

Specimen Letter of Credit

To be used under the Michigan Consumer Financial Services Act, Act No. 161 of the Public Acts of 1988, as amended. See page 1 for amounts by license class.

[begin of specimen letter of credit]

Director of the Department of Insurance and Financial Services
530 W. Allegan Street, 7th Floor
Lansing MI 48933
PO Box 30220
Lansing MI 48909-7720

Director:

We hereby establish our Irrevocable Standby Letter of Credit No. _____ in your favor for the account of _____ (account party) up to the aggregate amount of U. S. \$ _____.

The credit amount is available to you by your draft(s) on us at sight when accompanied by your signed and dated statement reading as follows:

"The undersigned (the "Director") hereby demands the sum of _____ (*specify*) under _____ (*name of issuing bank*) (the "Issuing Bank") Irrevocable Letter of Credit No. _____ (*specify*) (the "Credit"), issued for the account of _____ (*name of applicant*) (the "Account Party"), as evidenced by the sight draft accompanying this statement, and certifies that one or more of the following has occurred:

1. The Account Party, at the sole determination of the Director, has not conducted business in accordance with the Michigan Consumer Financial Services Act, Act No. 161 of the Public Acts of 1988, as amended.
2. The Account Party, at the sole determination of the Director, has not conducted business in accordance with a rule promulgated by the Director, pursuant to the Michigan Consumer Financial Services Act, Act No. 161 of the Public Acts of 1988, as amended.
3. The Account Party, at the sole determination of the Director, has not paid money as such money has come due.
4. The Director has been notified by the Issuing Bank that it has elected not to extend the expiration date of the Credit, and the Account Party has failed to provide a replacement letter of credit or other proof of financial responsibility specified under the Michigan Consumer Financial Services Act, Act No. 161 of the Public Acts of 1988, as amended, fully acceptable to the Director, at least sixty (60) days prior to the current expiry of the Credit."

Drafts must be presented at our office at _____ no later than December 31, 20____.

All drafts must be marked: "Drawn under Irrevocable Standby Letter of Credit No. _____, dated _____."

It is a condition of the Letter of Credit that it be automatically extended for a period of one year from its present or future expiration date unless we notify you in writing by registered mail at least ninety (90) days prior to such date that we elect not to extend the expiration of this Letter of Credit for such additional period.

We hereby agree with you that drafts drawn under and in compliance with the terms of this credit shall be duly honored on due presentation.

This credit is subject to Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication 500.

Sincerely,

[end of specimen letter of credit]