



Your Guide To
Understanding
Services "Club"
Membership...



Little Rock AFB, AR
LRAFBservices.org

Air Force Club Membership Benefits

When you join Air Force Clubs, you'll join in a tradition that's as honored as the Air Force itself.

Be Where It's Happening:

Quite simply, Air Force Clubs are the center of every celebration. If you miss out on membership, you'll miss out on all the events that bring your Air Force family together to celebrate our traditions—holiday parties, brunches, special events, promotions, awards, dining-ins, dining-outs, Air Force Balls and ceremonies which are all made more special by your Club Membership. But it will also be the "just for fun," moments that will make your Club Membership something special.

Special Values:

Being a Club Member means getting a great value on food and invitations to special club events. Count on live music, comedians, occasional free food, gourmet dining and more. In addition, Club Members enjoy the exclusive privilege of inviting their guests.

Free Cash For School:

Are you or a member of your family interested in pursuing a higher education? Membership in Air Force Clubs can make it easier. That's because Clubs and First USA give Club Members and their families a chance for thousands of dollars in scholarships every year.

Worldwide Welcome:

Take your membership along with you. Whether you're on TDY, vacation or in the midst of a PCS move, your welcome is assured in any Air Force Club—anywhere in the world.

We Cook:

Air Force Clubs have developed and tested hundreds of delicious recipes from around the world—as well as your hometown favorites from salads and entrees to stellar desserts and more, all at reasonable prices.

Money Matters:

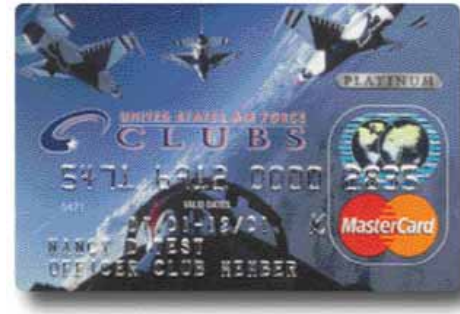
Find yourself short on cash every once in a while? Air Force Clubs feature full cashier services with free check cashing, on-the-spot dues payments, MasterCard payments, and currency exchanges services in overseas locations.

Catering Programs:

We can throw a party for the President, but it's more fun to serve you. You can trust us with your weddings, birthdays, official functions, or for any bash where you need a great space. Catering is a members-only service that requires no deposit on personal events. You'll also get help from experts when planning any special event. Your catering services can take you from four forks to two fingers—you have the freedom to choose your details—we'll do the work and the dishes.

Easy Membership Transfer:

If you're making a permanent change of station, you have enough to keep you busy. That's why Air Force Clubs makes your transition during PCS moves as easy as possible. All you have to do is take a copy of your PCS orders to your current Club, which will initiate the transfer process. When you arrive at your new location, stop by the Club to pick up your \$25 in coupons – it's a way for us to welcome you to your new Club.



Services Club Membership Transfer Request

Please transfer my membership to LITTLE ROCK AIR FORCE BASE
(base name)

Club Card #: _____

Rank: _____

Name: _____

New Address: _____

City: _____ State: _____ Zip Code: _____

New Phone: __ (____) _____

Please circle dues option: Monthly Quarterly Semi-Annual Annual

Return the completed form to the
Consolidated Club at Little Rock AFB

or mail to
314 SVS/SVB
1255 Vandenberg Blvd
Little Rock AFB, AR 72099

or fax to
501.987.8397
501.987.2303
501.987.5400

Thank you for your membership!

- Major decrease in "bad debt" management
- Increased marketing for clubs (direct mail campaigns, statement messages, membership drive promotions and premiums, \$25 Added Earnings Program (AEP) bonus for new members, MAJCOM/ base sponsorship of events and programs)
- Sponsorship of annual scholarship program
- Sports tickets provided to bases
- Club Works - Internet, web-based system provides member and various reports on demand
- Increased member opportunities - card member benefits increase value of membership

Discounts

CLUB:

- Membership discounts on meals
- Discounts on special club events
- Members-only events
- Discount coupons toward meals (For enlisted these add up to ore than your monthly dues)
- Check –cashing ability (Any register, anytime)
- \$25 club credit if you transfer your membership from another base

OUTDOOR RECREATION:

- 10% discount on season pool passes
- 10% discount on the following Outdoor Recreation items:
 - Hard shell campers
 - Boat packages
 - Moonwalk
 - Dunk tank

LIBRARY:

- Additional 2 audio CD's, CD-Rom, DVD's, or books-on-CD added to your library checkout limit

BOWLING CENTER:

- Free shoe rental during open bowling Sun—Thurs
- Discounted lines of \$1.50 after 5pm Sun—Thurs (Open bowling only)

GOLF COURSE:

- 1\$1.50 off on green fees at the golf course, Mon – Fri (Excludes intramurals, tournaments, outings)
- 10% off rental clubs
- 10% off golf carts, Mon – Fri

AUTO SKILLS:

- Additional member discounts on rotating monthly specials already ongoing

AAFES:

- Members only special discount coupons in our bi-monthly Services mail-out

Reduced Dues:

Do you face a long commute from your residence to your nearest Air Force base? Air Force Clubs stands ready to help there, too. Any member who resides 50 miles or more from the base receives half-price dues.

Club Membership Frequently Asked Questions

1. Q. Why did the Air Force make the decision to switch from the old "Red, White, or Blue" in-house club card system to the new Air Force Club Membership Card Program?

Answer: In 1986, the Morale, Welfare, and Recreation (MWR) Task Force recommended MWR, now Services, become more businesslike. The Task Force concluded, among other things, that Air Force MWR activities did not handle billing and collections efficiently, and the accounting process was costly and did not provide responsive service to customers. Also, Air Force club members voiced concern about having to cancel and rejoin clubs when making permanent change of station (PCS) moves, and not being able to use their club membership card for worldwide charging. In 1989, Air Force Logistics Command (AFLC) contracted out its club membership card program and implemented the system at six AFLC bases (now Air Force Materiel Command-AFMC). In 1991, the program was expanded to all AFMC bases. Based on AFMC's successful experience, positive feedback from club members, and support from Air Force senior leadership, an Air Force contract was awarded to the First National Bank of Commerce in New Orleans (Now First USA Bank) for what is now the Air Force Club Membership Card Program. Implementation of the program began in April 1995.

2. Q. What are the main objectives of the Air Force Club Membership Card Program?

Answer: The program has 4 main objectives: 1) combine a limited-use club membership card (Proprietary club membership card) with a broad-use charge card (MasterCard club membership card) to give members added value; 2) provide a standardized charge system for all club customers throughout the Air Force; 3) generate operational cost savings through elimination of in-house account billings and collections; and, 4) create a stronger business-based environment for generating additional revenue.

3. Q. What does the Air Force club membership card offer members?

Answer: There are many benefits and advantages with the Air Force club membership card that were not available with the old "Red, White, or Blue" cards. Some of these benefits are: the ability to transfer membership during permanent change of station moves; charge privileges at participating Services activities while members are TDY to any of the Air Force's worldwide locations; 24-hour toll-free account information at any of the Air Force's worldwide locations; revolving credit (when or if necessary); choice of five payment methods; credit history establishment; on-line authentications for charge transactions; and customer access to a wide variety of special programs such as travel discounts, special long distance telephone rates, specialized products and services, and a frequent flyer program for any domestic airline with no blackout period (fee). Also, with the new club membership card, members have the option of making minimum payments on their accounts and paying the remaining balances over time at a low, competitive interest rate.

4. Q. May I continue to use other military clubs with the new card?

Answer: Yes. Club membership privileges are universally reciprocal among all Air Force clubs. Your club card may be used at officer and enlisted clubs operated by the US Armed Forces if local reciprocal agreements are established.

5. Q. Can the Air Force club membership card be used by members to purchase goods and services in other Services business activities?

Answer: Yes. Club members may use their club membership card to make credit purchases in all Services business activities participating in the program. The MasterCard may be used anywhere MasterCard is accepted. The Proprietary card may only be used at Services-operated activities that accept the card.

6. Q. Am I required to charge all my club purchases?

Answer: No. Officers' and enlisted clubs accept cash and personal checks as they have in the past. The card is primarily a club membership identification card, but it also serves as a credit card with the extent of credit based on individual credit history. However, just like the traditional club membership cards formerly issued by clubs, there is no annual fee for the card and the only charges that are automatically posted to club membership card accounts are the member's club dues. Any other use of the card is solely at the individual member's discretion. Even at a club itself, members always retain the options of using cash, personal check, their club membership card, or any other valid MasterCard or Visa Card.

7. Q. What are the differences in the appearance of the MasterCard and Proprietary club membership cards?

Answer: The Proprietary Card does not have the MasterCard hologram on the face of the card. Otherwise, the appearance of the two cards is nearly identical.

8. Q. Does the credit features of the Air Force club membership card increase the number of delinquent account problems for commanders and first sergeants?

Answer: No. The old "Red, White, or Blue cards were also credit cards with (in many cases) unlimited credit lines, no on-line credit approval features, and little or no control over excessive charging. The new program establishes and controls credit limits, and institutes a procedure to approve each charge transaction, making it a much more responsible form of credit. As a result, we've seen delinquency rates decrease. Also, the Air Force Club Membership Card Program has reduced commander and first sergeant involvement in club-related credit counseling.

9. Q. What happens when club members overextend themselves? Does the commander have authority to revoke club membership?

Answer: Yes. There is no change in the commander's authority regarding club membership termination under such conditions.

10. Q. What happens when an eligible applicant doesn't qualify for credit because of previous credit problems?

Answer: Club membership eligibility is determined by the Air Force--not the Bank. All applicants approved by the club are issued a club membership card. No one is ever denied membership by the bank. In this case, with local commander approval, the Bank will issue the

40. Q. I would like to participate in one of the Bank's third-party marketing offers, but don't want to disclose my SSAN in the process.

Answer: Basically, there is no requirement to disclose any personal information unless the member voluntarily elects to take advantage of the optional service offered by the provider. If an individual makes a voluntary and conscious decision to take advantage of the offered service, then he or she must provide any information need to qualify for the service.

41. Q. Is it appropriate to use of the term, "USAF SERVICES," on the commercial (MasterCard) version of the Air Force club membership card?

Answer: Yes it is appropriate. Because the Bank is providing membership card issuance and account billing and collection services to Air Force clubs under an Air Force-wide contract, it has been authorized to use references to "USAF Services" on the club membership cards and on certain of the promotional materials it uses for marketing value-added goods and services to club members. In performing these functions, the Bank is, in reality, a contracted substitute for one or more Air Force offices, which would otherwise have to provide most of these services.

42. Q. What are the overall program benefits to the club member?

Answer: Club Member Benefits include:

- Reciprocal privileges at Air Force Clubs worldwide
- Increases accessibility to goods and services at most Services activities
- Air Force Scholarship program
- Members only discounts and programs
- Food, beverage, and entertainment program specials
- Easy club membership transfer
- Five easy payment methods
- Low competitive APR
- Additional 3-day grace period (28 days)
- AF catering programs
- Membership conveniences (cashier, check cashing, payments, currency exchange)
- 24-hour client services
- Reduce dues (over 50 miles)
- MasterCard and/or Services charging privileges
- Cardholder value programs
- Allows flexibility to revolve charge purchases versus full payment if desired
- Transactions more accurately described on member's monthly statement
- Standardizes membership processes AF-wide

43. Q. What are the overall program benefits to the club?

Answer: Club benefits include:

- Standardized the Air Force Club Membership Card Program
- No merchant fee on club card; only 1.5% on all other cards
- Two-day cash to club
- Decrease in administrative costs (no accounting for charge transactions, no expense for preparation and mailing of statements, no expense for membership card issuance/replacement)

flexibility to revolve charge purchases versus making payment in full.

37. Q. Why is there no choice of club membership card type?

Answer: Basically, banks were not interested in administering club membership accounts without some assurance that a large proportion of the membership would get the MasterCard club membership card. The relationship also has to be profitable for the Bank and the key to their success is the number of club members that hold a MasterCard. To get banks to bid on the contract, it was necessary to require all qualified members to be issued a MasterCard club membership card. This is consistent with current Department of Defense policy requiring exchange and morale, welfare, and recreation credit programs be comparable to those in the private sector, and that any credit card programs include appropriate credit checks on all new accounts.

38. Q. Can I have my military rank added to my club membership card?

Answer: Yes. Club members may have their military rank embossed on their card at no personal cost. Members desiring this feature are encouraged to contact their club.

39. Q. Who is responsible for the various marketing offers I receive with my club membership card statement, and how may they be discontinued?

Answer: According to the Air Force's contract, marketing initiatives, including direct mail campaigns undertaken by third-party providers, are a joint Air Force-Bank responsibility. Both the Air Force and the Bank are required to afford Federal Privacy Act protection to personal member information. Together, the Air Force and the Bank create or reject marketing ideas with overall view of developing a joint marketing calendar. In effect, the club membership card marketing process is a partnership whose focus is to find ways to add value to club membership while assuring that all offers to club member are legitimate. The Air Force and the Bank selectively choose third party providers for certain programs in order to deliver value to the membership. Third parties are used with sweepstakes such as the IOU Program, Premier Value Miles, and the direct mail "New Member" campaign. While there is no way to exclude individuals from specific internal campaigns, members may elect exclusion from direct mail. Members desiring to be excluded from commercial offers should contact Card Member Services (CMS) by calling 1-800-759-0294.

Revisions to the Fair Credit Reporting Act make it easy to advise credit bureaus not to release a member's name to companies looking for new customers. Members desiring this option may telephone one of the three major credit bureaus as follows: EQUIFAX (1-800-556-4711), EXPERIAN (1-800-353-0809), OR TRANSUNION (1-800-680-7293). To remove a name for 2-years, simply phone one of these numbers and follow the prompt. Removing a name permanently requires submission of a Consumer Reporting Agency "Notice of Election" form provided by the credit-reporting agency. Whether members wish to remove their names permanently from mailing lists, or for just two years, all name removal requests will be processed within five days.

member a Proprietary club membership card with a low credit line.

11. Q. I just received my new Air Force club membership card, and it is a "Proprietary" card. How can I receive the MasterCard club membership card?

Answer: You have taken the first step by receiving the proprietary club membership card. During the first year, you have the opportunity to establish a good credit rating based on your spending and payment record. All proprietary cardholders are reviewed annually by the Bank for possible upgrade. The type of club membership card and amount of authorized credit are based on each club member's personal credit history.

12. Q. If the new program replaces the in-house accounts receivable system, how will we be able to bill organizations for goods and services provided by the club?

Answer: Chaplain, "spouse" clubs, and other organizational users of club services may establish "organizational" accounts authorizing named individuals to sign for goods and services and be issued a Proprietary card to facilitate transactions and billing.

13. Q. Does the Air Force Club Membership Card Program make all in-house accounts receivable systems obsolete?

Answer: One of the Air Force's goal is to replace most in-house accounts receivable, but not all. For example, special receivables, e.g., aero club VA programs, may still require limited use of an in-house receivable system. Currently, officers' and enlisted club members may have golf course advance green fees and the dues and charges associated with other Air Force membership clubs charged to their respective officers' or enlisted club membership accounts.

14. Q. What is the annual percentage rate (APR) of interest charged by the Bank on revolving club membership account balances?

Answer: As specified in the Air Force's contract, the APR charged by the Bank on revolving club membership account balances may be no more than 5 percentage points above the Prime Lending Rate (PLR) as published monthly in the Money Market Section of the Wall Street Journal. No interest will be charged if member accounts are paid in full within 25 days of the billing date shown on the statement. Late payment fees are not assessed on account balances of \$50 or less. The club membership card APR is very competitive when considered in the context of applying it to all members, regardless of rank and financial resources.

15. Q. Are credit purchases in the club and Services business activities limited to the Air Force club membership card? In other words, if I have another commercial credit card may I use it to charge purchases at the club or one of the other Services business activities accepting the card?

Answer: Club members may continue to use any MasterCard or Visa card for credit purchases in both Services business activities or any commercial outlet accepting such charges. However, monthly club membership dues will be billed only to each member's Air Force club membership card account administered by the Bank.

16. Q. Who decides the type of new club membership card issued to club members?

Answer: The Bank decides after reviewing the membership application and evaluating the applicant's credit worthiness.

17. Q. How does the Bank determine which type of club membership card to issue to a club member?

Answer: The MasterCard club membership card is issued to members who qualify for a commercial credit card under the Bank's normal credit issuing criteria. The Proprietary club membership card is issued to those members who don't receive the MasterCard.

18. Q. May I receive a Proprietary club membership card instead of a Classic or Platinum MasterCard version of the card? In other words, may I "choose" the type of club membership card I prefer rather than have the Bank decide for me?

Answer: For some very good reasons, club members do not have a choice in the type of club membership card they receive. Fundamentally, the Air Force contract requires the Bank to issue the type of club membership card for which the club member qualifies, e.g., either a Proprietary or a MasterCard club membership card. Offering members a choice between being issued a Proprietary or MasterCard club membership card was attempted during early program development, but contracting solicitations associated with this attempt failed to secure any offers. The overall result was "no prospective credit providers were interested in assuming Air Force club accounts receivable with a built-in option allowing members to choose a MasterCard or Proprietary credit service option. Following the results of that initiative, we determined that a system allowing members to choose between a club membership card offering commercial credit versus a Proprietary card with limited credit would not be as cost effective as the current program. Basically, under the Air Force's contract, the Bank assumes the risk of loss on all MasterCard club membership card accounts if members default in paying them. Conversely, the Air Force retains the risk of loss on Proprietary club membership card accounts. A choice of card approach would have involved the issuance of larger numbers of Proprietary cards, thus increasing the potential Air Force risk of loss on accounts of this type. During the evaluation portion of the contracting process, only the current program met the Air Force's main objectives of improving member benefits, getting clubs out of the credit management business, and reducing in-house overhead costs.

19. Q. What are the credit limitations of the new club membership cards?

Answer: For the MasterCard, approved credit is established individually based upon the member's resources and credit worthiness established over time. The minimum credit line for members having a MasterCard club membership card is \$1000. This threshold is in keeping with institutional practices offered by nearly all commercial credit providers. The Bank has been receptive to club members who, for one reason or another, have requested adjustments in their authorized MasterCard credit lines--down to \$1000. Likewise, as it has since contract inception, the Bank will intercede upon request if a club member's open club membership card line is a factor preventing him/her from obtaining consumer or mortgage credit. The minimum credit line for the Platinum MasterCard is \$5,000. The standard credit line for the proprietary card is \$500; however, effective 1 Jun 01 First USA will assign initial credit lines of \$250 on no less than 20% and no more than 33% of proprietary cards for those members in the "highest risk" category. Members interested in adjusting their individual MasterCard or Proprietary club membership credit line should contact a Card Member Services (CMS) representative at 1-800-759-0294. Members having trouble in qualifying for a consumer or mortgage loan due to an open club membership credit line should also contact Card Member Services. Members requiring assistance with either of the options listed above may contact an Air Force Club Membership Card Program representative at 1-800-443-4834.

Answer: The limits of personal liability in instances such as a lost or stolen card, or its unauthorized use, are governed by Federal Law. In such instances, the cardholder's liability for fraudulent charges made to the card before the card issuer is notified may not exceed \$50. There is also no liability for charges made on the card after notification. Even with these limits of liability, as specified in Federal Law, the Bank has not assessed any Air Force club member affected by such unauthorized use since the program was introduced in AFMC in 1989.

34. Q. Why does my current credit card have a lower rate of interest, and more member services/benefits than the Air Force club membership card?

Answer: We acknowledge that some senior active duty and retired Air Force personnel have access to credit featuring preferred interest rates. Unfortunately, many Air Force personnel, for one reason or another not necessarily associated with personal credit history, do not qualify for these special, preferred interest rate cards. Conversely, every Air Force club member who applies receives a membership card that offers conveniences, benefits, no annual fee, a 25-day grace period for bill payment, and an interest rate that is several percentage points below the industry average and competitive within the credit card industry. On balance, we believe the new club membership card gives club members exceptionally high value.

35. Q. What do the collection provisions stated in the club membership card application "Account Terms and Conditions" really mean?

Answer: Under the terms of the club membership card disclosure conditions, neither the Air Force nor club members grant the Bank any authority to collect any amounts due from appropriated or nonappropriated fund pay. Rather, the collection authorization cited in the disclosure grants Air Force Services activities (not the Bank) this authority; this is the same procedure used under the prior system where member billings and collections were administered by the Air Force. Specifically, the application states "I hereby authorize Services to deduct from my appropriated or nonappropriated fund pay or other Monies due me for any dishonored check (plus associated processing charge) or charge that I do not timely pay." As a practical matter, this authorization only applies to collections of dishonored checks presented by members, and unpaid amounts charged on the Proprietary club membership card. The reason for this is that defaulted proprietary card accounts and dishonored checks cashed in the club are owned by the Air Force and final administrative collection action on these accounts reverts to the installation nonappropriated fund accounting office (NAF AO) if the club member has not redeemed the dishonored check or paid his/her Proprietary club membership account by the end of the allotted time. Conversely, MasterCard club membership card accounts are the property of the Bank; therefore, collection processes for these accounts are the same as those available to the Bank for collecting from any non-membership club MasterCard holder. Under no circumstances does the Bank have any authority to effect an administrative offset against a club member's appropriated or nonappropriated fund pay in the absence of a properly processed garnishment action in the civilian courts.

36. Q. Why should club members support the Air Force Club Membership Card Program?

Answer: The Air Force club membership card offers the first real opportunity to represent our clubs as a single cohesive membership organization. It opens the door for centrally supported marketing programs and enhances commercial sponsorship initiatives to provide additional value to club members. It provides commercial credit opportunities at a substantially lower cost to a large number of the enlisted force previously denied this benefit. It also gives members the

invite financial problems for many club members?

Answer: The Air Force remains sensitive to the predicament of members caught in the "credit card debt trap." However, the incidence of such problems in the Air Force are substantially lower than industry averages. Part of the reason is that, unlike some other credit programs, the Air Force Club Membership Card Program does not promote "credit for everybody." Instead, it provides club membership cards for those who wish to join, but offers expanded credit opportunities to only those who meet the contractor's rigid credit standards and who otherwise demonstrate the ability to use credit wisely. The type of card issued, and credit limits, depend on the personal financial qualifications of the individual cardholder. Credit limits are strictly enforced through on-line charge authorization, and credit is promptly suspended if and when a member's payment record becomes delinquent. There are stringent limits on withdrawals from automatic teller machines (ATM's) as well. As a result, account delinquencies among Air Force club members are a fraction of experience in the commercial sector, or those experienced under the former in-house system that this system replaced.

31. Q. When I applied for club membership, I refused to disclose my Social Security Account Number (SSAN), and commented on my application that I would not accept another "credit card," and the club advised me they could not process my application. Why not?

Answer: The club cannot process membership applications without the required information, and may not process an altered application under any circumstances. The application remains at the member's installation of record, while the data on the application is transmitted electronically to the Bank. The application is used first by the club to determine eligibility for club membership. Once the club makes that decision, and with the authorization of the member, the club provides the information to the Bank as its contractor for card issuance, billing, and collection. The Bank uses this information to determine the type of card and extent of credit the club member will receive. Both the MasterCard and proprietary club membership cards require a review of the applicant's personal credit history.

32. Q. What happens if I don't make a minimum payment on my club membership card account until after the expiration of the 25-day grace period?

Answer: Interest will accrue to any unpaid balance remaining after the expiration of the 25-day grace period. Additionally, unless the balance is \$50 or less, a late payment fee of \$20 will be assessed to the account if payment is not received prior to the expiration of the 25-day grace period. Late payment fees are common throughout the financial services industry and the fees charged by the Bank are consistent with those charged by other credit providers. Such fees are routinely charged by banks, Federal credit unions, department stores, other credit card issuers, and agencies of the Federal Government. Before the Air Force Club Membership Card Program was implemented, Air Force clubs were authorized to charge such fees on their in-house accounts receivable, and many clubs did. The Bank has been very cooperative in canceling charges where circumstances justify such action. Members should always contact the Bank if they believe there are extenuating circumstances contributing to late payments.

33. Q. Am I responsible for charges on my club membership card account if my card is lost or stolen?

20. Q. Why can't I just have my club membership dues charged to another commercial credit card that I already have?

Answer: The main reasons involve costs. For example, the current program enabled bases to effectively discontinue in-house accounts receivable for officers' and enlisted clubs dues collections, resulting in substantial savings to the Air Force. Allowing members to have club membership dues billed to their personal credit cards would require the Air Force to reinstate an in-house accounts receivable system; thus, driving up the costs of performing these services. Moreover, under the Air Force's contract, there are no "merchant discount fees" for membership dues collected by First USA Bank. Conversely, based on current Air Force club membership volume, merchant discount fees applied to membership dues collections by other credit card providers could potentially range between \$750-900K annually. As may be seen, giving members the latter option would reverse overall savings. Collectively, under the former in-house system, millions of dollars in dues collections and proprietary credit sales were tied up in local base-level accounts receivable for 30-45 days, or until collected. Under the Air Force's contract, all those resources were converted to cash and all current credit sales and dues collections are paid to local IMWRFs in the form of "next day" cash. The favorable economic impact of this process enables local Services organizations to marshal their resources to enhance programs, facilities, and services.

21. Q. How are monthly club membership dues collected by the Bank?

Answer: Monthly club dues are automatically posted to club members' club membership card accounts each month. Dues charges are identified as a "line item entries" on the club member's statement of account provided by the Bank.

22. Q. Even though I want to keep my club membership intact, will I be required to surrender my club membership card when I transfer to another station?

Answer: One of the most important responsibilities we have to club members is to insure that when you "PCS" from one installation to another, your club membership is also transferred accurately and in a timely manner. Members no longer need to resign their membership at one club and then again reapply/join the club at their new assignment. With the advent of Club Works, we now have the capability to electronically transfer club membership worldwide. Club membership is transferred via Club Works. The losing base starts the transfer by "pushing" the member to a "gaining" base, and the gaining base assigns the member to the new club and removes the losing base' dues, thus completing the transfer. Some bases waive dues when they transfer a member. This should not be done as you, the member, retain full membership benefits and privileges during a PCS move and therefore should continue to pay dues to the "losing club" until such time as the "gaining club" assigns a new dues plan and the membership transfer is completed. The new club membership transfer process is designed to provide an effective means of transferring members from club to club without a break in membership. Simply drop by the club and let them know you're departing - they'll do the rest. Additionally, once you arrive at your new base, go by the club and let them know you've arrived. They will provide you \$25 "Transfer Coupon" redeemable for goods and services. Club membership transfer is now an easy and convenient process, which provides you continued access to club member benefits at military installations during the trip to their new station, and improvement in overall member satisfaction.

23. Q. Should I personally notify the bank and club when I PCS?

Answer: Yes. Notification of your club that you're moving starts the membership transfer process. You also need to provide the club and bank and other creditors with a change of address when you PCS to insure there is no interruption in your monthly statements.

24. Q. If someone is issued a Proprietary card versus a MasterCard club membership card, does that mean the member being issued a Proprietary card has poor credit?

Answer: Not necessarily. There are a number of reasons other than poor credit worthiness that could result in the issuance of the Proprietary club membership card. Through no fault of their own, many people have not established the type of credit history needed for credit bureaus report or financial institutions to make informed judgments about personal credit worthiness. The Platinum and Classic MasterCards and Proprietary club membership cards are similar in appearance and are not intended in any way to symbolize relative credit worthiness. For example, Proprietary club membership cards are usually issued to honorary club members, most of whom are distinguished local citizens. Also, proprietary club membership cards may be issued to club members who have insufficient or no credit histories. Upon request and approval by the local Services commander, Proprietary cards are also issued to approved private organizations such as military spouse clubs to accommodate their day-to-day business transactions. The Proprietary club membership card offers greater credit in Air Force Services activities at participating bases than the "Red, White, or Blue" club membership cards it replaced, as well as some features also available to MasterCard card holders, such as automatic dues billing, 24-hour account inquiry, and flexibility in payment methods.

25. Q. May I continue to pay my club bill to the club directly?

Answer: Yes. Members can avoid late fees and finance charges by timely payment of their account. For your convenience, First USA has provided 5-ways. The first three are the fastest which augment the last two more conventional methods. There is a monthly minimum payment of 2.5% of the outstanding balance printed on the statement, or \$10 whichever is greater. All accounts have a 25-day grace period.

Pay over the Internet. A member can enroll on the internet at <http://www.FirstUSA.com> to make payments and also to view online statements and much more. If the members needs help enrolling, they should contact Card Member Services at 1-800-759-0294. If overseas: use appropriate number.

Pay over the Phone. A member can call customer service 24 hours a day to pay over the phone: 800-759-0294. If overseas: use appropriate number. Member will be asked to provide bank checking account routing number located on bottom left of check.

Autopay Program. The minimum monthly payment, a fixed amount or payment in full may be made by automatic, pre-authorized debit from a Card Member's bank account with most any banks. Requests to establish autopay must be submitted by the card member in writing. This is an alternative to an allotment. Refer all inquiries to CMS at 800-759-0294. If overseas: use appropriate number.

Pay by Mail. The card member may return his/her payment via regular mail (at least 1 week prior to due date, 2 weeks for overseas) using the enclosed payment return envelope.

Pay at your Military Installation. Many installation club cashiers' cages accept member payments. All member payments should be keyed into Club Works upon receipt, or no later than the end of the day to ensure timely posting to the member's account. Payments keyed into Club Works by 4pm EST will be posted to the member's account that same night. (If after 4pm Friday, will post Monday night.)

26. Q. Will I still be able to cash checks with the new club card?

Answer: Yes. On-premise check cashing privileges will continue to be available for club members. Equally important, with the new club card, members will also have access to automatic teller machines at more than 15,000 locations. The latter feature applies only to members issued a club membership card with the MasterCard feature.

27. Q. I want to become a club member, but I don't want the Bank to check my credit history?

Answer: Although club membership is strictly voluntary, having a valid club membership "identification" card is a "condition" of membership. The Air Force club membership card is primarily a club membership identification card, but it also serves as a full-service (the MasterCard) or limited-service (the Proprietary card) credit card with the extent of credit based on individual credit history. According to our Air Force contract, the Bank is required to issue the type of club membership card that is commensurate with each respective club member's personal credit history. Thus, a credit check is a prerequisite for issuance of either the MasterCard or the Proprietary club membership cards. This approach is consistent with Department of Defense policy, which requires personal credit checks in connection with any military service credit card program.

28. Q. Doesn't giving the Bank information about me compromise my privacy?

Answer: Key information, i.e., name, address, telephone, SSAN, etc., is provided by individuals when they voluntarily submitted their application to the club for officers' or enlisted club membership. This information is provided to the Bank because the Bank is providing the club with a contracted substitute for the club's former in-house accounts receivable system. Under the contract, the Bank is required to afford this information Federal Privacy Act protection. Since the Bank is providing the contracted services, or "buying" the accounts receivable, it has the right to conduct credit checks to determine the credit worthiness of the member.

29. Q. I've been told that having an additional credit card with an "open credit line" on the Air Force club membership card will impact my capability to obtain a loan for a home, car, or other planned purchase?

Answer: We're assured by banking professionals that the mere availability of credit does not negatively impact credit worthiness. Since credit granting policies vary among the 50 states and their individual lending institutions, there are no uniform industry standards that measure "negative or positive" impact of "open lines of credit." Also, we're not aware of a single documented case where possessing the Air Force club membership card was the sole reason a loan was refused or a credit purchase denied. However, if this happens to a club member, we will work with the Bank or credit reporting agency to find a solution. The number of credit cards one has is not a measure of credit worthiness--or lack of it. An individual's credit record can be bad with only one card, and can be good with multiple cards. The ratio of total credit allocated compared to credit used is just one of many credit scoring factors used by credit granting organizations.

30. Q. Because of its credit features, doesn't the Air Force Club Membership Card Program