact on consumers' ability to answer Q31b correctly was the placement of the change-in-terms notice. When this notice was on the first page of the statement instead of the second page, participants were significantly less likely to correctly identify the Penalty APR (50.8% vs. 57.8%). The reason for this effect is likely that, as was discussed in Research Question #10, the presence of additional information about rates on the statement can cause confusion for participants. This is supported by the fact that the presence of a summary table on the change-in-terms notice—which makes the new rate on purchases more prominent—also had a small (although non-significant) negative impact on participants' ability to correctly answer Q31b.

## RESEARCH QUESTION RELATED TO CHANGE-IN-TERMS NOTICE

**Research Question #12: Is consumers' awareness of changes to their account impacted by a) whether the periodic statement includes a summary table of changes to key terms, and b) whether the change-in-terms notice appears on the first or second page of their statement?**

### *Relevant Survey Questions:*

Question 26: If you pay this entire balance in full and on time, are the terms of this account going to change in the near future or are they going to remain the same?

- Change in the near future
- Remain the same
- I don't know

*[Correct response: Change in the near future]*

Question 27: Based on the information you have been given, is there going to be a change in the interest rate you are charged on new purchases?

- Yes
- No
- I don't know

*[Correct response: Yes]*

Question 28: What is the interest rate that will apply to new purchases when the changes go into effect?

*[Correct response: 16.99%]*

### *Interpretation of Responses:*

Participants who answered Q26 correctly were asked Q27; those that did not were not asked Q27. Participants who answered Q27 correctly were asked Q28; those that did not were not asked Q28. Participants who answered Q28 correctly were assumed to have located and understand the impending changes to their interest rates. Those that answered Q28 correctly, or were not asked this question, were assumed not to have located and understood this information.

**Results and Analysis:**

**Table 10A: Estimated Regression Parameters for Question 28**

Term	Estimated Effect	Std Error	t Ratio	p
Intercept	0.054	0.004	13.95	<.0001*
Factor 1: Presence of CIT Summary Table	0.018	0.004	4.78	.0014*
Factor 2: CIT Notice on First Page	-0.007	0.004	-1.82	.1069
Interaction: Factor 1 x Factor 2	-0.011	0.004	-2.87	.0207*

\*p<.05

Summary of Fit: R<sup>2</sup>=.811

**Table 10B: Predicted Percentage of Correct Answers to Question 28, by Factors 1 and 2**

	Forms with Summary Table	Forms without Summary Table	All Forms
Forms with CIT Notice on First Page	5.4%	4.0%	4.7%
Forms with CIT Notice on Second Page	9.0%	3.1%	6.1%
All Forms	7.2%	3.5%	

Tables 10A and 10B show that the presence of a summary table in the change-in-terms notice had a statistically significant positive impact on participants’ understanding of impending changes to their interest rates. 7.2 percent of participants who saw forms that included a summary table answered Q28 correctly, compared to 3.5 percent of those who saw forms without a summary table.

The location of the change-in-terms notice on the first or second page of the periodic statement did not in itself have a statistically significant impact on consumer understanding. However, there was an interaction between the placement of the notice and whether or not there was a summary table. This interaction is illustrated most clearly in Table 10B, which shows that while the presence of the summary table increased participants’ comprehension whether the notice appeared on the first or second page, the effect was actually stronger when the notice, and the summary table, appeared on the second page.

This finding is somewhat counterintuitive, since qualitative research on the periodic statements had shown that consumers tend to spend the most time reading the first page of their statement. One possibility is that it is an artifact of the testing instrument itself. Question 25, which immediately preceded the series of questions on changes in terms, asked participants to identify their current APR on cash advances. Since the information needed to answer this question was located on the second page of the periodic statement models, it may be that when participants



were asked Questions 26, 27, and 28 they were already looking at the second page of the statement. This could explain why comprehension of the changes in terms was highest when a summary table was provided on the second page, rather than the first.

## RESEARCH QUESTION RELATED TO PAYMENT ALLOCATION

### Research Question #13: Does consumers' understanding of payment allocation practices improve after reading a written description of these practices?

#### *Relevant Survey Questions:*

*Participants were given a payment allocation scenario and asked a series of questions (Q33 through Q35) to test their understanding of how and why a payment would be allocated between balances. They were then asked to read one of three written descriptions of how payments would be allocated, and were then asked the same three questions again (Q36 through Q38).*

Question 33/36: Imagine that you transferred a \$500 balance to a new credit card and then made \$500 of purchases. Imagine also that the interest rate on your balance transfer was 0%, while your interest rate on purchases was 12%. If you then made a \$500 payment, how would the credit card company apply your payment? Would they...

- a) Apply it to your purchases
- b) Apply it to your balance transfer
- c) Apply some to your purchases and some to your balance transfer
- d) None of the above
- e) I don't know

*[Correct response: b]*

Question 34/37: Why would the credit card company apply your payments in this way?  
*(Interviewer does not read response options)*

- a) So the credit card company will make more money
- b) So I have to pay interest/So I have to pay more interest
- c) Because the interest rate on balance transfers is lower than the interest rate on purchases
- d) Because the balance transfers happened before the purchases
- e) Other explanation
- f) I don't know

*[Correct response: a, b, or c]*

Question 35/38: How would you WANT the credit card company to apply your \$500 payment?

- a) Apply it to your purchases
- b) Apply it to your balance transfer
- c) Apply some to your purchases and some to your balance transfer
- d) None of the above
- e) It doesn't make a difference to me.
- f) I don't know

*[Correct response: a]*

### *Interpretation of Responses:*

Participants who answered all three of the questions correctly were considered to understand this payment allocation scenario, either before or after reading the written description.<sup>17</sup>

### *Results and Analysis:*

**Table 11: Understanding of Payment Allocation, Before and After Reading Description**

<b>Payment Allocation Description</b>	<b>% Answering Correctly <u>Before</u> Reading</b>	<b>% Answering Correctly <u>After</u> Reading</b>	<b>Change in %</b>
<b>Version 1 (n=264)</b>	15.5	20.1	4.6
<b>Version 2 (n=281)</b>	18.1	24.9	6.8
<b>Version 3 (n=270)</b>	19.3	23.7	4.4
<b>Total</b>	17.7	22.9	5.2

As Table 11 shows, 17.7 percent of participants were able to answer all three questions before reading the notice—that is, they understood payment allocation based on previous knowledge or experience. After reading the notice, 22.9 percent of participants were able to answer all three questions. Therefore, reading the notice was associated with a 5.2 percent increase in comprehension—a change which was statistically significant ( $p=.010$ ).

However, even among people who answered all three questions correctly, there still seemed to be some uncertainty. About a fifth (19.4%) of participants who answered the questions correctly before reading the notice went on to answer at least one incorrectly after reading the notice. There are three potential explanations this finding. The first is that these participants' correct answers before reading the notice were due in part to guessing, not true understanding of the issue. The second is that the finding is an artifact of the testing environment—participants assumed that they would not have been asked the questions a second time if their first answers had been correct, and therefore answered differently the second time. The third possibility is that the content of the notice actually confused participants, and gave them misconceptions about how their payments would be allocated.<sup>18</sup>

<sup>17</sup> If a participant answered all three questions correctly before reading the written payment allocation description (Q33 through Q35), read the written notice, and then answered the first question correctly again (Q36), he or she skipped questions Q37 and Q38, and the assumption was made that they understood payment allocation both before and after reading the description. This procedure was put into place due to limit the length of interviews.

<sup>18</sup> There were no statistically significant differences between versions in how often people changed their minds from the right to the wrong answer, and therefore no evidence that one caused more confusion than the others.



## CHAPTER V: SUMMARY

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As described in Chapter II, the goal of this experiment was to provide the Board with valid quantitative data on the extent to which various factors in disclosure formatting and wording have an impact on consumer understanding. Macro is submitting this report to the Board so that it can use these results, as well as findings from the qualitative portions of this project and other sources of data such as comment letters, to develop its final revisions to Regulation Z. Our hope is that this consumer research will lead to credit card disclosures that consumers notice, pay attention to, and understand, and that provide the information that consumers need to make good financial decisions.

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## **Appendix A: Schumer Box Models Used in Testing**

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## Characteristics of Schumer Box Models

Schumer Box Model #	Factor 1: Combined APR and Fee Rows	Factor 2: Inclusion of References	Factor 3: Some Penalty Fees on Back?
1	Combined Rows	References	Yes
2	Combined Rows	References	No
3	Combined Rows	No References	Yes
4	Combined Rows	No References	No
5	Separate Rows	References	Yes
6	Separate Rows	References	No
7	Separate Rows	No References	Yes
8	Separate Rows	No References	No



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## **Model 1**

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<b>Interest Rates and Interest Charges</b>	
<b>Annual Percentage Rate (APR) for Purchases</b>	<p><b>0.00%</b> (Intro. APR through your May 2009 billing cycle)</p> <p><b>11.99%</b> (Standard APR after May 2009)</p> <p>Your standard APR will vary with the market based on the Prime Rate.</p>
<b>APR for Cash Advances and Balance Transfers</b>	<p><b>20.99%</b></p> <p>This APR will vary with the market based on the Prime Rate.</p> <p>Cash advance and balance transfer fees will also apply (see Fees section below).</p>
<b>Loss of Introductory APR</b>	<p>We will end your introductory APR and apply the standard APR to your outstanding balance if you perform any of the actions listed in the Penalty APR row below.</p>
<b>Penalty APR and When It Applies</b>	<p><b>31.99%</b></p> <p>This APR may be applied to your account if you:</p> <ol style="list-style-type: none"> <li>1) Make a late payment twice in a six-month period;</li> <li>2) Go over your credit limit; or</li> <li>3) Make a payment that is returned.</li> </ol> <p><b>How Long Will the Penalty APR Apply?:</b> If your APRs are increased for any of these reasons, we may keep them at this higher level indefinitely.</p>
<b>How To Avoid Paying Interest On Purchases</b>	<p>Your due date is at least 24 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire outstanding balance (excluding promotional balances) by the due date each month.</p>
<b>Minimum Interest Charge</b>	<p>If you are charged interest, the charge will be no less than \$1.50.</p>
<b>For Credit Card Tips from the Federal Reserve Board</b>	<p>To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at <a href="http://www.federalreserve.gov/location">www.federalreserve.gov/location</a>.</p>

<b>Fees</b>	
<b>Annual Fee</b>	<b>\$60</b>
<b>Transaction Fees</b>	
<ul style="list-style-type: none"> <li>• Balance Transfer</li> </ul>	<p><b>\$20</b> if amount of transfer is less than or equal to \$1,000;  <b>\$30</b> if amount of transfer is more than \$1,000</p>
<ul style="list-style-type: none"> <li>• Cash Advance</li> </ul>	<p>Either <b>\$10</b> or <b>5%</b> of the amount of each cash advance, whichever is greater.</p>
<ul style="list-style-type: none"> <li>• Foreign Transaction</li> </ul>	<p><b>2%</b> of the amount of each transaction.</p>
<b>Penalty Fees</b>	
<ul style="list-style-type: none"> <li>• Late Payment</li> </ul>	<p><b>\$24</b> if balance is less than or equal to \$1,000;  <b>\$27</b> if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above.)</p>

TURN OVER for more important information about your account.

<b>Penalty Fees (cont.)</b> <ul style="list-style-type: none"> <li>Returned Payment or Over-the-Credit Limit</li> </ul>	<b>\$35</b> (Your APRs may also increase; see Penalty APR section above.)
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**How We Will Calculate Your Balance:** We use a method called "average daily balance (including new purchases)".

### State Law Disclosures

**Notice to New York State Residents:** Consumer reports may be requested in connection with the processing of your application and any resulting account. Upon request, we will inform you of the names and addresses of any consumer reporting agencies which have provided us with such reports.

**Notice to Ohio Residents:** Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

### 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:  
 Artesian Bank  
 P.O. Box 1390  
 Norfolk, VA 23501-1390  
 You may also contact us on the web: [www.artesianbank.com](http://www.artesianbank.com)

- In your letter, give us the following information:
- Account information: Your name 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 or electronically. 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 the amount in question.
  - 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 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**

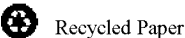
If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.

- 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 or electronically at:

Artesian Bank  
 P.O. Box 1390  
 Norfolk, VA 23501-1390  
[www.artesianbank.com](http://www.artesianbank.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.





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## **Model 2**

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<b>Interest Rates and Interest Charges</b>	
<b>Annual Percentage Rate (APR) for Purchases</b>	<p><b>0.00%</b> (Intro. APR through your May 2009 billing cycle)</p> <p><b>11.99%</b> (Standard APR after May 2009)</p> <p>Your standard APR will vary with the market based on the Prime Rate.</p>
<b>APR for Cash Advances and Balance Transfers</b>	<p><b>20.99%</b></p> <p>This APR will vary with the market based on the Prime Rate.</p> <p>Cash advance and balance transfer fees will also apply (see Fees section below).</p>
<b>Loss of Introductory APR</b>	<p>We will end your introductory APR and apply the standard APR to your outstanding balance if you perform any of the actions listed in the Penalty APR row below.</p>
<b>Penalty APR and When It Applies</b>	<p><b>31.99%</b></p> <p>This APR may be applied to your account if you:</p> <ol style="list-style-type: none"> <li>1) Make a late payment twice in a six-month period;</li> <li>2) Go over your credit limit; or</li> <li>3) Make a payment that is returned.</li> </ol> <p><b>How Long Will the Penalty APR Apply?:</b> If your APRs are increased for any of these reasons, we may keep them at this higher level indefinitely.</p>
<b>How To Avoid Paying Interest On Purchases</b>	<p>Your due date is at least 24 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire outstanding balance (excluding promotional balances) by the due date each month.</p>
<b>Minimum Interest Charge</b>	<p>If you are charged interest, the charge will be no less than \$1.50.</p>
<b>For Credit Card Tips from the Federal Reserve Board</b>	<p>To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at <a href="http://www.federalreserve.gov/location">www.federalreserve.gov/location</a>.</p>

<b>Fees</b>	
<b>Annual Fee</b>	<b>\$60</b>
<b>Transaction Fees</b>	
<ul style="list-style-type: none"> <li>• Balance Transfer</li> </ul>	<p><b>\$20</b> if amount of transfer is less than or equal to \$1,000;  <b>\$30</b> if amount of transfer is more than \$1,000</p>
<ul style="list-style-type: none"> <li>• Cash Advance</li> </ul>	<p>Either <b>\$10</b> or <b>5%</b> of the amount of each cash advance, whichever is greater.</p>
<ul style="list-style-type: none"> <li>• Foreign Transaction</li> </ul>	<p><b>2%</b> of the amount of each transaction.</p>
<b>Penalty Fees</b>	
<ul style="list-style-type: none"> <li>• Late Payment</li> </ul>	<p><b>\$24</b> if balance is less than or equal to \$1,000;  <b>\$27</b> if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above.)</p>
<ul style="list-style-type: none"> <li>• Returned Payment or Over-the-Credit Limit</li> </ul>	<p><b>\$35</b> (Your APRs may also increase; see Penalty APR section above.)</p>

**How We Will Calculate Your Balance:** We use a method called "average daily balance (including new purchases)".

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P.O. Box 1390  
Norfolk, VA 23501-1390

You may also contact us on the web: [www.artesianbank.com](http://www.artesianbank.com)

In your letter, give us the following information:

- **Account information:** Your name 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 or electronically. 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:**

1. 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.
2. 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 the amount in question.
- 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 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 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:

1. 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.)
2. 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.
3. 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 or electronically at:

Artesian Bank  
P.O. Box 1390  
Norfolk, VA 23501-1390  
[www.artesianbank.com](http://www.artesianbank.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.





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## **Model 3**

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<b>Interest Rates and Interest Charges</b>	
<b>Annual Percentage Rate (APR) for Purchases</b>	<b>0.00%</b> (Intro. APR through your May 2009 billing cycle) <b>11.99%</b> (Standard APR after May 2009)  Your standard APR will vary with the market based on the Prime Rate.
<b>APR for Cash Advances and Balance Transfers</b>	<b>20.99%</b>  This APR will vary with the market based on the Prime Rate.
<b>Loss of Introductory APR</b>	We will end your introductory APR and apply the standard APR to your outstanding balance if you perform any of the actions listed in the Penalty APR row below.
<b>Penalty APR and When It Applies</b>	<b>31.99%</b>  This APR may be applied to your account if you: <ol style="list-style-type: none"> <li>1) Make a late payment twice in a six-month period;</li> <li>2) Go over your credit limit; or</li> <li>3) Make a payment that is returned.</li> </ol> <b>How Long Will the Penalty APR Apply?:</b> If your APRs are increased for any of these reasons, we may keep them at this higher level indefinitely.
<b>How To Avoid Paying Interest On Purchases</b>	Your due date is at least 24 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire outstanding balance (excluding promotional balances) by the due date each month.
<b>Minimum Interest Charge</b>	If you are charged interest, the charge will be no less than \$1.50.
<b>For Credit Card Tips from the Federal Reserve Board</b>	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at <a href="http://www.federalreserve.gov/location">www.federalreserve.gov/location</a> .

<b>Fees</b>	
<b>Annual Fee</b>	<b>\$60</b>
<b>Transaction Fees</b>	
<ul style="list-style-type: none"> <li>• Balance Transfer</li> </ul>	<b>\$20</b> if amount of transfer is less than or equal to \$1,000; <b>\$30</b> if amount of transfer is more than \$1,000
<ul style="list-style-type: none"> <li>• Cash Advance</li> </ul>	Either <b>\$10</b> or <b>5%</b> of the amount of each cash advance, whichever is greater.
<ul style="list-style-type: none"> <li>• Foreign Transaction</li> </ul>	<b>2%</b> of the amount of each transaction.
<b>Penalty Fees</b>	
<ul style="list-style-type: none"> <li>• Late Payment</li> </ul>	<b>\$24</b> if balance is less than or equal to \$1,000; <b>\$27</b> if balance is more than \$1,000

TURN OVER for more important information about your account.

<b>Penalty Fees (cont.)</b>	
<ul style="list-style-type: none"><li>Returned Payment or Over-the-Credit Limit</li></ul>	<b>\$35</b>



**How We Will Calculate Your Balance:** We use a method called "average daily balance (including new purchases)".

## State Law Disclosures

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In your letter, give us the following information:

- Account information:** Your name 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 or electronically. 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.

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- Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

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- The charge in question may remain on your statement, and we may continue to charge you interest on the amount in question.
- 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 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.

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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.





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## **Model 4**

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<b>Interest Rates and Interest Charges</b>	
<b>Annual Percentage Rate (APR) for Purchases</b>	<p><b>0.00%</b> (Intro. APR through your May 2009 billing cycle)</p> <p><b>11.99%</b> (Standard APR after May 2009)</p> <p>Your standard APR will vary with the market based on the Prime Rate.</p>
<b>APR for Cash Advances and Balance Transfers</b>	<p><b>20.99%</b></p> <p>This APR will vary with the market based on the Prime Rate.</p>
<b>Loss of Introductory APR</b>	<p>We will end your introductory APR and apply the standard APR to your outstanding balance if you perform any of the actions listed in the Penalty APR row below.</p>
<b>Penalty APR and When It Applies</b>	<p><b>31.99%</b></p> <p>This APR may be applied to your account if you:</p> <ol style="list-style-type: none"> <li>1) Make a late payment twice in a six-month period;</li> <li>2) Go over your credit limit; or</li> <li>3) Make a payment that is returned.</li> </ol> <p><b>How Long Will the Penalty APR Apply?:</b> If your APRs are increased for any of these reasons, we may keep them at this higher level indefinitely.</p>
<b>How To Avoid Paying Interest On Purchases</b>	<p>Your due date is at least 24 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire outstanding balance (excluding promotional balances) by the due date each month.</p>
<b>Minimum Interest Charge</b>	<p>If you are charged interest, the charge will be no less than \$1.50.</p>
<b>For Credit Card Tips from the Federal Reserve Board</b>	<p>To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at <a href="http://www.federalreserve.gov/location">www.federalreserve.gov/location</a>.</p>

<b>Fees</b>	
<b>Annual Fee</b>	<b>\$60</b>
<b>Transaction Fees</b>	
<ul style="list-style-type: none"> <li>• Balance Transfer</li> </ul>	<p><b>\$20</b> if amount of transfer is less than or equal to \$1,000;  <b>\$30</b> if amount of transfer is more than \$1,000</p>
<ul style="list-style-type: none"> <li>• Cash Advance</li> </ul>	<p>Either <b>\$10</b> or <b>5%</b> of the amount of each cash advance, whichever is greater.</p>
<ul style="list-style-type: none"> <li>• Foreign Transaction</li> </ul>	<p><b>2%</b> of the amount of each transaction.</p>
<b>Penalty Fees</b>	
<ul style="list-style-type: none"> <li>• Late Payment</li> </ul>	<p><b>\$24</b> if balance is less than or equal to \$1,000;  <b>\$27</b> if balance is more than \$1,000</p>
<ul style="list-style-type: none"> <li>• Returned Payment or Over-the-Credit Limit</li> </ul>	<p><b>\$35</b></p>

**How We Will Calculate Your Balance:** We use a method called "average daily balance (including new purchases)".

## State Law Disclosures

**Notice to New York State Residents:** Consumer reports may be requested in connection with the processing of your application and any resulting account. Upon request, we will inform you of the names and addresses of any consumer reporting agencies which have provided us with such reports.

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In your letter, give us the following information:

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- **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.

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- 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 or electronically. 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.

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

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- The charge in question may remain on your statement, and we may continue to charge you interest on the amount in question.
- 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 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.

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

1. 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.)
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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.



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## **Model 5**

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<b>Interest Rates and Interest Charges</b>	
<b>Annual Percentage Rate (APR) for Purchases</b>	<b>0.00%</b> (Intro. APR through your May 2009 billing cycle) <b>11.99%</b> (Standard APR after May 2009)  Your standard APR will vary with the market based on the Prime Rate.
<b>APR for Balance Transfers</b>	<b>20.99%</b>  This APR will vary with the market based on the Prime Rate.  Balance transfer fees will also apply (see Fees section below).
<b>APR for Cash Advances</b>	<b>23.99%</b>  This APR will vary with the market based on the Prime Rate.  Cash advance fees will also apply (see Fees section below).
<b>Loss of Introductory APR</b>	We will end your introductory APR and apply the standard APR to your outstanding balance if you perform any of the actions listed in the Penalty APR row below.
<b>Penalty APR and When It Applies</b>	<b>31.99%</b>  This APR may be applied to your account if you: <ol style="list-style-type: none"> <li>1) Make a late payment twice in a six-month period;</li> <li>2) Go over your credit limit; or</li> <li>3) Make a payment that is returned.</li> </ol> <b>How Long Will the Penalty APR Apply?:</b> If your APRs are increased for any of these reasons, we may keep them at this higher level indefinitely.
<b>How To Avoid Paying Interest On Purchases</b>	Your due date is at least 24 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire outstanding balance (excluding promotional balances) by the due date each month.
<b>Minimum Interest Charge</b>	If you are charged interest, the charge will be no less than \$1.50.
<b>For Credit Card Tips from the Federal Reserve Board</b>	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at <a href="http://www.federalreserve.gov/location">www.federalreserve.gov/location</a> .

<b>Fees</b>	
<b>Annual Fee</b>	<b>\$60</b>
<b>Transaction Fees</b>	
<ul style="list-style-type: none"> <li>• Balance Transfer</li> </ul>	<b>\$20</b> if amount of transfer is less than or equal to \$1,000; <b>\$30</b> if amount of transfer is more than \$1,000
<ul style="list-style-type: none"> <li>• Cash Advance</li> </ul>	Either <b>\$10</b> or <b>5%</b> of the amount of each cash advance, whichever is greater.
<ul style="list-style-type: none"> <li>• Foreign Transaction</li> </ul>	<b>2%</b> of the amount of each transaction.
<b>Penalty Fees</b>	
<ul style="list-style-type: none"> <li>• Late Payment</li> </ul>	<b>\$24</b> if balance is less than or equal to \$1,000; <b>\$27</b> if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above.)

TURN OVER for more important information about your account.

<b>Penalty Fees (cont.)</b>	
• Returned Payment	<b>\$38</b> (Your APRs may also increase; see Penalty APR section above.)
• Over-the-Credit Limit	<b>\$35</b> (Your APRs may also increase; see Penalty APR section above.)

**How We Will Calculate Your Balance:** We use a method called "average daily balance (including new purchases)".

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## **Model 6**

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<b>Interest Rates and Interest Charges</b>	
<b>Annual Percentage Rate (APR) for Purchases</b>	<p><b>0.00%</b> (Intro. APR through your May 2009 billing cycle)</p> <p><b>11.99%</b> (Standard APR after May 2009)</p> <p>Your standard APR will vary with the market based on the Prime Rate.</p>
<b>APR for Balance Transfers</b>	<p><b>20.99%</b></p> <p>This APR will vary with the market based on the Prime Rate.</p> <p>Balance transfer fees will also apply (see Fees section below).</p>
<b>APR for Cash Advances</b>	<p><b>23.99%</b></p> <p>This APR will vary with the market based on the Prime Rate.</p> <p>Cash advance fees will also apply (see Fees section below).</p>
<b>Loss of Introductory APR</b>	We will end your introductory APR and apply the standard APR to your outstanding balance if you perform any of the actions listed in the Penalty APR row below.
<b>Penalty APR and When It Applies</b>	<p><b>31.99%</b></p> <p>This APR may be applied to your account if you:</p> <ol style="list-style-type: none"> <li>1) Make a late payment twice in a six-month period;</li> <li>2) Go over your credit limit; or</li> <li>3) Make a payment that is returned.</li> </ol> <p><b>How Long Will the Penalty APR Apply?:</b> If your APRs are increased for any of these reasons, we may keep them at this higher level indefinitely.</p>
<b>How To Avoid Paying Interest On Purchases</b>	Your due date is at least 24 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire outstanding balance (excluding promotional balances) by the due date each month.
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<b>Fees</b>	
<b>Annual Fee</b>	<b>\$60</b>
<b>Transaction Fees</b>	
<ul style="list-style-type: none"> <li>• Balance Transfer</li> </ul>	<p><b>\$20</b> if amount of transfer is less than or equal to \$1,000;  <b>\$30</b> if amount of transfer is more than \$1,000</p>
<ul style="list-style-type: none"> <li>• Cash Advance</li> </ul>	Either <b>\$10</b> or <b>5%</b> of the amount of each cash advance, whichever is greater.
<ul style="list-style-type: none"> <li>• Foreign Transaction</li> </ul>	<b>2%</b> of the amount of each transaction.
<b>Penalty Fees</b>	
<ul style="list-style-type: none"> <li>• Late Payment</li> </ul>	<p><b>\$24</b> if balance is less than or equal to \$1,000;  <b>\$27</b> if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above.)</p>
<ul style="list-style-type: none"> <li>• Returned Payment</li> </ul>	<b>\$38</b> (Your APRs may also increase; see Penalty APR section above.)
<ul style="list-style-type: none"> <li>• Over-the-Credit Limit</li> </ul>	<b>\$35</b> (Your APRs may also increase; see Penalty APR section above.)

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You may also contact us on the web: [www.artesianbank.com](http://www.artesianbank.com)

In your letter, give us the following information:

- **Account information:** Your name 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 or electronically. 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:**

1. 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.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

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

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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 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:

1. 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.)
2. 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.
3. 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 or electronically at:

Artesian Bank  
P.O. Box 1390  
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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.



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## **Model 7**

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<b>Interest Rates and Interest Charges</b>	
<b>Annual Percentage Rate (APR) for Purchases</b>	<p><b>0.00%</b> (Intro. APR through your May 2009 billing cycle)</p> <p><b>11.99%</b> (Standard APR after May 2009)</p> <p>Your standard APR will vary with the market based on the Prime Rate.</p>
<b>APR for Balance Transfers</b>	<p><b>20.99%</b></p> <p>This APR will vary with the market based on the Prime Rate.</p>
<b>APR for Cash Advances</b>	<p><b>23.99%</b></p> <p>This APR will vary with the market based on the Prime Rate.</p>
<b>Loss of Introductory APR</b>	<p>We will end your introductory APR and apply the standard APR to your outstanding balance if you perform any of the actions listed in the Penalty APR row below.</p>
<b>Penalty APR and When It Applies</b>	<p><b>31.99%</b></p> <p>This APR may be applied to your account if you:</p> <ol style="list-style-type: none"> <li>1) Make a late payment twice in a six-month period;</li> <li>2) Go over your credit limit; or</li> <li>3) Make a payment that is returned.</li> </ol> <p><b>How Long Will the Penalty APR Apply?:</b> If your APRs are increased for any of these reasons, we may keep them at this higher level indefinitely.</p>
<b>How To Avoid Paying Interest On Purchases</b>	<p>Your due date is at least 24 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire outstanding balance (excluding promotional balances) by the due date each month.</p>
<b>Minimum Interest Charge</b>	<p>If you are charged interest, the charge will be no less than \$1.50.</p>
<b>For Credit Card Tips from the Federal Reserve Board</b>	<p>To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at <a href="http://www.federalreserve.gov/location">www.federalreserve.gov/location</a>.</p>

<b>Fees</b>	
<b>Annual Fee</b>	<b>\$60</b>
<b>Transaction Fees</b>	<ul style="list-style-type: none"> <li>• Balance Transfer <b>\$20</b> if amount of transfer is less than or equal to \$1,000; <b>\$30</b> if amount of transfer is more than \$1,000</li> <li>• Cash Advance Either <b>\$10</b> or <b>5%</b> of the amount of each cash advance, whichever is greater.</li> <li>• Foreign Transaction <b>2%</b> of the amount of each transaction.</li> </ul>
<b>Penalty Fees</b>	<ul style="list-style-type: none"> <li>• Late Payment <b>\$24</b> if balance is less than or equal to \$1,000; <b>\$27</b> if balance is more than \$1,000</li> </ul>

TURN OVER for more important information about your account.

<b>Penalty Fees (cont.)</b>	
• Returned Payment	<b>\$38</b>
• Over-the-Credit Limit	<b>\$35</b>

**How We Will Calculate Your Balance:** We use a method called "average daily balance (including new purchases)".

## State Law Disclosures

**Notice to New York State Residents:** Consumer reports may be requested in connection with the processing of your application and any resulting account. Upon request, we will inform you of the names and addresses of any consumer reporting agencies which have provided us with such reports.

**Notice to Ohio Residents:** Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

## Your Billing Rights: Keep This Document for Future Use

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## **Model 8**

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<b>Interest Rates and Interest Charges</b>	
<b>Annual Percentage Rate (APR) for Purchases</b>	<p><b>0.00%</b> (Intro. APR through your May 2009 billing cycle)</p> <p><b>11.99%</b> (Standard APR after May 2009)</p> <p>Your standard APR will vary with the market based on the Prime Rate.</p>
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<b>How To Avoid Paying Interest On Purchases</b>	<p>Your due date is at least 24 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire outstanding balance (excluding promotional balances) by the due date each month.</p>
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<ul style="list-style-type: none"> <li>• Cash Advance</li> </ul>	<p>Either <b>\$10</b> or <b>5%</b> of the amount of each cash advance, whichever is greater.</p>
<ul style="list-style-type: none"> <li>• Foreign Transaction</li> </ul>	<p><b>2%</b> of the amount of each transaction.</p>
<b>Penalty Fees</b>	
<ul style="list-style-type: none"> <li>• Late Payment</li> </ul>	<p><b>\$24</b> if balance is less than or equal to \$1,000;  <b>\$27</b> if balance is more than \$1,000</p>
<ul style="list-style-type: none"> <li>• Returned Payment</li> </ul>	<b>\$38</b>
<ul style="list-style-type: none"> <li>• Over-the-Credit Limit</li> </ul>	<b>\$35</b>

**How We Will Calculate Your Balance:** We use a method called "average daily balance (including new purchases)".

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**Appendix B:  
Periodic Statements Used in Testing**

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## Characteristics of Periodic Statement Models

<b>Periodic Statement Model #</b>	<b>Factor 1: Change-in-Terms Summary Table</b>	<b>Factor 2: Location of Change-in-Terms Notice</b>	<b>Factor 3: Transaction List</b>	<b>Factor 4: Presence of Fee-Inclusive APR</b>	<b>Factor 5: Format of Payment Information</b>
1	No Table	First Page	Chronological	Present	Version 1
2	Table	Second Page	Chronological	Absent	Version 1
3	No Table	Second Page	Chronological	Present	Version 3
4	No Table	First Page	Grouped	Present	Version 2
5	Table	First Page	Grouped	Present	Version 1
6	Table	Second Page	Grouped	Present	Version 3
7	No Table	Second Page	Grouped	Absent	Version 2
8	No Table	Second Page	Grouped	Absent	Version 1
9	Table	First Page	Grouped	Absent	Version 3
10	Table	Second Page	Chronological	Present	Version 2
11	Table	First Page	Chronological	Absent	Version 2
12	No Table	First Page	Chronological	Absent	Version 3

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## **Model 1**

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**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

Account Summary/Payment Information	
Previous Balance	\$535.07
Payments and Other Credits	-\$463.45
New Activity including Fees and Interest	+\$1,717.01
<b>New Balance</b>	<b>\$1,788.63</b>
Payment Due Date	10/17/08
Minimum Payment Due	\$48.00
Credit Limit	\$2,000.00
Available Credit	\$211.37
Days in Billing Cycle	30

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/minimumpayment](http://www.artesianbank.com/minimumpayment).

**QUESTIONS?**

Call Customer Service 1-800-987-5521  
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:  
 PO Box 1390, Norfolk, VA 23501-1390.

**Important News**

**Important Changes to Your Account Terms:** Please see the enclosed Notice of Change in Terms for important changes to your Card agreement.

**Want to receive your billing statement in Spanish?** Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en [www.artesianbank.com](http://www.artesianbank.com), modificando su Perfil Personal en la seccion Administrar mi Cuenta.

**Save Time. Save Paper. Sign up for All Electronic.** You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to [www.artesianbank.com](http://www.artesianbank.com) and choose Manage My Account.

**Need to add an authorized user to your account?** Just sign on to [www.artesianbank.com](http://www.artesianbank.com), go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!

Transactions					
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount	
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05	
054440060ZLV72VL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11	
554328608008W90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95	
854338203FS8OOOZ5	8/25	8/25	Payment Thank You	\$450.00-	
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00	
054830709LYMRPT4L	8/25	8/26	Wayfield Foods #1 S9b Atlanta GA	\$7.35	
564891561545KOSHD	8/25	8/26	Acme #1456 Atlanta GA	\$14.35	
841517877845AKOJIO	8/25	8/26	Citgo #1276 Decatur GA	\$40.35	
55541860705RDYD0X	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63	
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50	
564891561545KOSHD	8/26	8/26	Cash Advance Fee *Transaction Fee*	\$5.00	
895848561561894KOH	8/26	8/27	Save-a-Lot Grocery #287 Atlanta GA	\$27.68	

(transactions continued on next page)

5825 TRD 2 100 7 Page 1 of 2 8382 4000 USM2 0003 06118 C1AC5825 35ADM  
 Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

**Account Number:** 1234 5678 9012 3456  
**New Balance:** \$1,788.63  
**Minimum Payment Due:** \$48.00  
**Payment Due Date:** 10/17/08

**AMOUNT ENCLOSED:** \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
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 Norfolk, VA 23501-1390

35806



**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Transactions (cont.)</b>				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
1871556189456SAMKL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76
4545754784KOHUIOS	8/27	8/27	Balance Transfer	\$785.00
84151564SADS8745H	8/27	8/27	Balance Transfer Fee *Transaction Fee*	\$23.55
2564894185189LKDFD	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87
14547847586KDOL564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50
256489156189451516L	8/28	8/28	Cash Advance Fee *Transaction Fee*	\$7.00
2564561023184102315	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
55542818705RASD0X	9/1	9/2	Walmart #2998 Athens GA	\$3.76
289189194ASDS8744	9/1	9/3	Macy's #78 Decatur GA	\$13.45
178105417841045784	9/2	9/6	Citgo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34
045148714518979874	9/11	9/15	Macy's #78 Decatur GA	\$13.45
04518478415615ASD	9/11	9/16	Save-a-Lot Grocery #287 Atlanta GA	\$10.56
0547810544898718AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50
0564894132168480P	9/16	9/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	9/19	9/20	Macy's #78 Decatur GA	\$23.76
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$68.55</b>
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
<b>TOTAL INTEREST CHARGES FOR THIS PERIOD</b>				<b>\$10.89</b>
<b>2008 Totals Year-to-Date</b>				
Total fees charged in 2008				\$124.50
Total interest charged in 2008				\$47.42

<b>Interest Charge Calculation</b>			
Your Annual Percentage Rate (APR) is the annual interest rate on your account.			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

<b>Fee-Inclusive APR</b>			
The Fee-Inclusive APRs in this table are the APRs that you paid this period when transaction or fixed fees are taken into account as well as interest.			
Type of Balance	Interest Charges	Transaction or Fixed Fees	Fee-Inclusive APR
Purchases	\$6.31	\$0.00	14.99%
Cash Advances	\$4.58	\$12.00	61.60%
Balance Transfers	\$0.00	\$23.55	36.00%



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## Model 2

---

**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

Account Summary/Payment Information	
Previous Balance	\$535.07
Payments and Other Credits	-\$463.45
New Activity including Fees and Interest	+\$1,717.01
New Balance	\$1,788.63
Payment Due Date	10/17/08
Minimum Payment Due	\$48.00
Credit Limit	\$2,000.00
Available Credit	\$211.37
Days in Billing Cycle	30

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/minimumpayment](http://www.artesianbank.com/minimumpayment).

**QUESTIONS?**

Call Customer Service 1-800-987-5521  
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:  
 PO Box 1390, Norfolk, VA 23501-1390.

Transactions				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05
0544400060ZLV72VL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11
554328608008W90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95
854338203FS8000Z5	8/25	8/25	Payment Thank You	\$450.00-
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00
054830709LYMRPT4L	8/25	8/26	Wayfield Foods #1 S9b Atlanta GA	\$7.35
564891561545KOSHD	8/25	8/26	Acme #1456 Atlanta GA	\$14.35
841517877845AKOJIO	8/25	8/26	Citgo #1276 Decatur GA	\$40.35
55541860705RDYD0X	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50
564891561545KOSHD	8/26	8/26	Cash Advance Fee *Transaction Fee*	\$5.00
895848561561894KOH	8/26	8/27	Save-a-Lot Grocery #287 Atlanta GA	\$27.68
1871556189456SAMKL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76
4545754784KOHUIOS	8/27	8/27	Balance Transfer	\$785.00
84151564SADS8745H	8/27	8/27	Balance Transfer Fee *Transaction Fee*	\$23.55
2564894185189LKDFD	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87
14547847586KDOL564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50
256489156189451516L	8/28	8/28	Cash Advance Fee *Transaction Fee*	\$7.00
2564561023184102315	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
55542818705RASDOX	9/1	9/2	Walmart #2998 Athens GA	\$3.76
289189194ASDS8744	9/1	9/3	Macys #78 Decatur GA	\$13.45
178105417841045784	9/2	9/6	Citgo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34
045148714518979874	9/11	9/15	Macys #78 Decatur GA	\$13.45-
04518478415615ASD	9/11	9/16	Save-a-Lot Grocery #287 Atlanta GA	\$10.56

(transactions continued on next page)

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

**Account Number:** 1234 5678 9012 3456  
**New Balance:** \$1,788.63  
**Minimum Payment Due:** \$48.00  
**Payment Due Date:** 10/17/08

**AMOUNT ENCLOSED:** \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
 P.O. Box 1390  
 Norfolk, VA 23501-1390

35806



**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Transactions (cont.)</b>				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
05478105448987 18AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50
056489413216848OP	9/16	9/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	9/19	9/20	Macys #78 Decatur GA	\$23.76
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$68.55</b>
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
<b>TOTAL INTEREST CHARGES FOR THIS PERIOD</b>				<b>\$10.89</b>

<b>2008 Totals Year-to-Date</b>	
Total fees charged in 2008	\$124.50
Total interest charged in 2008	\$47.42

<b>Interest Charge Calculation</b>			
Your Annual Percentage Rate (APR) is the annual interest rate on your account.			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

<b>Important Changes to Your Account Terms</b>	
The following is a summary of changes that are being made to your account terms.	
These changes will impact your account as follows:	
<u>Transactions made on or after 10/10/08:</u> As of 11/10/08, any changes to APRs described below will apply to these transactions.	
<u>Transactions made before 10/10/08:</u> Current APRs will continue to apply to these transactions.	

<b>Revised Terms, as of 11/10/08</b>	
<b>APR for Purchases</b>	16.99%
<b>Balance Transfer Fee</b>	\$24 if amount of transfer is less than or equal to \$1,000; \$34 if amount of transfer is more than \$1,000

**Want to receive your billing statement in Spanish?**

Preferir recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en [www.artesianbank.com](http://www.artesianbank.com), modificando su Perfil Personal en la seccion Administrar mi Cuenta.

**Save Time. Save Paper. Sign up for All Electronic.**

You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to [www.artesianbank.com](http://www.artesianbank.com) and choose Manage My Account.

**Need to add an authorized user to your account?**

Just sign on to [www.artesianbank.com](http://www.artesianbank.com), go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!

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## **Model 3**

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**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

Summary of Account Activity	
Previous Balance	\$535.07
Payments and Other Credits	-\$463.45
New Activity including Fees and Interest	<u>\$1,717.01</u>
New Balance	\$1,788.63
Credit limit	\$2,000.00
Available credit	\$211.37
Days in billing cycle	30

Payment Information	
New Balance	\$1,788.63
Minimum Payment Due	\$48.00
Payment Due Date	10/17/08

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/minimumpayment](http://www.artesianbank.com/minimumpayment).

**QUESTIONS?**

Call Customer Service 1-800-987-5521  
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:  
 PO Box 1390, Norfolk, VA 23501-1390.

Transactions				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05
0544400060ZLV72VL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11
554328608008W90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95
854338203FS8000Z5	8/25	8/25	Payment Thank You	\$450.00-
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00
054830709LYMRPT4L	8/25	8/26	Wayfield Foods #1 S9b Atlanta GA	\$7.35
564891561545KOSHD	8/25	8/26	Acme #1456 Atlanta GA	\$14.35
841517877845AKOJIO	8/25	8/26	Citgo #1276 Decatur GA	\$40.35
55541860705RDYD0X	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50
564891561545KOSHD	8/26	8/26	Cash Advance Fee *Transaction Fee*	\$5.00
895848561561894KOH	8/26	8/27	Save-a-Lot Grocery #287 Atlanta GA	\$27.68
1871556189456SAMKL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76
4545754784KOHUIOS	8/27	8/27	Balance Transfer	\$785.00
84151564SADS8745H	8/27	8/27	Balance Transfer Fee *Transaction Fee*	\$23.55
2564894185189LKDFD	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87
14547847586KDOL564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50
256489156189451516L	8/28	8/28	Cash Advance Fee *Transaction Fee*	\$7.00
2564561023184102315	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
55542818705RASD0X	9/1	9/2	Walmart #2998 Athens GA	\$3.76
289189194ASDS8744	9/1	9/3	Macys #78 Decatur GA	\$13.45
178105417841045784	9/2	9/6	Citgo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34
045148714518979874	9/11	9/15	Macys #78 Decatur GA	\$13.45-
04518478415615ASD	9/11	9/16	Save-a-Lot Grocery #287 Atlanta GA	\$10.56

(transactions continued on next page)

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

**Account Number:** 1234 5678 9012 3456  
**New Balance:** \$1,788.63  
**Minimum Payment Due:** \$48.00  
**Payment Due Date:** 10/17/08

**AMOUNT ENCLOSED:** \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
 P.O. Box 1390  
 Norfolk, VA 23501-1390

35806





**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Transactions (cont.)</b>				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
0547810544898718AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50
056489413216848OP	9/16	9/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	9/19	9/20	Macys #78 Decatur GA	\$23.76
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$68.55</b>
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
<b>TOTAL INTEREST CHARGES FOR THIS PERIOD</b>				<b>\$10.89</b>
<b>2008 Totals Year-to-Date</b>				
Total fees charged in 2008				\$124.50
Total interest charged in 2008				\$47.42

<b>Interest Charge Calculation</b>			
Your <b>Annual Percentage Rate (APR)</b> is the annual interest rate on your account.			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

<b>Fee-Inclusive APR</b>			
The <b>Fee-Inclusive APRs</b> in this table are the APRs that you paid this period when transaction or fixed fees are taken into account as well as interest.			
Type of Balance	Interest Charges	Transaction or Fixed Fees	Fee-Inclusive APR
Purchases	\$6.31	\$0.00	14.99%
Cash Advances	\$4.58	\$12.00	61.60%
Balance Transfers	\$0.00	\$23.55	36.00%

**Important News**

**Important Changes to Your Account Terms:** Please see the enclosed Notice of Change in Terms for important changes to your Card agreement.

**Want to receive your billing statement in Spanish?** Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en [www.artesianbank.com](http://www.artesianbank.com), modificando su Perfil Personal en la seccion Administrar mi Cuenta.

**Save Time. Save Paper. Sign up for All Electronic.** You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to [www.artesianbank.com](http://www.artesianbank.com) and choose Manage My Account.

**Need to add an authorized user to your account?** Just sign on to [www.artesianbank.com](http://www.artesianbank.com), go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!

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## **Model 4**

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**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

Account Summary/Payment Information				
Previous <u>Balance</u>	Payments and <u>Other Credits</u>	New Activity Including Fees <u>and Interest</u>	<u>New Balance</u>	
\$535.07	-\$463.45	+\$1,717.01	\$1,788.63	
Minimum <u>Payment Due</u>	Payment <u>Due Date</u>	Days in <u>Billing Cycle</u>	Total <u>Credit Line</u>	Available <u>Credit Line</u>
\$48.00	10/17/08	30	\$2,000.00	\$211.37

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/](http://www.artesianbank.com/) minimumpayment.

**Important News**

**Important Changes to Your Account Terms:** Please see the enclosed Notice of Change in Terms for important changes to your Card agreement.

**Want to receive your billing statement in Spanish?** Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en [www.artesianbank.com](http://www.artesianbank.com), modificando su Perfil Personal en la seccion Administrar mi Cuenta.

**Save Time. Save Paper. Sign up for All Electronic.** You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to [www.artesianbank.com](http://www.artesianbank.com) and choose Manage My Account.

**Need to add an authorized user to your account?** Just sign on to [www.artesianbank.com](http://www.artesianbank.com), go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!

Transactions					
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount	
<b>Payments and Other Credits</b>					
854338203FS8000Z5	8/25	8/25	Payment Thank You	\$450.00-	
045148714518979874	9/11	9/15	Macy's #78 Decatur GA	\$13.45-	
<b>Purchases</b>					
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05	
0544400060ZLV72VL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11	
554328608008W90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95	
55541860705RDYD0X	8/25	8/26	Wayfield Foods #1 S9B Atlanta GA	\$7.35	
054830709LYMRPT4L	8/25	8/26	Acme #1456 Atlanta GA	\$14.35	
564891561545KOSHD	8/25	8/26	Citgo #1276 Decatur GA	\$40.35	
841517877845AKOJIO	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63	

(transactions continued on next page)

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

**Account Number:** 1234 5678 9012 3456  
**New Balance:** \$1,788.63  
**Minimum Payment Due:** \$48.00  
**Payment Due Date:** 10/17/08

**AMOUNT ENCLOSED:** \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
P.O. Box 1390  
Norfolk, VA 23501-1390

36808



**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Transactions (cont.)</b>				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
895848561561894KOH	8/26	8/27	Save-A-Lot Grocery #287 Atlanta GA	\$27.68
1871556189456SAMKL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76
2564894185189LKDFID	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87
14547847586KDDL564	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
256489156189451516L	9/1	9/2	Walmart #2998 Athens GA	\$3.76
2564894185189LKDFID	9/1	9/3	Macys #78 Decatur GA	\$13.45
178105417841045784	9/2	9/6	Citgo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34
04518478415615ASD	9/11	9/16	Save-A-Lot Grocery #287 Atlanta GA	\$10.56
0547810544898718AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50
056489413216848OP	9/16	9/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	9/19	9/20	Macys #78 Decatur GA	\$23.76
<b>Cash Advances</b>				
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50
14547847586KDOL564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50
<b>Balance Transfers</b>				
4545754784KOHUIOS	8/27	8/27	Balance Transfer	\$785.00
<b>Fees</b>				
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00
56415615647OJSNDS	8/26	8/26	Cash Advance Fee *Transaction Fee*	\$5.00
84151564SADS8745H	8/27	8/27	Balance Transfer Fee *Transaction Fee*	\$23.55
256489156189451516L	8/28	8/28	Cash Advance Fee *Transaction Fee*	\$7.00
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$68.55</b>
<b>Interest Charged</b>				
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
<b>TOTAL INTEREST FOR THIS PERIOD</b>				<b>\$10.89</b>
<b>2008 Totals Year-to-Date</b>				
Total fees charged in 2008				\$124.50
Total interest charged in 2008				\$47.42

<b>Interest Charge Calculation</b>			
Your <b>Annual Percentage Rate (APR)</b> is the annual interest rate on your account.			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

<b>Fee-Inclusive APR</b>			
The <b>Fee-Inclusive APRs</b> in this table are the APRs that you paid this period when transaction or fixed fees are taken into account as well as interest.			
Type of Balance	Interest Charges	Transaction or Fixed Fees	Fee-Inclusive APR
Purchases	\$6.31	\$0.00	14.99%
Cash Advances	\$4.58	\$12.00	61.60%
Balance Transfers	\$0.00	\$23.55	36.00%

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## **Model 5**

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**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

Account Summary/Payment Information	
Previous Balance	\$535.07
Payments and Other Credits	-\$463.45
New Activity including Fees and Interest	+\$1,717.01
New Balance	\$1,788.63
Payment Due Date	10/17/08
Minimum Payment Due	\$48.00
Credit Limit	\$2,000.00
Available Credit	\$211.37
Days in Billing Cycle	30

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/minimumpayment](http://www.artesianbank.com/minimumpayment).

**QUESTIONS?**

Call Customer Service 1-800-987-5521  
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:  
 PO Box 1390, Norfolk, VA 23501-1390.

Important Changes to Your Account Terms	
The following is a summary of changes that are being made to your account terms.	
These changes will impact your account as follows:	
<u>Transactions made on or after 10/10/08:</u> As of 11/10/08, any changes to APRs described below will apply to these transactions.	
<u>Transactions made before 10/10/08:</u> Current APRs will continue to apply to these transactions.	
<b>Revised Terms, as of 11/10/08</b>	
<b>APR for Purchases</b>	16.99%
<b>Balance Transfer Fee</b>	\$24 if amount of transfer is less than or equal to \$1,000; \$34 if amount of transfer is more than \$1,000

Transactions				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
<b>Payments and Other Credits</b>				
854338203FS8000Z5	8/25	8/25	Payment Thank You	\$450.00-
045148714518979874	9/11	9/15	Macy's #78 Decatur GA	\$13.45-
<b>Purchases</b>				
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05
0544400060ZLV7ZVL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11
554328608008W90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95
55541860705RDYD0X	8/25	8/26	Wayfield Foods #1 S9B Atlanta GA	\$7.35
054830709LYMRPT4L	8/25	8/26	Acme #1456 Atlanta GA	\$14.35
564891561545KOSHD	8/25	8/26	Citgo #1276 Decatur GA	\$40.35
841517877845AKOJIO	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63

(transactions continued on next page)

8825 TRD 2 100 7 Page 1 of 2 8382 4000 USM2 0003 060118 C1AC8825 35ADM

Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

**Account Number:** 1234 5678 9012 3456  
**New Balance:** \$1,788.63  
**Minimum Payment Due:** \$48.00  
**Payment Due Date:** 10/17/08

**AMOUNT ENCLOSED:** \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
 P.O. Box 1390  
 Norfolk, VA 23501-1390



**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Transactions (cont.)</b>				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
895848561561894KOH	8/26	8/27	Save-A-Lot Grocery #287 Atlanta GA	\$27.68
1871556189456SAMKL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76
2564894185189LKDFID	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87
14547847586KDDL564	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
256489156189451516L	9/1	9/2	Walmart #2998 Athens GA	\$3.76
2564894185189LKDFID	9/1	9/3	Macys #78 Decatur GA	\$13.45
178105417841045784	9/2	9/6	Citgo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34
04518478415615ASD	9/11	9/16	Save-A-Lot Grocery #287 Atlanta GA	\$10.56
0547810544898718AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50
056489413216848OP	9/16	9/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	9/19	9/20	Macys #78 Decatur GA	\$23.76
<b>Cash Advances</b>				
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50
14547847586KDOL564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50
<b>Balance Transfers</b>				
4545754784KOHUIOS	8/27	8/27	Balance Transfer	\$785.00
<b>Fees</b>				
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00
56415615647OJSNDS	8/26	8/26	Cash Advance Fee *Transaction Fee*	\$5.00
84151564SADS8745H	8/27	8/27	Balance Transfer Fee *Transaction Fee*	\$23.55
256489156189451516L	8/28	8/28	Cash Advance Fee *Transaction Fee*	\$7.00
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$68.55</b>
<b>Interest Charged</b>				
			Interest Charge on Purchases	\$6.31
			Interest Charge on Cash Advances	\$4.58
<b>TOTAL INTEREST FOR THIS PERIOD</b>				<b>\$10.89</b>
<b>2008 Totals Year-to-Date</b>				
			Total fees charged in 2008	\$124.50
			Total interest charged in 2008	\$47.42

<b>Interest Charge Calculation</b>			
Your Annual Percentage Rate (APR) is the annual interest rate on your account.			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

<b>Fee-Inclusive APR</b>			
The Fee-Inclusive APRs in this table are the APRs that you paid this period when transaction or fixed fees are taken into account as well as interest.			
Type of Balance	Interest Charges	Transaction or Fixed Fees	Fee-Inclusive APR
Purchases	\$6.31	\$0.00	14.99%
Cash Advances	\$4.58	\$12.00	61.60%
Balance Transfers	\$0.00	\$23.55	36.00%

**Want to receive your billing statement in Spanish?**

Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en [www.artesianbank.com](http://www.artesianbank.com), modificando su Perfil Personal en la seccion Administrar mi Cuenta.

**Save Time. Save Paper. Sign up for All Electronic.**

You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to [www.artesianbank.com](http://www.artesianbank.com) and choose Manage My Account.

**Need to add an authorized user to your account?**

Just sign on to [www.artesianbank.com](http://www.artesianbank.com), go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!

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## **Model 6**

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**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

Summary of Account Activity	
Previous Balance	\$535.07
Payments and Other Credits	-\$463.45
New Activity including Fees and Interest	<u>\$1,717.01</u>
New Balance	\$1,788.63
Credit limit	\$2,000.00
Available credit	\$211.37
Days in billing cycle	30

Payment Information	
New Balance	\$1,788.63
Minimum Payment Due	\$48.00
Payment Due Date	10/17/08

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/minimumpayment](http://www.artesianbank.com/minimumpayment).

**QUESTIONS?**

Call Customer Service 1-800-987-5521  
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:  
 PO Box 1390, Norfolk, VA 23501-1390.

Transactions					
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount	
<b>Payments and Other Credits</b>					
854338203FS8000Z5	8/25	8/25	Payment Thank You	\$450.00-	
045148714518979874	9/11	9/15	Macys #78 Decatur GA	\$13.45-	
<b>Purchases</b>					
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05	
0544400060ZLV72VL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11	
554328608008W90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95	
55541860705RDYD0X	8/25	8/26	Wayfield Foods #1 S9B Atlanta GA	\$7.35	
054830709LYMRPT4L	8/25	8/26	Acme #1456 Atlanta GA	\$14.35	
564891561545KOSHD	8/25	8/26	Citgo #1276 Decatur GA	\$40.35	
841517877845AKOJIO	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63	
895848561561894KOH	8/26	8/27	Save-A-Lot Grocery #287 Atlanta GA	\$27.68	
1871556189456SAMPL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76	
2564894185189LKDFID	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87	
14547847586KDDL564	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76	
256489156189451516L	9/1	9/2	Walmart #2998 Athens GA	\$3.76	
2564894185189LKDFID	9/1	9/3	Macys #78 Decatur GA	\$13.45	
178105417841045784	9/2	9/6	Citgo Food Mart #74 Atlanta GA	\$2.35	
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00	
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34	
04518478415615ASD	9/11	9/16	Save-A-Lot Grocery #287 Atlanta GA	\$10.56	
0547810544898718AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50	
056489413216848OP	9/16	9/17	Walmart #2998 Athens GA	\$8.76	
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23	
5648974891AD98156	9/19	9/20	Macys #78 Decatur GA	\$23.76	
<b>Cash Advances</b>					
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50	
14547847586KDOL564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50	

(transactions continued on next page)

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

**Account Number:** 1234 5678 9012 3456  
**New Balance:** \$1,788.63  
**Minimum Payment Due:** \$48.00  
**Payment Due Date:** 10/17/08

**AMOUNT ENCLOSED:** \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
 P.O. Box 1390  
 Norfolk, VA 23501-1390



**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Transactions (cont.)</b>				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
<b>Balance Transfers</b>				
4545754784KOHUIOS	8/27	8/27	Balance Transfer	\$785.00
<b>Fees</b>				
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00
56415615647OJSNDS	8/26	8/26	Cash Advance Fee *Transaction Fee*	\$5.00
84151564SADS8745H	8/27	8/27	Balance Transfer Fee *Transaction Fee*	\$23.55
256489156189451516L	8/28	8/28	Cash Advance Fee *Transaction Fee*	\$7.00
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$68.55</b>
<b>Interest Charged</b>				
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
<b>TOTAL INTEREST FOR THIS PERIOD</b>				<b>\$10.89</b>
<b>2008 Totals Year-to-Date</b>				
Total fees charged in 2008				\$124.50
Total interest charged in 2008				\$47.42

<b>Interest Charge Calculation</b>			
Your <b>Annual Percentage Rate (APR)</b> is the annual interest rate on your account.			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

<b>Fee-Inclusive APR</b>			
The <b>Fee-Inclusive APRs</b> in this table are the APRs that you paid this period when transaction or fixed fees are taken into account as well as interest.			
Type of Balance	Interest Charges	Transaction or Fixed Fees	Fee-Inclusive APR
Purchases	\$6.31	\$0.00	14.99%
Cash Advances	\$4.58	\$12.00	61.60%
Balance Transfers	\$0.00	\$23.55	36.00%

<b>Important Changes to Your Account Terms</b>	
The following is a summary of changes that are being made to your account terms.	
These changes will impact your account as follows:	
<u>Transactions made on or after 10/10/08:</u> As of 11/10/08, any changes to APRs described below will apply to these transactions.	
<u>Transactions made before 10/10/08:</u> Current APRs will continue to apply to these transactions.	
<b>Revised Terms, as of 11/10/08</b>	
<b>APR for Purchases</b>	16.99%
<b>Balance Transfer Fee</b>	\$24 if amount of transfer is less than or equal to \$1,000; \$34 if amount of transfer is more than \$1,000

**Want to receive your billing statement in Spanish?**

Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en [www.artesianbank.com](http://www.artesianbank.com), modificando su Perfil Personal en la seccion Administrar mi Cuenta.

**Save Time. Save Paper. Sign up for All Electronic.**

You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to [www.artesianbank.com](http://www.artesianbank.com) and choose Manage My Account.

**Need to add an authorized user to your account?**

Just sign on to [www.artesianbank.com](http://www.artesianbank.com), go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!



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## **Model 7**

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**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Account Summary/Payment Information</b>				
Previous Balance	Payments and Other Credits	New Activity Including Fees and Interest	New Balance	
\$535.07	-\$463.45	+\$1,717.01	\$1,788.63	
Minimum Payment Due	Payment Due Date	Days in Billing Cycle	Total Credit Line	Available Credit Line
\$48.00	10/17/08	30	\$2,000.00	\$211.37

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/](http://www.artesianbank.com/) minumpayment.

**QUESTIONS?**

Call Customer Service  
 Lost or Stolen Credit Card

1-800-987-5521  
 1-800-987-5521

Please send billing inquiries and correspondence to:  
 PO Box 1390, Norfolk, VA 23501-1390.

<b>Transactions</b>				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
<b>Payments and Other Credits</b>				
854338203FS8000Z5	8/25	8/25	Payment Thank You	\$450.00-
045148714518979874	9/11	9/15	Macys #78 Decatur GA	\$13.45-
<b>Purchases</b>				
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05
0544400060ZLV72VL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11
554328608008W90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95
55541860705RDYD0X	8/25	8/26	Wayfield Foods #1 S9B Atlanta GA	\$7.35
054830709LYMRPT4L	8/25	8/26	Acme #1456 Atlanta GA	\$14.35
564891561545KOSHD	8/25	8/26	Citgo #1276 Decatur GA	\$40.35
841517877845AKOJIO	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63
895848561561894KOH	8/26	8/27	Save-A-Lot Grocery #287 Atlanta GA	\$27.68
1871556189456SAMKL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76
2564894185189LKDFID	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87
14547847586KDDL564	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
256489156189451516L	9/1	9/2	Walmart #2998 Athens GA	\$3.76
2564894185189LKDFID	9/1	9/3	Macys #78 Decatur GA	\$13.45
178105417841045784	9/2	9/6	Citgo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34
04518478415615ASD	9/11	9/16	Save-A-Lot Grocery #287 Atlanta GA	\$10.56
0547810544898718AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50
056489413216848OP	9/16	9/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	9/19	9/20	Macys #78 Decatur GA	\$23.76

(transactions continued on next page)

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

**Account Number:** 1234 5678 9012 3456  
**New Balance:** \$1,788.63  
**Minimum Payment Due:** \$48.00  
**Payment Due Date:** 10/17/08

**AMOUNT ENCLOSED:** \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
 P.O. Box 1390  
 Norfolk, VA 23501-1390

36806



**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Transactions (cont.)</b>				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
<b>Cash Advances</b>				
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50
14547847586KDOL564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50
<b>Balance Transfers</b>				
4545754784KOHUIOS	8/27	8/27	Balance Transfer	\$785.00
<b>Fees</b>				
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00
56415615647OJSNDS	8/26	8/26	Cash Advance Fee *Transaction Fee*	\$5.00
84151564SADS8745H	8/27	8/27	Balance Transfer Fee *Transaction Fee*	\$23.55
256489156189451516L	8/28	8/28	Cash Advance Fee *Transaction Fee*	\$7.00
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$68.55</b>
<b>Interest Charged</b>				
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
<b>TOTAL INTEREST FOR THIS PERIOD</b>				<b>\$10.89</b>

<b>2008 Totals Year-to-Date</b>	
Total fees charged in 2008	\$124.50
Total interest charged in 2008	\$47.42

<b>Interest Charge Calculation</b>			
Your Annual Percentage Rate (APR) is the annual interest rate on your account.			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

**Important News**

**Important Changes to Your Account Terms:** Please see the enclosed Notice of Change in Terms for important changes to your Card agreement.

**Want to receive your billing statement in Spanish?** Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en [www.artesianbank.com](http://www.artesianbank.com), modificando su Perfil Personal en la seccion Administrar mi Cuenta.

**Save Time. Save Paper. Sign up for All Electronic.** You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to [www.artesianbank.com](http://www.artesianbank.com) and choose Manage My Account.

**Need to add an authorized user to your account?** Just sign on to [www.artesianbank.com](http://www.artesianbank.com), go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!

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## **Model 8**

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**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

Account Summary/Payment Information	
Previous Balance	\$535.07
Payments and Other Credits	-\$463.45
New Activity including Fees and Interest	+\$1,717.01
New Balance	\$1,788.63
Payment Due Date	10/17/08
Minimum Payment Due	\$48.00
Credit Limit	\$2,000.00
Available Credit	\$211.37
Days in Billing Cycle	30

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/minimumpayment](http://www.artesianbank.com/minimumpayment).

**QUESTIONS?**

Call Customer Service 1-800-987-5521  
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:  
 PO Box 1390, Norfolk, VA 23501-1390.

Transactions				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
<b>Payments and Other Credits</b>				
854338203FS8000Z5	8/25	8/25	Payment Thank You	\$450.00-
045148714518979874	9/11	9/15	Macy's #78 Decatur GA	\$13.45-
<b>Purchases</b>				
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05
0544400060ZLV72VL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11
554328608008W90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95
55541860705RDYD0X	8/25	8/26	Wayfield Foods #1 S9B Atlanta GA	\$7.35
054830709LYMRPT4L	8/25	8/26	Acme #1456 Atlanta GA	\$14.35
564891561545KOSHD	8/25	8/26	Citgo #1276 Decatur GA	\$40.35
841517877845AKOJIO	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63
895848561561894KOH	8/26	8/27	Save-A-Lot Grocery #287 Atlanta GA	\$27.68
1871556189456SAMKL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76
2564894185189LKDFID	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87
14547847586KDDL564	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
256489156189451516L	9/1	9/2	Walmart #2998 Athens GA	\$3.76
2564894185189LKDFID	9/1	9/3	Macy's #78 Decatur GA	\$13.45
178105417841045784	9/2	9/6	Citgo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34
04518478415615ASD	9/11	9/16	Save-A-Lot Grocery #287 Atlanta GA	\$10.56
0547810544898718AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50
056489413216848OP	9/16	9/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	9/19	9/20	Macy's #78 Decatur GA	\$23.76

(transactions continued on next page)

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

**Account Number:** 1234 5678 9012 3456  
**New Balance:** \$1,788.63  
**Minimum Payment Due:** \$48.00  
**Payment Due Date:** 10/17/08

**AMOUNT ENCLOSED:** \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
 P.O. Box 1390  
 Norfolk, VA 23501-1390

36806





**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Transactions (cont.)</b>					
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount	
<b>Cash Advances</b>					
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50	
14547847586KDOL564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50	
<b>Balance Transfers</b>					
4545754784KOHUIOS	8/27	8/27	Balance Transfer	\$785.00	
<b>Fees</b>					
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00	
56415615647OJSNDS	8/26	8/26	Cash Advance Fee *Transaction Fee*	\$5.00	
84151564SADS8745H	8/27	8/27	Balance Transfer Fee *Transaction Fee*	\$23.55	
256489156189451516L	8/28	8/28	Cash Advance Fee *Transaction Fee*	\$7.00	
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$68.55</b>	
<b>Interest Charged</b>					
				Interest Charge on Purchases	\$6.31
				Interest Charge on Cash Advances	\$4.58
<b>TOTAL INTEREST FOR THIS PERIOD</b>				<b>\$10.89</b>	
<b>2008 Totals Year-to-Date</b>					
Total fees charged in 2008				\$124.50	
Total interest charged in 2008				\$47.42	

<b>Interest Charge Calculation</b>			
Your Annual Percentage Rate (APR) is the annual interest rate on your account.			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

**Important News**

**Important Changes to Your Account Terms:** Please see the enclosed Notice of Change in Terms for important changes to your Card agreement.

**Want to receive your billing statement in Spanish?** Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en [www.artesianbank.com](http://www.artesianbank.com), modificando su Perfil Personal en la seccion Administrar mi Cuenta.

**Save Time. Save Paper. Sign up for All Electronic.** You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to [www.artesianbank.com](http://www.artesianbank.com) and choose Manage My Account.

**Need to add an authorized user to your account?** Just sign on to [www.artesianbank.com](http://www.artesianbank.com), go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!

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## **Model 9**

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**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

Summary of Account Activity	
Previous Balance	\$535.07
Payments and Other Credits	-\$463.45
New Activity including Fees and Interest	\$1,717.01
<b>New Balance</b>	<b>\$1,788.63</b>
Credit limit	\$2,000.00
Available credit	\$211.37
Days in billing cycle	30

Payment Information	
New Balance	\$1,788.63
Minimum Payment Due	\$48.00
Payment Due Date	10/17/08

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/minimumpayment](http://www.artesianbank.com/minimumpayment).

**QUESTIONS?**

Call Customer Service 1-800-987-5521  
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:  
 PO Box 1390, Norfolk, VA 23501-1390.

**Important Changes to Your Account Terms**

The following is a summary of changes that are being made to your account terms.

These changes will impact your account as follows:

Transactions made on or after 10/10/08: As of 11/10/08, any changes to APRs described below will apply to these transactions.

Transactions made before 10/10/08: Current APRs will continue to apply to these transactions.

Revised Terms, as of 11/10/08	
<b>APR for Purchases</b>	16.99%
<b>Balance Transfer Fee</b>	\$24 if amount of transfer is less than or equal to \$1,000; \$34 if amount of transfer is more than \$1,000

**Transactions**

Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
<b>Payments and Other Credits</b>				
854338203FS8000Z5	8/25	8/25	Payment Thank You	\$450.00-
045148714518979874	9/11	9/15	Macys #78 Decatur GA	\$13.45-
<b>Purchases</b>				
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05
0544400060ZLV72VL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11
554328608008W90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95

(transactions continued on next page)

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

**Account Number:** 1234 5678 9012 3456  
**New Balance:** \$1,788.63  
**Minimum Payment Due:** \$48.00  
**Payment Due Date:** 10/17/08

**AMOUNT ENCLOSED:** \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
 P.O. Box 1390  
 Norfolk, VA 23501-1390



**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Transactions (cont.)</b>				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
55541860705RDYDOX	8/25	8/26	Wayfield Foods #1 S9B Atlanta GA	\$7.35
054830709LYMRPT4L	8/25	8/26	Acme #1456 Atlanta GA	\$14.35
564891561545KOSHD	8/25	8/26	Citgo #1276 Decatur GA	\$40.35
841517877845AKOJIO	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63
895848561561894KOH	8/26	8/27	Save-A-Lot Grocery #287 Atlanta GA	\$27.68
1871556189456SAMKL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76
2564894185189LKDFID	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87
14547847586KDDL564	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
256489156189451516L	9/1	9/2	Walmart #2998 Athens GA	\$3.76
2564894185189LKDFID	9/1	9/3	Macy's #78 Decatur GA	\$13.45
178105417841045784	9/2	9/6	Citgo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34
04518478415615ASD	9/11	9/16	Save-A-Lot Grocery #287 Atlanta GA	\$10.56
0547810544898718AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50
056489413216848OP	9/16	9/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	9/19	9/20	Macy's #78 Decatur GA	\$23.76
<b>Cash Advances</b>				
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50
14547847586KDOL564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50
<b>Balance Transfers</b>				
4545754784KOHUIOS	8/27	8/27	Balance Transfer	\$785.00
<b>Fees</b>				
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00
56415615647OJSNDS	8/26	8/26	Cash Advance Fee *Transaction Fee*	\$5.00
84151564SADS8745H	8/27	8/27	Balance Transfer Fee *Transaction Fee*	\$23.55
256489156189451516L	8/28	8/28	Cash Advance Fee *Transaction Fee*	\$7.00
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$68.55</b>
<b>Interest Charged</b>				
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
<b>TOTAL INTEREST FOR THIS PERIOD</b>				<b>\$10.89</b>
<b>2008 Totals Year-to-Date</b>				
Total fees charged in 2008				\$124.50
Total interest charged in 2008				\$47.42

<b>Interest Charge Calculation</b>			
Your Annual Percentage Rate (APR) is the annual interest rate on your account.			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

**Want to receive your billing statement in Spanish?**

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**Save Time. Save Paper. Sign up for All Electronic.**

You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to [www.artesianbank.com](http://www.artesianbank.com) and choose Manage My Account.

**Need to add an authorized user to your account?**

Just sign on to [www.artesianbank.com](http://www.artesianbank.com), go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!

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## **Model 10**

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**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

Account Summary/Payment Information				
Previous Balance	Payments and Other Credits	New Activity Including Fees and Interest	New Balance	
\$535.07	-\$463.45	+\$1,717.01	\$1,788.63	
Minimum Payment Due	Payment Due Date	Days in Billing Cycle	Total Credit Line	Available Credit Line
\$48.00	10/17/08	30	\$2,000.00	\$211.37

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/](http://www.artesianbank.com/) minumpayment.

**QUESTIONS?**

Call Customer Service	1-800-987-5521	Please send billing inquiries and correspondence to: PO Box 1390, Norfolk, VA 23501-1390.
Lost or Stolen Credit Card	1-800-987-5521	

Transactions				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05
0544400060ZLV72VL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11
554328608008W90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95
854338203FS8000Z5	8/25	8/25	Payment Thank You	\$450.00
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00
054830709LYMRPT4L	8/25	8/26	Wayfield Foods #1 S9b Atlanta GA	\$7.35
564891561545KOSHD	8/25	8/26	Acme #1456 Atlanta GA	\$14.35
841517877845AKOJIO	8/25	8/26	Citgo #1276 Decatur GA	\$40.35
55541860705RDYDOX	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50
564891561545KOSHD	8/26	8/26	Cash Advance Fee *Transaction Fee*	\$5.00
895848561561894KOH	8/26	8/27	Save-a-Lot Grocery #287 Atlanta GA	\$27.68
1871556189456SAMKL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76
4545754784KOHUIOS	8/27	8/27	Balance Transfer	\$785.00
84151564SADS8745H	8/27	8/27	Balance Transfer Fee *Transaction Fee*	\$23.55
2564894185189LKDFD	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87
14547847586KDOL564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50
256489156189451516L	8/28	8/28	Cash Advance Fee *Transaction Fee*	\$7.00
2564561023184102315	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
55542818705RASDOX	9/1	9/2	Walmart #2998 Athens GA	\$3.76
289189194ASDS8744	9/1	9/3	Macys #78 Decatur GA	\$13.45
178105417841045784	9/2	9/6	Citgo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34
045148714518979874	9/11	9/15	Macys #78 Decatur GA	\$13.45
04518478415615ASD	9/11	9/16	Save-a-Lot Grocery #287 Atlanta GA	\$10.56

(transactions continued on next page)

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

**Account Number:** 1234 5678 9012 3456  
**New Balance:** \$1,788.63  
**Minimum Payment Due:** \$48.00  
**Payment Due Date:** 10/17/08

**AMOUNT ENCLOSED:** \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
P.O. Box 1390  
Norfolk, VA 23501-1390

35806



**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Transactions (cont.)</b>				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
0547810544898718AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50
056489413216848OP	9/16	9/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	9/19	9/20	Macys #78 Decatur GA	\$23.76
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$68.55</b>
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
<b>TOTAL INTEREST CHARGES FOR THIS PERIOD</b>				<b>\$10.89</b>

<b>2008 Totals Year-to-Date</b>	
Total fees charged in 2008	\$124.50
Total interest charged in 2008	\$47.42

<b>Interest Charge Calculation</b>			
Your <b>Annual Percentage Rate (APR)</b> is the annual interest rate on your account.			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

<b>Fee-Inclusive APR</b>			
The <b>Fee-Inclusive APRs</b> in this table are the APRs that you paid this period when transaction or fixed fees are taken into account as well as interest.			
Type of Balance	Interest Charges	Transaction or Fixed Fees	Fee-Inclusive APR
Purchases	\$6.31	\$0.00	14.99%
Cash Advances	\$4.58	\$12.00	61.60%
Balance Transfers	\$0.00	\$23.55	36.00%

<b>Important Changes to Your Account Terms</b>	
The following is a summary of changes that are being made to your account terms.	
These changes will impact your account as follows:	
<u>Transactions made on or after 10/10/08:</u> As of 11/10/08, any changes to APRs described below will apply to these transactions.	
<u>Transactions made before 10/10/08:</u> Current APRs will continue to apply to these transactions.	

<b>Revised Terms, as of 11/10/08</b>	
<b>APR for Purchases</b>	16.99%
<b>Balance Transfer Fee</b>	\$24 if amount of transfer is less than or equal to \$1,000; \$34 if amount of transfer is more than \$1,000

**Want to receive your billing statement in Spanish?**

Preferir recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en [www.artesianbank.com](http://www.artesianbank.com), modificando su Perfil Personal en la seccion Administrar mi Cuenta.

**Save Time. Save Paper. Sign up for All Electronic.**

You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to [www.artesianbank.com](http://www.artesianbank.com) and choose Manage My Account.

**Need to add an authorized user to your account?**

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## **Model 11**

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**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Account Summary/Payment Information</b>				
Previous <u>Balance</u>	Payments and <u>Other Credits</u>	New Activity Including Fees <u>and Interest</u>	<u>New Balance</u>	
\$535.07	-\$463.45	+\$1,717.01	\$1,788.63	
Minimum <u>Payment Due</u>	Payment <u>Due Date</u>	Days in <u>Billing Cycle</u>	Total <u>Credit Line</u>	Available <u>Credit Line</u>
\$48.00	10/17/08	30	\$2,000.00	\$211.37

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/](http://www.artesianbank.com/) minimumpayment.

**QUESTIONS?**

Call Customer Service  
Lost or Stolen Credit Card

1-800-987-5521  
1-800-987-5521

Please send billing inquiries and correspondence to:  
PO Box 1390, Norfolk, VA 23501-1390.

<b>Important Changes to Your Account Terms</b>	
The following is a summary of changes that are being made to your account terms.	
These changes will impact your account as follows:	
<u>Transactions made on or after 10/10/08:</u> As of 11/10/08, any changes to APRs described below will apply to these transactions.	
<u>Transactions made before 10/10/08:</u> Current APRs will continue to apply to these transactions.	
Revised Terms, as of 11/10/08	
<b>APR for Purchases</b>	16.99%
<b>Balance Transfer Fee</b>	\$24 if amount of transfer is less than or equal to \$1,000; \$34 if amount of transfer is more than \$1,000

<b>Transactions</b>					
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount	
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05	
0544400060ZLV72VL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11	
554328608008W90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95	
854338203FS8000Z5	8/25	8/25	Payment Thank You	-\$450.00	
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00	

(transactions continued on next page)

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

**Account Number:** 1234 5678 9012 3456  
**New Balance:** \$1,788.63  
**Minimum Payment Due:** \$48.00  
**Payment Due Date:** 10/17/08

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
P.O. Box 1390  
Norfolk, VA 23501-1390

**AMOUNT ENCLOSED:** \$



**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Transactions (cont.)</b>				
<b>Reference Number</b>	<b>Trans Date</b>	<b>Post Date</b>	<b>Description of Transaction or Credit</b>	<b>Amount</b>
054830709LYMRPT4L	8/25	8/26	Wayfield Foods #1 S9b Atlanta GA	\$7.35
564891561545KOSHD	8/25	8/26	Acme #1456 Atlanta GA	\$14.35
841517877845AKOJIO	8/25	8/26	Citgo #1276 Decatur GA	\$40.35
55541860705RDYDOX	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50
564891561545KOSHD	8/26	8/26	Cash Advance Fee *Transaction Fee*	\$5.00
895848561561894KOH	8/26	8/27	Save-a-Lot Grocery #287 Atlanta GA	\$27.68
1871556189456SAMKL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76
4545754784KOHUIOS	8/27	8/27	Balance Transfer	\$785.00
84151564SADS8745H	8/27	8/27	Balance Transfer Fee *Transaction Fee*	\$23.55
2564894185189LKDFD	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87
14547847586KDOL564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50
256489156189451516L	8/28	8/28	Cash Advance Fee *Transaction Fee*	\$7.00
2564561023184102315	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
55542818705RASDOX	9/1	9/2	Walmart #2998 Athens GA	\$3.76
289189194ASDS8744	9/1	9/3	Macys #78 Decatur GA	\$13.45
178105417841045784	9/2	9/6	Citgo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34
045148714518979874	9/11	9/15	Macys #78 Decatur GA	\$13.45
04518478415615ASD	9/11	9/16	Save-a-Lot Grocery #287 Atlanta GA	\$10.56
0547810544898718AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50
056489413216848OP	9/16	9/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	9/19	9/20	Macys #78 Decatur GA	\$23.76
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$68.55</b>
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
<b>TOTAL INTEREST CHARGES FOR THIS PERIOD</b>				<b>\$10.89</b>

<b>2008 Totals Year-to-Date</b>	
Total fees charged in 2008	\$124.50
Total interest charged in 2008	\$47.42

<b>Interest Charge Calculation</b>			
Your Annual Percentage Rate (APR) is the annual interest rate on your account.			
<b>Type of Balance</b>	<b>Annual Percentage Rate (APR)</b>	<b>Balance Subject to Interest Rate</b>	<b>Interest Charge</b>
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

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## Model 12

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**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

Summary of Account Activity	
Previous Balance	\$535.07
Payments and Other Credits	-\$463.45
New Activity including Fees and Interest	<u>\$1,717.01</u>
New Balance	\$1,788.63
Credit limit	\$2,000.00
Available credit	\$211.37
Days in billing cycle	30

Payment Information	
New Balance	\$1,788.63
Minimum Payment Due	\$48.00
Payment Due Date	10/17/08

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 28.99%.

**Notice about Minimum Payments:** If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take you to repay your balance making only minimum payments, call 1-800-555-5555 or go to [www.artesianbank.com/minimumpayment](http://www.artesianbank.com/minimumpayment).

**QUESTIONS?**

Call Customer Service 1-800-987-5521  
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:  
 PO Box 1390, Norfolk, VA 23501-1390.

**Important News**

**Important Changes to Your Account Terms:** Please see the enclosed Notice of Change in Terms for important changes to your Card agreement.

**Want to receive your billing statement in Spanish?** Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en [www.artesianbank.com](http://www.artesianbank.com), modificando su Perfil Personal en la seccion Administrar mi Cuenta.

**Save Time. Save Paper. Sign up for All Electronic.** You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to [www.artesianbank.com](http://www.artesianbank.com) and choose Manage My Account.

**Need to add an authorized user to your account?** Just sign on to [www.artesianbank.com](http://www.artesianbank.com), go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!

**Transactions**

Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
5884186PS0388W6YM	8/24	8/24	Citgo Food Mart #74 Atlanta GA	\$2.05
0544400060ZLV72VL	8/24	8/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11
554328608008W90M0	8/24	8/25	Easy Saver 877-844-9564 PA	\$114.95
854338203FS8000Z5	8/25	8/25	Payment Thank You	\$450.00-
9525156489SFD4545Q	8/25	8/25	Pay-by-Phone Fee	\$33.00
054830709LYMRPT4L	8/25	8/26	Wayfield Foods #1 S9b Atlanta GA	\$7.35
564891561545KOSHHD	8/25	8/26	Acme #1456 Atlanta GA	\$14.35
841517877845AKOJIO	8/25	8/26	Citgo #1276 Decatur GA	\$40.35
55541860705RDYD0X	8/25	8/26	Eckerd Drugs #2708 Atlanta GA	\$4.63
1542202074TWWTV48G	8/26	8/26	Best Bank Cash Advance Atlanta GA	\$121.50
564891561545KOSHHD	8/26	8/26	Cash Advance Fee *Transaction Fee*	\$5.00
895848561561894KOH	8/26	8/27	Save-a-Lot Grocery #287 Atlanta GA	\$27.68

(transactions continued on next page)

5825 TRD 2 100 7 Page 1 of 2 8382 4000 USM2 0003 050118 C1AC5825 35ADM

Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

**Account Number:** 1234 5678 9012 3456  
**New Balance:** \$1,788.63  
**Minimum Payment Due:** \$48.00  
**Payment Due Date:** 10/17/08

**AMOUNT ENCLOSED:** \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank  
 P.O. Box 1390  
 Norfolk, VA 23501-1390



35606

**Artesian Bank Credit Card Account Statement**  
**Account Number 1234 5678 9012 3456**  
**August 24, 2008 to September 22, 2008**

<b>Transactions (cont.)</b>				
<b>Reference Number</b>	<b>Trans Date</b>	<b>Post Date</b>	<b>Description of Transaction or Credit</b>	<b>Amount</b>
1871556189456SAMKL	8/26	8/27	Best Buy #123 Atlanta GA	\$124.76
4545754784KOHUIOS	8/27	8/27	Balance Transfer	\$785.00
84151564SADS8745H	8/27	8/27	Balance Transfer Fee *Transaction Fee*	\$23.55
2564894185189LKDFD	8/27	8/28	Shell Oil #8765 Athens GA	\$32.87
14547847586KDOL564	8/28	8/28	Best Bank Cash Advance Decatur GA	\$201.50
256489156189451516L	8/28	8/28	Cash Advance Fee *Transaction Fee*	\$7.00
2564561023184102315	8/28	9/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
55542818705RASDOX	9/1	9/2	Walmart #2998 Athens GA	\$3.76
289189194ASDS8744	9/1	9/3	Macys #78 Decatur GA	\$13.45
178105417841045784	9/2	9/6	Citgo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	9/5	9/7	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	9/11	9/12	Easy Saver 877-844-9564 PA	\$7.34
045148714518979874	9/11	9/15	Macys #78 Decatur GA	\$13.45
04518478415615ASD	9/11	9/16	Save-a-Lot Grocery #287 Atlanta GA	\$10.56
0547810544898718AF	9/15	9/17	Shell Oil #8765 Athens GA	\$24.50
056489413216848OP	9/16	9/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	9/17	9/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	9/19	9/20	Macys #78 Decatur GA	\$23.76
			<b>TOTAL FEES FOR THIS PERIOD</b>	<b>\$68.55</b>
			Interest Charge on Purchases	\$6.31
			Interest Charge on Cash Advances	\$4.58
			<b>TOTAL INTEREST CHARGES FOR THIS PERIOD</b>	<b>\$10.89</b>
<b>2008 Totals Year-to-Date</b>				
Total fees charged in 2008				\$124.50
Total interest charged in 2008				\$47.42

<b>Interest Charge Calculation</b>			
Your Annual Percentage Rate (APR) is the annual interest rate on your account.			
<b>Type of Balance</b>	<b>Annual Percentage Rate (APR)</b>	<b>Balance Subject to Interest Rate</b>	<b>Interest Charge</b>
Purchases	14.99%	\$505.14	\$6.31
Cash Advances	21.99%	\$249.93	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

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**Appendix C:  
Change-in-Terms Insert Provided with  
Periodic Statement**

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**NOTICE OF CHANGE IN TERMS TO  
ARTESIAN BANK CARDMEMBER AGREEMENT**

The following is a summary of changes that are being made to your account terms. These changes will impact your account as follows:

Transactions made on or after 10/10/08: As of 11/10/08, any changes to APRs described below will apply to these transactions.

Transactions made before 10/10/08: Current APRs will continue to apply to these transactions.

<b>Revised Terms, as of 11/10/08</b>	
<b>APR for Purchases</b>	16.99%
<b>Balance Transfer Fee</b>	\$24 if amount of transfer is less than or equal to \$1,000; \$34 if amount of transfer is more than \$1,000

**The following changes will apply to your Account unless you notify us in writing that you reject them by November 3, 2008.** Send your notice to P.O. Box 30937, Salt Lake City, UT 84130-0937. Your notice should include your name, address, telephone number and Account number(s) and should not be sent with any other correspondence. Calling us to indicate you reject these changes is insufficient notice. In order to process your notice, we require that the notice be provided by you directly and not through a third party. If you reject these changes, we will close your Account and you will pay us the

balance that you owe us under the current terms of the Agreement. Note that these changes will not apply to your Account if your Account is closed by November 3, 2008. Use of your Account on or after November 4, 2008 means that you accept these changes even if you previously notified us that you did not agree to these changes.

Purchase APR

The standard rate of interest for credit card purchases will be a Daily Periodic Rate of .04655% (corresponding 16.99% ANNUAL PERCENTAGE RATE).

Balance Transfer Fee

We charge you a fee each time that you transfer an additional balance to your account. Under your new account terms this fee is \$24 if the amount of the transfer is less than or equal to \$1,000, or \$34 if the amount of the transfer is more than \$1,000.

**If you would like to receive a copy of the most current version of the Artesian Bank Cardmember Agreement, please call 1-800-555-1234.**

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## **Appendix D: Screening Questions**

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## Screening Questions

1. **Do you read and speak English fluently?**
  - Yes
  - No [POLITELY EXCUSE RESPONDENT]
  
2. **Do you currently have one or more general-purpose credit cards, such as MasterCard, Visa, Discover or American Express? Please do not include debit or ATM cards, or credit cards that can only be used at a single chain of stores.**
  - Yes
  - No [POLITELY EXCUSE RESPONDENT]
  
3. **In your household, are you responsible for making credit card decisions such as choosing a new credit card or deciding how much to pay each month? *[DO NOT READ RESPONSE OPTIONS.]***
  - Yes
  - Yes, in cooperation with my [spouse, partner, etc.]
  - No [POLITELY EXCUSE RESPONDENT]
  
4. **Do you currently work for a bank or a credit card company?**
  - Yes [POLITELY EXCUSE RESPONDENT]
  - No
  
5. **Gender**
  - Male
  - Female
  
6. **Which of the following categories best describes your age?**
  - 18-24
  - 25-34
  - 35-54
  - 55 and over
  
7. **What is the highest level of education you have completed?**
  - Less than high school
  - High school graduate or G.E.D.
  - Some college or post-secondary work
  - College graduate



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## **Appendix E: Participant Demographic Information**

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	<b>Dallas, TX</b>	<b>Detroit, MI</b>	<b>Los Angeles, CA</b>	<b>Seattle, WA</b>	<b>Springfield, MA</b>	<b>St. Louis, MO</b>	<b>Tallahassee, FL</b>	<b>TOTAL</b>
<b>Total Participants</b>	<b>137</b>	<b>151</b>	<b>140</b>	<b>145</b>	<b>147</b>	<b>152</b>	<b>150</b>	<b>1022</b>
<b>Gender<sup>1</sup></b>								
Male	57 (42%)	82 (54%)	71 (51%)	72 (50%)	73 (50%)	76 (50%)	78 (52%)	<b>509 (50%)</b>
Female	80 (58%)	69 (46%)	69 (49%)	73 (50%)	74 (50%)	76 (50%)	72 (48%)	<b>513 (50%)</b>
<b>Age</b>								
18-24	23 (17%)	21 (14%)	22 (16%)	19 (13%)	21 (14%)	23 (15%)	22 (15%)	<b>151 (15%)</b>
25-34	39 (28%)	38 (25%)	37 (26%)	36 (25%)	35 (24%)	37 (24%)	35 (23%)	<b>257 (25%)</b>
35-54	45 (33%)	49 (32%)	50 (36%)	51 (35%)	54 (37%)	51 (34%)	55 (37%)	<b>355 (35%)</b>
55+	30 (22%)	43 (28%)	31 (22%)	39 (27%)	37 (25%)	41 (27%)	38 (25%)	<b>259 (25%)</b>
<b>Highest Level of Education</b>								
Less than high school	7 (5%)	17 (11%)	12 (9%)	15 (10%)	17 (12%)	17 (11%)	16 (11%)	<b>101 (10%)</b>
High school graduate or G.E.D.	39 (28%)	50 (33%)	45 (32%)	41 (28%)	46 (31%)	43 (28%)	42 (28%)	<b>306 (30%)</b>
Some college or post-secondary work	35 (26%)	27 (18%)	28 (20%)	32 (22%)	30 (20%)	29 (19%)	32 (21%)	<b>213 (21%)</b>
College graduate	56 (41%)	57 (38%)	55 (39%)	57 (39%)	54 (37%)	63 (41%)	60 (40%)	<b>402 (39%)</b>
<b>Race/Ethnicity<sup>2</sup></b>								
White (including Middle Eastern or Arab)	64 (47%)	86 (57%)	38 (27%)	144 (99%)	87 (59%)	141 (93%)	80 (54%)	<b>640 (63%)</b>
Black/African-American	47 (34%)	61 (40%)	15 (11%)	5 (3%)	35 (24%)	8 (5%)	63 (42%)	<b>234 (23%)</b>
Hispanic/Latino	22 (16%)	1 (1%)	82 (59%)	5 (3%)	31 (21%)	4 (3%)	7 (5%)	<b>152 (15%)</b>
Asian	3 (2%)	2 (1%)	2 (1%)	1 (1%)	0 (0%)	1 (1%)	0 (0%)	<b>9 (1%)</b>
American Indian/Alaska Native	2 (2%)	6 (4%)	1 (1%)	7 (5%)	1 (1%)	1 (1%)	1 (1%)	<b>19 (2%)</b>
Native Hawaiian/Pacific Islander	0 (0%)	2 (1%)	1 (1%)	2 (1%)	0 (0%)	0 (0%)	0 (0%)	<b>5 (1%)</b>
Other	7 (5%)	4 (3%)	8 (6%)	1 (1%)	7 (5%)	1 (1%)	2 (1%)	<b>30 (3%)</b>
No response	0 (0%)	0 (0%)	17 (12%)	7 (5%)	1 (1%)	0 (0%)	0 (0%)	<b>25 (2%)</b>

<sup>1</sup> Information about gender, age, and education level was collected during the screening process. Information about race/ethnicity, household size, and income was collected through questions at the end of the survey.

<sup>2</sup> Because participants were given the opportunity to self-identify with up to three of the ethnic categories shown, these figures may add up to more than 100%.

	<b>Dallas, TX</b>	<b>Detroit, MI</b>	<b>Los Angeles, CA</b>	<b>Seattle, WA</b>	<b>Springfield, MA</b>	<b>St. Louis, MO</b>	<b>Tallahassee, FL</b>	<b>TOTAL</b>
<b>Household Income</b>								
Under \$25K	28 (20%)	45 (30%)	21 (15%)	33 (23%)	35 (24%)	16 (11%)	44 (29%)	<b>222 (22%)</b>
\$25K to \$50K	35 (26%)	60 (40%)	49 (35%)	76 (52%)	48 (33%)	47 (31%)	54 (36%)	<b>369 (36%)</b>
\$50K to \$75K	32 (23%)	30 (20%)	49 (35%)	24 (17%)	27 (18%)	57 (38%)	37 (25%)	<b>256 (25%)</b>
\$75K to \$100K	23 (17%)	8 (5%)	14 (10%)	5 (3%)	8 (5%)	19 (13%)	10 (7%)	<b>87 (9%)</b>
Over \$100K	16 (12%)	2 (1%)	4 (3%)	2 (1%)	3 (2%)	12 (8%)	4 (3%)	<b>43 (4%)</b>
No response	3 (2%)	6 (4%)	3 (2%)	5 (3%)	26 (18%)	1 (1%)	1 (1%)	<b>45 (4%)</b>
<b>Credit Limit on Primary Credit Card Account</b>								
Under \$500	16 (12%)	11 (7%)	14 (10%)	12 (8%)	18 (12%)	11 (7%)	33 (22%)	<b>115 (11%)</b>
\$500 to \$3000	73 (53%)	89 (59%)	86 (60%)	73 (50%)	67 (46%)	66 (43%)	69 (46%)	<b>521 (51%)</b>
Over \$3000	42 (31%)	46 (30%)	36 (26%)	46 (32%)	38 (26%)	72 (47%)	44 (29%)	<b>324 (32%)</b>
Don't know	2 (2%)	4 (3%)	4 (3%)	3 (2%)	6 (4%)	1 (1%)	4 (3%)	<b>24 (2%)</b>
No response	4 (3%)	1 (1%)	2 (1%)	11 (8%)	18 (12%)	2 (1%)	0 (0%)	<b>38 (4%)</b>
<b>Years of Credit Card Experience</b>								
Less than 5 years ago	61 (45%)	50 (33%)	56 (40%)	28 (19%)	61 (42%)	34 (22%)	43 (29%)	<b>333 (33%)</b>
5 to 10 years ago	29 (21%)	40 (26%)	45 (32%)	48 (33%)	44 (30%)	47 (31%)	54 (36%)	<b>307 (30%)</b>
More than 10 years ago	43 (31%)	60 (40%)	37 (26%)	59 (41%)	29 (20%)	67 (44%)	53 (35%)	<b>348 (34%)</b>
Don't know	0 (0%)	1 (1%)	1 (1%)	2 (1%)	5 (3%)	1 (1%)	0 (0%)	<b>10 (1%)</b>
No response	4 (3%)	0 (0%)	1 (1%)	8(6%)	8 (5%)	3 (2%)	0 (0%)	<b>24 (2%)</b>

Due to rounding some rows may not equal 100 percent.

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**Appendix F:  
Mock Marketing Inserts Provided with  
Periodic Statement**

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## *Artesian Bank offers:*

Certificates of Deposit (CDs)

Money Market  
Deposit Accounts

Individual Retirement  
Accounts (IRAs)

FDIC insured

For current rates or to open an  
account, call 1-877-555-1234.

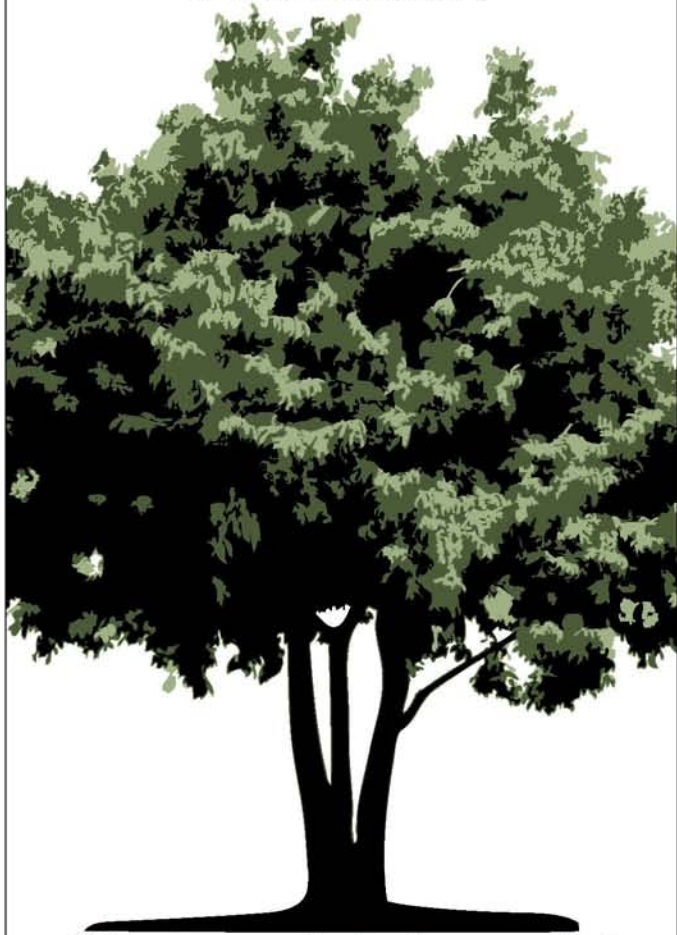
*A friendlier way to save!*

**Money Does Grow On Trees**

**Get \$50**

When you open a new  
checking account at Artesian Bank.

(Minimum balance: \$1,000)



Visit [www.artesianbank.com](http://www.artesianbank.com) today!



DEP-21234

Artesian Bank





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## **Appendix G: Interview Protocol**

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## Federal Reserve Board Credit Card Project

### Mall Intercept Study Protocol

9/8/08

#### Notes about Protocol:

- Three different types of documents were shown to participants in the interviews: Schumer Boxes (“SB Forms”), periodic statements (“PS Forms”), and descriptions of how banks allocate payments between balances (“PA Forms”). Several different versions of each form were used; each participant was randomly assigned an SB Form, PS Form, and PA Form to see.<sup>1</sup> For each interview, the programming of the interview instrument displayed the forms for that participant. In this document, the codes “[SB Form]”, “[PS Form]”, and “[PA Form]” are used to designate when a specific form would be shown to interviewers.
- This document contains several skip patterns, in which respondents skip certain questions based on their responses to previous items. These skip patterns were carried out automatically through the programming of the survey instrument, and did not actually appear on the screen during the interview.

***INTERVIEWER DIRECTIONS:*** *For this interview, you will need [SB Form], the envelope containing [PS Form], and [PA Form]. Please take these out so that they are ready when you need them.*

#### 1. Interview Location:

- Dallas
- Detroit
- Los Angeles
- Seattle
- Springfield
- St. Louis
- Tallahassee
- Macro

#### 2. Interviewer's Initials (Example, ES):

\_\_\_\_\_

#### 3. Do you read and speak English fluently?

- Yes
- No (POLITELY EXCUSE RESPONDENT)

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<sup>1</sup> Eight different SB forms were used, along with 12 different PS forms and 3 PA forms.

**4. Do you currently have one or more general-purpose credit cards, such as MasterCard, Visa, Discover or American Express? Please do not include debit or ATM cards, or credit cards that can only be used at a single chain of stores.**

- Yes
- No (POLITELY EXCUSE RESPONDENT)

**5. In your household, are you responsible for making credit card decisions such as choosing a new credit card or deciding how much to pay each month?**

***(DO NOT READ RESPONSE OPTIONS.)***

- Yes
- Yes, in cooperation with my (spouse, partner, etc.)
- No (POLITELY EXCUSE RESPONDENT)

**6. Do you currently work for a bank or credit card company?**

- Yes (POLITELY EXCUSE RESPONDENT)
- No

**7. Gender**

- Male
- Female

**8. Which of the following categories best describes your age?**

- 18-24
- 25-34
- 35-54
- 55 and over

**9. What is the highest level of education you have completed?**

- Less than high school
- High school graduate or G.E.D
- Some college or post-secondary work
- College graduate

**INTERVIEWER READS:** Today we want to get your reactions to credit card documents that you might receive in the mail. I am going to show you some examples of credit card offers and monthly statements that have been created for fictional credit card companies. Then I will ask you some questions about the information shown on the forms. Please feel free to refer to the forms to answer the questions. The whole interview

should take about 15 to 20 minutes. Let's get started.

**INTERVIEWER DIRECTIONS:** *Hand the participant [SB Form].*

**INTERVIEWER READS:** Please look at the bottom-right hand corner of this page, and read me the letters and numbers that appear after the word "Code."

10. Enter code provided by participant: \_\_\_\_\_

**SKIP PATTERN:** *If code is correct, continue with interview. If not, interviewer has one more attempt to input the correct code before the interview is terminated.*

**INTERVIEWER READS:** This document is part of a credit card offer that you might receive from a credit card company. Please take a minute to review this form just as you would a real credit card offer you received. I will then ask you some questions about the offer. You will be able to look at the page when answering the questions, so you don't need to memorize any information.

**INTERVIEWER DIRECTIONS:** *After the respondent has finished reading, click "Next page" to continue to the next question.*

**INTERVIEWER READS:** Please answer the following questions based on the credit card offer that is in front of you.

11. **Assume that when you applied for this card, you transferred a balance from another card to this one. What interest rate would you be charged on the balance that you transferred to this card? Type answer in the space provided (for example, 12.99%).**

- \_\_\_\_\_
- I don't know

12. **If you transferred a balance from another credit card to this one, would you be charged a fee?**

- Yes
- No
- I don't know

**SKIP PATTERN:** *If Q12= "No" or "I don't know", skip to Q14.*

**13. If you transferred a balance of \$2,000, what is the amount of the fee you would pay? Type answer in the space provided (for example, \$50).**

- \$ \_\_\_\_\_
- I don't know

**14. What would happen on this account if you went over the credit limit? Check all that apply. (DO NOT READ RESPONSE OPTIONS)**

- a) I would be charged a fee
- b) My interest rate/APR may increase
- c) Nothing would happen
- d) Other
- e) I don't know

**SKIP PATTERN:**

- *If on Q14, 'a' is checked but not 'b', skip to Q14b.*
- *If 'b' is checked but not 'a', skip to Q14c.*
- *If both 'a' and 'b' are checked, skip to Q15.*
- *If neither 'a' nor 'b' are checked, skip to after Q16.*

**14b. Is there anything else that would happen if you went over the credit limit? (DO NOT READ RESPONSE OPTIONS.)**

- My interest rate/APR may increase
- Nothing else will happen
- Other
- I don't know

**SKIP PATTERN:** *Skip to Q15.*

**14c. Is there anything else that would happen if you went over the credit limit? (DO NOT READ RESPONSE OPTIONS.)**

- I would be charged a fee
- Nothing else will happen
- Other
- I don't know

**15. [If participant has indicated in Q14 or Q14c that a fee will be charged for going over the credit limit] What is the dollar amount of the fee you would pay for going over the credit limit? Type answer in the space provided (for example, \$50).**

- \$ \_\_\_\_\_
- I don't know

**16. [If participant has indicated in Q14 or Q14b that your interest rate will be increased for going over the credit limit] If you went over the credit limit on this credit card account, what is the interest rate that you would pay on new purchases with this credit card? Type answer in the space provided (for example, 12.99%).**

- \_\_\_\_\_
- I don't know

**INTERVIEWER DIRECTIONS:** Take back [SB Form] from participant. Give participant the envelope containing [PS Form].

**INTERVIEWER READS:** This envelope contains an example of a monthly statement that you might get from a credit card company. Please take a minute to review this information just as you do with your real credit card statements each month. I will then ask you some questions. Again, you will be able to look at this information when answering the questions.

**INTERVIEWER DIRECTIONS:** After the respondent has finished reading, click "Next Page" to continue to the next question.

**INTERVIEWER READS:** Please look at the bottom-right hand corner of the first page of the statement, and read me the letters and numbers that appear after the word "Code."

**17. Enter code provided by participant:** \_\_\_\_\_

**SKIP PATTERN:** If code is correct, continue with interview. If not, interviewer has one more attempt to input the correct code before the interview is terminated.

**INTERVIEWER READS:** Please answer the following questions based on the information that you have been given.



**18. What is the minimum payment that is required for this billing period? Type answer in the space provided (for example, \$34).**

- \$ \_\_\_\_\_
- I don't know

**19. Often, people with credit cards can use their cards to get money at ATM machines. These transactions are called "cash advances." Based on the information you have been given, were any cash advances taken during the past billing period?**

- Yes
- No
- I don't know

**SKIP PATTERN:** *If Q19="No" or "I don't know", skip to Q23.*

**20. What was the dollar amount of the first cash advance taken? Type answer in the space provided.**

- \$ \_\_\_\_\_
- I don't know

**21. Was a fee charged for this first cash advance?**

- Yes
- No
- I don't know

**SKIP PATTERN:** *If Q21="No" or "I don't know", skip to Q23.*

**22. What was the dollar amount of the fee that was charged to take out the first cash advance?**

- \$ \_\_\_\_\_
- I don't know

**23. What is the interest rate that you would be charged if you used this card to take out a cash advance? Type answer in the space provided (for example, 12.99%).**

- \_\_\_\_\_
- I don't know

**SKIP PATTERN:** *If Q21="Yes", skip to Q25.*

**24. Not including interest charges, were there any fees charged during the billing period on this statement?**

- Yes
- No
- I don't know

**SKIP PATTERN:** *If Q24= "No" or "I don't know", skip to Q26.*

**25. Not including interest charges, how many fees were charged during this billing period? Please give me the number of fees, not the total dollar amount. Write answer in the space provided.**

- \_\_\_\_\_
- I don't know

**26. If you pay this entire balance in full and on time, are the terms of this account going to change in the near future or are they going to remain the same?**

- Terms will change
- Terms will remain the same
- I don't know

**SKIP PATTERN:** *If Q26= "Terms will remain the same" or "I don't know", skip to Q29.*

**27. Based on the information you have been given, is there going to be a change in the interest rate you are charged on new purchases?**

- Yes
- No
- I don't know

**SKIP PATTERN:** *If Q27= "No" or "I don't know", skip to Q29.*

**28. What is the interest rate that will apply to new purchases when the changes go into effect? Write answer in the space provided (for example, 12.99%).**

- \_\_\_\_\_
- I don't know

**29. Is there any information on this statement about what would happen if you made a payment late?**

- Yes
- No
- I don't know

**SKIP PATTERN:** *If Q29=“No” or “I don’t know”, skip to after Q31b.*

**30. What would happen if you made a payment late? Check all that apply.**  
**(DO NOT READ RESPONSE OPTIONS.)**

- a) I would be charged a fee
- b) My interest rate/APR may increase
- c) Nothing would happen
- d) Other
- e) I don't know

**SKIP PATTERN:**

- *If on Q30, ‘a’ is checked but not ‘b’, skip to Q30b.*
- *If ‘b’ is checked but not ‘a’, skip to Q30c.*
- *If both ‘a’ and ‘b’ are checked, skip to Q31.*
- *If neither ‘a’ nor ‘b’ are checked, skip to after Q31b.*

**30b. Is there anything else that would happen if you made a payment late?**  
**(DO NOT READ RESPONSE OPTIONS.)**

- My interest rate/APR may increase
- Nothing else will happen
- Other
- I don't know

**SKIP PATTERN:** *Skip to Q31.*

**30c. Is there anything else that would happen if you made a payment late?**  
**(DO NOT READ RESPONSE OPTIONS.)**

- I would be charged a fee
- Nothing else will happen
- Other
- I don't know

**31. [If participant has indicated in Q30 or Q30c that a fee will be charged for paying late] If you make a payment late, what is the amount of the late fee you would pay?**

- \$ \_\_\_\_\_
- I don't know

**31b. [If participant has indicated in Q30 or Q30b that your interest rate will be increased for paying late] If you made a payment late, what is the interest rate you**

**would pay on new purchases?** *Type answer in the space provided (for example, 12.99%)*

- \_\_\_\_\_
- I don't know

**SKIP PATTERN:** *If [PS Form] does not include Effective APR, skip to question 33.*

**INTERVIEWER DIRECTIONS:** *Point to the number "61.60%" in the "Fee-Inclusive APR" box on the second page of the statement, and show it to the respondent.*

**INTERVIEWER READS:** Please look at this percentage here, where it says 61.60%.

**32. Imagine that during the next month you did not make a cash advance with this card, but had not entirely paid off your current balance of cash advances. When you received your next monthly statement, what percentage would be listed in this location on that statement?** *Write answer in the space provided (for example, 12.99%).*

- \_\_\_\_\_
- I don't know

**INTERVIEWER READS:** Now I am going to ask you some questions about how credit card companies apply payments to balances on an account. I am going to give you a written copy of the questions so you can follow along.

**INTERVIEWER DIRECTIONS:** *Take back the envelope with [PS Form], and give the participant Sheet A.*

**33. Imagine that you transferred a \$500 balance to a new credit card and then made \$500 of purchases. Imagine also that the interest rate on your balance transfer was 0%, while your interest rate on purchases was 12%. If you then made a \$500 payment, how would the credit card company apply your payment? Would they... (READ RESPONSE OPTIONS.)**

- a) Apply it to your purchases
- b) Apply it to your balance transfer
- c) Apply some to your purchases and some to your balance transfer
- d) None of the above
- (DO NOT READ) I don't know

**34. Why would the credit card company apply your payments in this way?  
(DO NOT READ RESPONSE OPTIONS.)**

- a) So the credit card company will make more money
- b) So I have to pay interest/So I have to pay more interest
- c) Because the interest rate on balance transfers is lower than the interest rate on purchases
- d) Because the balance transfers happened before the purchases
- e) *Other explanation*
- f) I don't know

**35. How would you WANT the credit card company to apply your \$500 payment?  
(Direct respondent to choose one of the answer options on Sheet A.)**

- a) Apply it to your purchases
- b) Apply it to your balance transfer
- c) Apply some to your purchases and some to your balance transfer
- d) None of the above
- (DO NOT READ) It doesn't make a difference to me.
- (DO NOT READ) I don't know

**INTERVIEWER READS:** I am now going to show you an explanation of the way this credit card company would apply the payments that you make on your account. Please take a minute to read this notice and let me know when you are done.

**INTERVIEWER DIRECTIONS:** Give participant [PA Form]. After the respondent has finished reading, continue with the next question.

**36. Now that you have read this notice, please answer the question on this sheet again. [Point to Sheet A.]**

- a) Apply it to your purchases
- b) Apply it to your balance transfer
- c) Apply some to your purchases and some to your balance transfer
- d) None of the above
- I don't know

**SKIP PATTERN:** If Q33=b AND Q34=a, b, or c AND Q35=a AND Q36=b, skip to after Q38.<sup>2</sup>

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<sup>2</sup> This skip pattern was included because if participants answered Q33, Q34, Q35, and Q36 correctly, the assumption was made that they understand payment allocation and would have answered Q37 and Q38 correctly as well. This assumption was made because of the limited amount of interview time available.

**37. Why would the credit card company apply your payments in this way?  
(DO NOT READ RESPONSE OPTIONS.)**

- a) So the credit card company will make more money
- b) So I have to pay interest/So I have to pay more interest
- c) Because the interest rate on balance transfers is lower than the interest rate on purchases
- d) Because the balance transfers happened before the purchases
- e) *Other explanation*
- f) I don't know

**38. How would you WANT the credit card company to apply your \$500 payment? (Direct respondent to choose one of the answer options on Sheet A.)**

- a) Apply it to your purchases
- b) Apply it to your balance transfer
- c) Apply some to your purchases and some to your balance transfer
- d) None of the above
- (DO NOT READ) It doesn't make a difference to me
- (DO NOT READ) I don't know

**INTERVIEWER DIRECTIONS:** Take back Sheet A and [PA Form] from participant. Give participant Sheet B, which lists categories of race/ethnicity.

**Codes for Race/Ethnicity Responses:**

1 = White (including Middle Eastern or Arab)

2 = Black/African-American

3 = Hispanic

4 = Asian

5 = American Indian/Alaska Native

6 = Native Hawaiian/Pacific Islander

7 = Other

9 = No response

**39. Please look at this card. Which category or categories in this list do you feel best describe you? You can select more than one.**

*(For each response in order, enter the number shown above. If participant does not provide a second or third response, leave those fields empty.)*

**First Response:** \_\_\_\_\_

**Second Response:** \_\_\_\_\_

**Third Response:** \_\_\_\_\_



**40. (Turn Sheet B over.) Again, please look at this card. Which of these categories best describes your annual combined household income?**

- 1) Under \$25,000
- 2) \$25,000 - \$50,000
- 3) \$50,000 - \$75,000
- 4) \$75,000 - \$100,000
- 5) Over \$100,000
- No response

**41. What is the credit limit on your primary credit card account (that is, the maximum balance that you are allowed to have at any one time)?**

- Under \$500
- \$500 to \$3000
- Over \$3000
- Don't know
- No response

**42. How long ago did you get your first credit card?**

- Less than 5 years ago
- 5 to 10 years ago
- More than 10 years ago
- Don't know
- No response



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