

John Deere Credit Revolving Plan

Consumer Use - Change in Terms and Conditions



Bulletin Number: 2009-12 October 2009

01 October 2009

To: All John Deere Landscapes Contractors

Subject: JDCRP Consumer Use Change in Terms & Conditions

The Credit Card Accountability Responsibility and Disclosure Act of 2009 ("Credit CARD Act of 2009") was enacted on 22 May 2009. This Act added to and clarified new Truth in Lending regulations previously issued by the Federal Reserve Board ("FRB") that were adopted in December of 2008 and will be effectively phased in over several dates starting with 1 February 2010. This legislation impacts consumer credit and lending practices and will affect John Deere Credit Revolving Plan (JDCRP) Consumer accounts.

Our goal is to minimize these impacts to you and your customers; however, in order to comply with upcoming legislative deliverables, we will be making the following changes effective 1 February 2010 to JDCRP Consumer Use accounts.

- All Regular Purchases will move from a fixed to a variable interest rate: The variable rate will equal a base rate plus 15%, with a minimum rate of 19.8%.
- Accounts that go into default will move from fixed to a variable interest rate: The variable rate will equal a base rate plus 18%, with a minimum rate of 22.8%. Customers in default who make six consecutive on time minimum monthly payments will automatically have their interest rate reset to the original transaction interest rate.
- The Minimum Required Payment on standard and incentive transactions will be either the greater of \$50 or 2.5% of the highest balance or 3% of the highest balance if the account goes into default and FPC financial has not demanded payment of the entire balance, if the new balance exceeds \$50.
- The Late Fee Grace period will change to 5 days.
- Customers will have the right to cancel their account if they do not want to be subject to the new terms. Customers may notify us by calling Customer Service at (1-800-541-2969) by January 31, 2010, if they wish to have their account closed. In that case, their account will not be allowed to accept any new transactions, and their remaining balance will be paid off under the existing terms.

Active Consumer accountholders will receive a notice of credit agreement changes in their October JDCRP statement. All inactive consumer accountholders will be mailed a notice of terms & conditions changes by direct mail the week of 19 October 2009.

During the week of 12 October, you will receive a supply of new JDCRP Consumer Use applications. Once you receive the new Consumer Use applications, please destroy your old stock. You can order additional applications through www.JohnDeereCredit.com/contractor under Promotional Materials. **As of 19 October, only applications with the new terms and conditions will be accepted.**

You may refer to the Sales and Incentives link on the Contractor site to access this document and any additional communications that may occur.

If you have any questions, please contact your Merchant Service Representative at 1-800-541-2975.