

Dear Valued Member,

In an effort to increase our operating efficiencies, our lending department will begin using the standard monthly Prime rate in calculating your adjustable rate loan. The monthly Prime rate is a published index that both financial services companies and individuals can easily obtain and monitor through The Wall Street Journal.

This change will take effect November 1, 2008. Please note that your loan's margin also will adjust so that your rate at the time of this change will be the same rate you currently receive.

This statement, including the disclosure on the reverse side, serves as Xceed Financial's advance notice of this change, per the terms of your existing contract.

**FOR MORE INFORMATION,
PLEASE CONTACT XCEED FINANCIAL
CREDIT UNION AT 800.XFCU.222.**



xceedfinancial
credit union

at work for **you**™

LIMITED FEDERAL DISCLOSURE STATEMENT FOR CHANGE IN TERMS OF VARIABLE RATE NOTE

This limited disclosure is given in conjunction with the terms of Xceed Financial Federal Credit Union's variable rate note ("Disclosure").

Effective November 1, 2008 ("Effective Date"), the Credit Union will change the method by which it calculates changes to the variable ANNUAL PERCENTAGE RATE on your variable rate loan ("Account"). As set forth in further detail below, beginning on the Effective Date your variable ANNUAL PERCENTAGE RATE on the Account is subject to change each month based on changes in the Index. The Credit Union's Disclosure has been updated as described below.

If you do not agree to the changes, you must notify us by phone at 800.XFCU.222 prior to the Effective Date. If you notify us prior to the Effective Date that you do not agree to the changes, the terms and conditions applicable to your Account, as set forth in your existing Disclosure, will remain unchanged after the Effective Date. If you do not notify us, the changes set forth below will be effective for billing periods after the Effective Date and will apply to balances on and after the effective date.

This disclosure is provided by the Credit Union in compliance with the Federal Truth-in-Lending Act. This is not a complete Truth-in-Lending Disclosure, but is limited to the change in terms set forth below.

If you wish another copy of the disclosure, you may contact the Credit Union at:

Xceed Financial Federal Credit Union,
888 North Nash Street, El Segundo, CA 90245

The provisions in your Disclosure that relate to the frequency of changes in your variable ANNUAL PERCENTAGE RATE and how we determine changes in your ANNUAL PERCENTAGE RATE are deleted and replaced with the following verbiage:

How We Determine Changes in Your ANNUAL PERCENTAGE RATE: The ANNUAL PERCENTAGE RATE may increase or decrease on a monthly basis during the term of the Note. Any such change will be based upon an increase or decrease in the 'Index.' The 'Index' is the 'Prime Rate' as published in the 'Money Rates' section of the print edition of the Wall Street Journal. In the event that the Prime Rate ceases to be published, changes to the ANNUAL PERCENTAGE RATE will be related to a comparable Index as permitted under the Change of Terms provisions set forth in the Note.

Your ANNUAL PERCENTAGE RATE is determined by adding a fixed amount (a 'Margin'), which will be set forth in the Note, to the Index as of each 'Adjustment Date.' The Initial ANNUAL PERCENTAGE RATE and the Index in effect as of the date of the Note will be set forth in the Note.

Rate Changes: The ANNUAL PERCENTAGE RATE may increase if the Index rate increases. An Index rate increase will result in a higher finance charge and it may have the effect of increasing your periodic Minimum Payment. A decrease in the Index rate will have the opposite effect as an increase. An Index rate increase or decrease will take effect on the first day of the month. The ANNUAL PERCENTAGE RATE can increase or decrease monthly. If the Index rate changes more frequently than the ANNUAL PERCENTAGE RATE, we will use the Index rate in effect on the day we adjust the ANNUAL PERCENTAGE RATE to determine the new percentage rate. In such a case, we will ignore any changes in the Index rate that occur between ANNUAL PERCENTAGE RATE adjustments.

Ask us for our current Index values, Margin, and ANNUAL PERCENTAGE RATE.