

## PLEASE READ INSTRUCTIONS CAREFULLY

**Dear Member:**

1. In order to process your loan request, please complete the following application, sign, date, and return. Do not overlook signing the CoastHills Loan Protection section on the application, even if you decide not to take the coverage. Requests to payoff other unsecured creditors must be accompanied by name of institution and a 30-day loan payoff.

**VEHICLE LOANS:** Please submit the purchase order from the dealer or request a pre-approved loan. The Credit Union finances up to 100% of the purchase price plus taxes and license on new vehicles on approved credit. Also, 100% of retail blue book and options can be financed on used vehicles. Requests to refinance autos from another institution will need the following information included, current registration, name, address, account number of financing institution, a 30 day loan payoff and a current listing of all auto options to include current vehicle mileage. Do not overlook signing the GAP Insurance form. **THE CREDIT UNION WILL ONLY FINANCE THOSE OUT OF STATE VEHICLE LOANS THAT ARE PURCHASED AT A DEALER OR CURRENTLY HELD AT ANOTHER FINANCIAL INSTITUTION.**

2. INCOMPLETE APPLICATIONS WILL BE PLACED IN A PENDING STATUS WITHOUT ACTION UNTIL ALL REQUESTED INFORMATION IS RECEIVED. If requested information is not received within 30 days of the application, the loan will be declined due to incomplete status.

The Credit and Security Agreement will print out with the application. Please make sure that you read it in its entirety before signing the loan application. Once you sign the application, you are stating that you agree to all the terms of the Credit Agreement.

**You will be notified of approval or denial within one day of receiving all completed application data.**

**You may submit the application at any of our convenient branch locations, by mail, or by fax to (805)733-5836.**

**IMPORTANT! READ AND RETAIN FOR FUTURE REFERENCE**

The documents contained in this booklet explain the LOANLINER® and VISA® Lending Programs, and include all Truth in Lending Disclosures.

| Contents  |
|---|
| • Application and Plan Signatures Form            |
| • LOANLINER® Credit and Security Agreement        |
| • VISA® Agreement and Truth in Lending Disclosure |
| • Billing Rights                                  |
| • Loan Protection Contract                        |
| • Loan Rates Addendum                             |

**Loan Approval**

Congratulations! Selecting CoastHills Federal Credit Union for all your borrowing needs is a wise choice.

Simply complete the initial LOANLINER® application once, then each time you need to borrow, today or in the future, just request a loan advance. You can request loan advances or certain loan products at any time, in person, by mail, over the phone, by fax or even through our Web Page. We'll already have your paperwork on file, so you save time and trouble. **It's that easy!**

If you have questions about the LOANLINER® Lending Program, please contact any CoastHills Federal Credit Union Office for assistance.

**How To Apply:** (1) Detach here and complete all sections, (2) Sign all applicable signature areas on the reverse side, (3) Mail or bring to CoastHills Federal Credit Union, and (4) Income verification required.



Local: (805)733-7600 • Toll Free: (800)262-4488  
 website: www.coasthills.coop • e-mail: info@coasthills.coop

Account Number \_\_\_\_\_

**LOANLINER**  
**Open-End Application and Plan Signatures**

**PLEASE READ AND COMPLETE**

If you are applying for **INDIVIDUAL CREDIT**, you must complete the **Applicant** section about yourself and the **Other** section about your spouse if:  
 1) you live in or the property pledged as collateral is located in a community property state (AK, AZ, CA, ID, LA, NM, NV, TX, WA, WI), or  
 2) your spouse will use the account, or  
 3) you are relying on your spouse's income as a basis for repayment. If you are relying on income from alimony, child support, or separate maintenance, complete the **Other** section to the extent possible about the person on whose payments you are relying.

If you are applying for **JOINT CREDIT** with another person, each Applicant must **individually** complete the appropriate section below. If Co-Borrower is spouse of the Applicant, mark the Co-Applicant box. Married applicants may apply for a separate account.

**This is an application for a LOANLINER® Account. If you are requesting an advance or VISA® Card at this time, please check the appropriate box(es). Otherwise, leave them blank.**

LOANLINER® ACCOUNT (Including ATM/Debit Card access to the account if available)

CREDIT CARD ACCOUNT

|  |                  |
|--|------------------|
| <input type="checkbox"/> Individual Credit or <input type="checkbox"/> Joint Credit                  | AMOUNT REQUESTED |
| <input type="checkbox"/> Auto, Truck, Van <input type="checkbox"/> New <input type="checkbox"/> Used | \$ _____         |
| <input type="checkbox"/> Boat <input type="checkbox"/> New <input type="checkbox"/> Used             | \$ _____         |
| <input type="checkbox"/> R.V. <input type="checkbox"/> New <input type="checkbox"/> Used             | \$ _____         |
| <input type="checkbox"/> Motorcycle <input type="checkbox"/> New                                     | \$ _____         |
| <input type="checkbox"/> Share Secured   | \$ _____         |
| <input type="checkbox"/> Computer Loan   | \$ _____         |
| <input type="checkbox"/> Personal Loan   | \$ _____         |
| <input type="checkbox"/> Line of Credit/Overdraft  | \$ _____         |

|  |                 |
|--|-----------------|
| <input type="checkbox"/> Individual Credit or <input type="checkbox"/> Joint Credit    | LIMIT REQUESTED |
| <input type="checkbox"/> VISA® Classic   | \$ _____        |
| <input type="checkbox"/> VISA® Platinum  | \$ _____        |
| Purpose of Loan Advance _____  |                 |
| Repayment: <input type="checkbox"/> Coupon <input type="checkbox"/> Automatic Transfer |                 |
| Share Acct. ID _____ Date _____  |                 |

**VISA APPLICANTS ONLY**

If you are applying for a VISA account and wish to have two (2) or more cards issued check the appropriate box(es) below.

Please issue an additional card (with the same VISA number as mine) in the name of the co-applicant who completed and signed this application.

| Applicant   |                                 |
|---|---------------------------------|
| NAME (Last - First - Initial)   |                                 |
| ACCOUNT NUMBER  | SOCIAL SECURITY NUMBER          |
| DRIVER'S LICENSE NUMBER / STATE   |                                 |
| BIRTH DATE  | HOME PHONE BUSINESS PHONE/ EXT. |
| PRESENT ADDRESS (Street - City - State - Zip) No P.O. Box Please  |                                 |
| <input type="checkbox"/> OWN <input type="checkbox"/> RENT  | YEARS AT THIS ADDRESS           |
| MORTGAGE/RENT OWED TO:  |                                 |
| MONTHLY PAYMENT   | MORTGAGE BALANCE INTEREST RATE  |
| \$ _____  | \$ _____ %                      |
| COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE:   |                                 |
| <input type="checkbox"/> MARRIED <input type="checkbox"/> SEPARATED <input type="checkbox"/> UNMARRIED (Single - Divorced - Widowed)                        |                                 |
| <b>Employment/Income</b> <input type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> CONTRACT <input type="checkbox"/> SELF-EMPLOYED |                                 |
| NAME AND ADDRESS OF EMPLOYER  |                                 |
| JOB TITLE:  | LENGTH OF EMPLOYMENT:           |
| NOTICE: ALIMONY, CHILD SUPPORT, OR SEPARATE MAINTENANCE INCOME NEED NOT BE REVEALED IF YOU DO NOT CHOOSE TO HAVE IT CONSIDERED.                             |                                 |
| EMPLOYMENT INCOME   | OTHER INCOME                    |
| \$ _____ PER _____  | \$ _____ PER _____              |
| <input type="checkbox"/> GROSS  | SOURCE                          |

| Other: <input type="checkbox"/> Co-Applicant <input type="checkbox"/> Spouse  |                                 |
|---|---------------------------------|
| NAME (Last - First - Initial)   |                                 |
| ACCOUNT NUMBER  | SOCIAL SECURITY NUMBER          |
| DRIVER'S LICENSE NUMBER / STATE   |                                 |
| BIRTH DATE  | HOME PHONE BUSINESS PHONE/ EXT. |
| PRESENT ADDRESS (Street - City - State - Zip) No P.O. Box Please  |                                 |
| <input type="checkbox"/> OWN <input type="checkbox"/> RENT  | YEARS AT THIS ADDRESS           |
| MORTGAGE/RENT OWED TO:  |                                 |
| MONTHLY PAYMENT   | MORTGAGE BALANCE INTEREST RATE  |
| \$ _____  | \$ _____ %                      |
| COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE:   |                                 |
| <input type="checkbox"/> MARRIED <input type="checkbox"/> SEPARATED <input type="checkbox"/> UNMARRIED (Single - Divorced - Widowed)                        |                                 |
| <b>Employment/Income</b> <input type="checkbox"/> F/T <input type="checkbox"/> P/T <input type="checkbox"/> CONTRACT <input type="checkbox"/> SELF-EMPLOYED |                                 |
| NAME AND ADDRESS OF EMPLOYER  |                                 |
| JOB TITLE:  | LENGTH OF EMPLOYMENT:           |
| NOTICE: ALIMONY, CHILD SUPPORT, OR SEPARATE MAINTENANCE INCOME NEED NOT BE REVEALED IF YOU DO NOT CHOOSE TO HAVE IT CONSIDERED.                             |                                 |
| EMPLOYMENT INCOME   | OTHER INCOME                    |
| \$ _____ PER _____  | \$ _____ PER _____              |
| <input type="checkbox"/> GROSS  | SOURCE                          |

**SIGNATURES**

1. You promise that everything you have stated in this application is correct to the best of your knowledge. If there are any important changes, you will notify us in writing immediately. You authorize the Credit Union to obtain credit reports in connection with this application for credit and any update, renewal or extension of the credit received. You understand that the Credit Union will rely on the information in this application and your credit report to make its decision. If you request, the Credit Union will tell you the name and address of any credit bureau from which it received a credit report on you. It is a federal crime to willfully and deliberately provide incomplete or incorrect information on loan applications made to federal credit unions or state chartered credit unions insured by NCUA.

2. You have received and read the LOANLINER® Credit and Security Agreement, including the Addendum ("Agreement"), and a Loan Protection Contract. By signing

below you agree to be bound by the terms of the Agreement.

3. If you are applying for a credit card, you acknowledge receipt and agreement to the terms of the Credit Card Agreement including the Addendum.

4. **You grant us a security interest in all individual and joint share and/or deposit accounts you have with us now and in the future to secure what you owe under the LOANLINER® Credit and Security Agreement and if you have applied for a credit card, under the Credit Card Agreement. When you are in default, you authorize us to apply the balance in these accounts to any amounts due. Shares and deposits in an Individual Retirement Account, and any other account that would lose special tax treatment under state or federal law if given as security, are not subject to the security interest you have given in your shares and deposits.**

**X**

APPLICANT'S SIGNATURE

DATE

**X**

OTHER SIGNATURE

DATE

**LOANLINER® CREDIT AND SECURITY AGREEMENT**

This LOANLINER® Credit and Security Agreement, which includes the Truth in Lending Disclosures, will be referred to as **the Plan**. The Plan documents include this agreement and an Addendum. **You, your and borrower** mean any person who signs the Plan. **Credit union, we, our and us** mean CoastHills Federal Credit Union or anyone to whom the Credit Union transfers its rights under the Plan.

**HOW THIS PLAN WORKS** — This is an open-end, multi-featured credit plan. We anticipate that, from time to time, you will borrow money (called “advances”) under the Plan. **We are not required to make advances to you under the Plan and can refuse a request for an advance at any time.** The Addendum describes the different types of credit (called “subaccounts”) available under the Plan, the current interest rate for each subaccount expressed as a daily periodic rate and corresponding annual percentage rate and other charges. It may also have other terms and a schedule for determining the payment amounts.

**CREDIT LIMIT** — We may, but do not have to, establish a credit limit on certain subaccounts. If a credit limit is set for a subaccount, you promise not to exceed the established credit limit. If you exceed the credit limit, you promise to repay immediately the amount which exceeds the credit limit.

**REPAYMENT** — You promise to repay all amounts you owe under the Plan plus interest. Payments are due on the last day of the month unless we set a different day at the time of an advance. If the Addendum has no payment schedule for a subaccount, your payment will be determined at the time of each advance. Payments must include any amount past due and any amount by which you have exceeded any credit limit you have been given for a subaccount. You may repay all or part of what you owe at any time without any prepayment penalty. Even if you prepay, you will still be required to make the regularly scheduled payments unless we agree in writing to a change in the payment schedule. If you have a joint sharedraft account, you will be responsible for paying all overdraft advances obtained by a joint holder of the sharedraft account. Unless otherwise required by law, payments will be applied to amounts owed under the Plan, in the manner the Credit Union chooses.

**PLAN ACCESS** — You can obtain credit advances in any manner authorized by us. If we allow you to use your ATM/Debit card to access the Plan, you may be liable for the unauthorized use of your ATM/Debit card. You will not be liable for unauthorized use that occurs after you notify us, orally or in writing, of the loss, theft, or possible unauthorized use. If you believe your ATM/Debit card has been lost or stolen, immediately inform the Credit Union by calling or writing us at the telephone number or address that appears elsewhere in the Plan. If the card is used to obtain unauthorized advances directly from the Plan, your liability will not exceed \$50. If the unauthorized withdrawal is from a sharedraft account, your liability is governed by the Regulation E disclosures you received at the time you received your ATM/Debit card, even if the withdrawal results in an advance being made from your overdraft subaccount.

**FINANCE CHARGE** — The dollar amount you pay for money borrowed is called a “finance charge” and begins on the date of each advance. A finance charge will be computed separately for each separate balance under the Plan. To compute the finance charge, the unpaid balance for each day since your last payment (or since an advance if you have not yet made a payment) is multiplied by the applicable daily periodic rate. The sum of these amounts is the finance charge owed. The balance used to compute the finance charge is the unpaid balance each day after payments and credits to that balance have been subtracted and any additions to the balance have been made. In addition to interest, we may charge other finance charges which are disclosed on the Addendum. If the interest rate is a variable interest rate, the Addendum explains how the variable interest rate works.

**SECURITY** — You pledge as security for the Plan all shares and dividends and, if any, all deposits and interest in all joint and individual accounts you have with us now and in the future. If a specific dollar amount is pledged for an advance, we will freeze shares in that account to the extent of the outstanding balance for the advance. Otherwise, your pledged shares may be withdrawn unless you are in default. **Statutory Lien** — If you are in default on a financial obligation to us, federal law gives us the right to apply the balance of shares and dividends in all individual and joint accounts you have with us to satisfy that obligation. After you are in default, we may exercise this right without further notice to you. **The statutory lien and/or your pledge will allow us to apply the funds in your account(s) to what you owe when you are in default.** The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security.

Additional security for the Plan may be required at the time of an advance. If a subaccount identifies a type of property (such as “New Cars”) you must give that type of property as security when you get an advance under that subaccount. A subaccount name such as “Other Secured” means you must provide security acceptable to us when you obtain an advance under that subaccount. Property you give as security will secure all amounts owed under the Plan and all other loans you have with us now or in the future, except any loan secured by your principal dwelling. Property securing other loans you have with us may also secure the Plan.

**VOLUNTARY PAYMENT PROTECTION** — We may offer Voluntary Payment Protection to you. Voluntary Payment Protection is not necessary to obtain credit. If you purchase Voluntary Payment Protection from us, you authorize us to add the fees or insurance charges monthly to your loan balance and charge you interest on the entire balance. At our option we will change your payment or the period of time necessary to repay the loan balance. The rate used to determine the fees or insurance charges may change in the future. If the rate changes, we will provide any notices required by applicable law.

**PERIODIC STATEMENT** — On a regular basis you will receive a statement showing all transactions under the Plan during the period covered by the statement. Statements and notices will be sent to you at the most recent address you have given us in writing. Unless applicable law requires notice to each joint borrower, notice to any one of you will be notice to all.

**JOINT ACCOUNTS** — If this is a joint account, each of you is individually and jointly responsible for paying all amounts owed. That means we can enforce our rights under the Plan against any one of you individually or against all of you together. If you give us inconsistent instructions, we can refuse to follow your instructions. Unless our written policy requires all of you to sign for an advance, each of you authorizes the other(s) to obtain advances individually and agrees to repay advances

made to the other(s). Any joint accountholder may terminate the Plan by giving us prior written notice. If any of you terminate the Plan, the Plan is terminated for all of you. You remain liable individually and jointly for all advances incurred before termination.

**FEES AND CHARGES** — If you give us a security interest in certain types of property, we may charge you a filing fee to perfect our interest in the property. If we do, the amount of the fee will be disclosed to you at the time you obtain an advance. We may also charge you other fees in connection with the Plan. Our current fees are disclosed on the Addendum and will be added to your loan balance unless you pay them in cash.

**UPDATING CREDIT INFORMATION** — You promise that you will promptly give us written notice if you move, change your name or employment, or if any other information you provided to us changes. Upon our request, you also agree to provide us updated financial information.

**DEFAULT** — *The following paragraph applies to borrowers in Idaho, Kansas and Maine:* You will be in default if you do not make a payment of the amount required when it is due. You will also be in default if we believe the prospect of payment, performance, or realization on any property given as security is significantly impaired.

*The following paragraph applies only to borrowers in Wisconsin:* You will be in default if you fail to make a payment when due two times during any 12 month period. You will be in default if breaking any promise made under the Plan materially impairs your ability to repay what you owe or materially impairs the condition, value, or protection of or our right in any property you gave as security.

*The following paragraph applies only to borrowers in Iowa:* You will be in default if you are more than 10 days late in making a payment. You will also be in default if you do not comply with the terms of the Plan and your failure to comply materially impairs any property you gave as security or your ability to repay what you owe under the Plan.

*The following paragraph applies to borrowers in all other states:* You will be in default if you do not make a payment of the amount required when it is due. You will be in default if you break any promise you made under the Plan or if anyone is in default under any security agreement made in connection with an advance under the Plan. You will be in default if you die, file for bankruptcy, become insolvent, if you make any false or misleading statements in any credit application or update of credit information, or if something happens we believe may substantially reduce your ability to repay what you owe. You will be in default if any property you have given us as security is repossessed by someone else, seized under a forfeiture or similar law, or if anything else happens that significantly affects the value of the property or our security interest in it. You will also be in default under the Plan if you are in default under any other loan agreement with us.

**ACTIONS AFTER DEFAULT** — *The following paragraph applies to borrowers in Colorado, District of Columbia, Iowa, Kansas, Maine, Massachusetts, Missouri, Nebraska and West Virginia:* When you are in default and after expiration of any right you have under applicable state law to cure your default, we can demand immediate payment of the entire unpaid balance under the Plan without giving you advance notice.

*The following paragraph applies to borrowers in all other states except Wisconsin and Louisiana:* When you are in default, we can require immediate payment (acceleration) of the entire unpaid balance under the Plan. You waive any right you have to demand for payment, notice of intent to accelerate and notice of acceleration.

*The following paragraphs apply to borrowers in all states except Wisconsin and Louisiana:* If immediate payment is demanded, you will continue to pay interest until what you owe has been repaid at the applicable interest rates in effect or, if applicable, at the default rate disclosed on the Addendum. If a demand for immediate payment has been made, your shares and/or deposits can be applied towards what you owe as provided in the section above called “Security.” We can also exercise any other rights given by law when you are in default.

You agree the Credit Union has the right to take possession of any property given as security under the Plan, without judicial process, if this can be done without breach of the peace. If we ask, you promise to deliver the property at a time and place we choose. If the property is a motor vehicle or boat, you agree that we may obtain a key or other device necessary to unlock and operate it, when you are in default. We will not be responsible for any other property, not covered by this Agreement, that you leave inside the property or that is attached to the property. We will try to return that property to you or make it available for you to claim.

After we have possession of the property, we can sell it and apply the money to any amounts you owe us. We will give you notice of any public disposition or the date after which a private disposition will be held. Our expenses for taking possession of and selling the property will be deducted from the money received from the sale. Those costs may include the cost of storing the property, preparing it for sale and attorney’s fees to the extent permitted under state law or awarded under the Bankruptcy Code.

You must pay any amount that remains unpaid after the sale money has been applied to any unpaid balance under the Plan. You agree to pay interest on that amount at the same rate as the advance, or, if applicable, at the default rate disclosed on the Addendum, until that amount has been paid.

*The following paragraph applies only to Wisconsin borrowers:* When you are in default and after expiration of any right you have under applicable state law to cure your default, we may require immediate payment of your outstanding loan balance under the Plan and seek possession of property given as security. You may voluntarily give the property to us if you choose, or we may seek to take possession of the property by judicial process. If we repossess the property, you agree to pay reasonable expenses incurred in disposing of the property. If the property is a motor vehicle, mobile home, trailer, snowmobile, boat or aircraft, you will also be required to pay any costs permitted by Section 422.413 of the Wisconsin Statutes. You must pay any amount that remains unpaid after the sale money has been applied to what you owe under the Plan. You agree to pay interest on any unpaid amount at the same rate as the advance, or, if applicable, at the default rate disclosed on the Addendum, until that amount is paid.

If the property is located outside Wisconsin at the time of default, we may take possession of the property without judicial process, if permitted by the state where

CPFM01 (CUST)

(continued)

**IMPORTANT! READ AND RETAIN FOR FUTURE REFERENCE.**

**THIS IS YOUR COPY OF THE LOANLINER® CREDIT AND SECURITY AGREEMENT, VISA® CREDIT CARD AGREEMENT AND LOAN PROTECTION CONTRACT**

## LOANLINER® CREDIT AND SECURITY AGREEMENT (continued)

the property is located.

**The following paragraph applies only to Louisiana borrowers:** When you are in default, we can require immediate payment (acceleration) of the entire unpaid balance under the Plan. You waive any right you have to demand for payment, notice of intent to accelerate and notice of acceleration. If immediate payment is demanded, you will continue to pay interest until what you owe has been repaid at the applicable interest rates in effect unless a default rate is disclosed on the Addendum. If a demand for immediate payment has been made, the shares and deposits given as security for the Plan can be applied towards what you owe. We can also exercise any other rights given by law when you are in default and our rights under any security agreements you have with us.

**CANCELLING OR CHANGING THE PLAN — The following paragraph applies only to borrowers in Wisconsin:** We can change the terms of the Plan from time to time in accordance with Section 422.415 of the Wisconsin Statutes. You will be notified of any change in terms. An increase in the daily periodic rate under a variable rate interest rate is not considered a change in terms under the Plan. We can cancel the entire Plan or any part of the Plan at any time. You may cancel the Plan at any time by giving us prior written notice. Your obligation to pay the unpaid balances under the terms of the Plan continues whether you or the credit union cancel the Plan, except to the extent that your liability is limited by Section 422.4155 of the Wisconsin Statutes.

**The following paragraph applies only to borrowers in Iowa:** We can change the terms of the Plan from time to time after giving you any advance notice required by law. A change that increases the rate of finance charge or other charge, that increases the amount of your payments, or that otherwise adversely affects existing balances will apply to existing balances only if you agree to the change or you use the Plan after receiving notice that your use of the Plan means you agree the change applies to existing balances.

**The following paragraph applies to borrowers in all other states:** We have the right to change the terms of the Plan from time to time after giving you any advance notice required by law. Any change in the interest rate will apply to future advances, and at our discretion and subject to any requirements of applicable law, will also apply to unpaid balances.

**The following paragraph applies to all but Wisconsin borrowers:** An increase in the daily periodic rate under a variable interest rate is not considered a change in terms under the Plan. We can cancel the entire Plan or any part of the Plan at any time. You may cancel the Plan at any time by giving us prior written notice. Your obligation to pay the unpaid balances under the terms of the Plan continues whether you or the Credit Union cancel the Plan.

**DELAY IN ENFORCING RIGHTS AND CHANGES IN THE PLAN —** We can delay enforcing any of our rights under this Plan any number of times without losing the ability to exercise our rights later. We can enforce this Plan against your heirs or legal representatives. If we change the terms of the Plan, you agree that this Plan will continue to protect us.

**CONTINUED EFFECTIVENESS —** If any part of this Plan is determined by a court to be unenforceable, the rest will remain in effect.

**NOTICE TO UTAH BORROWERS —** This written agreement is a final expression of the agreement between you and the Credit Union. This written agreement may not be contradicted by evidence of any oral agreement.

**The following is required by Vermont law — NOTICE TO CO-SIGNER — YOUR SIGNATURE ON THIS NOTE MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE LENDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.**

**The following paragraphs apply if you give security in connection with an advance under the Plan. They apply to borrowers in all states except Louisiana. Louisiana borrowers will execute a separate security agreement. Borrowers in other states may also be asked to execute a separate security agreement.**

**THE SECURITY FOR THE PLAN —** You give us what is known as a security interest in all property described in any receipt, voucher or other document you receive for an advance ("the Advance"). The security interest you give includes all accessions. Accessions are things which are attached to or installed in the property now or in the future. The security interest also includes any replacements for the property which you buy within 10 days of the Advance or any extensions, renewals or refinancing of the Advance. It also includes any money you receive from selling the property or from insurance you have on the property. If the value of the property declines, you promise to give us more property as security if asked to do so.

**WHAT THE SECURITY INTEREST COVERS/CROSS COLLATERAL PROVISIONS —** The security interest secures the Advance described in the receipt, voucher or any other document you receive at the time of the Advance and any extensions, renewals or refinancings of the Advance. **It also secures any other advances you have now**

**or receive in the future under the Plan and any other amounts or loans, including any credit card loan, you owe us for any reason now or in the future, except any loan secured by your principal residence.** If the property is household goods as defined by the Federal Trade Commission Credit Practices Rule, the property will secure only the Advance and not other amounts you owe.

**OWNERSHIP OF THE PROPERTY —** You promise that you own all property you give as security or if the Advance is to buy the property, you promise you will use the Advance for that purpose. You promise that no one else has any interest in or claim against the property that you have not already told us about. You promise not to sell or lease the property or to use it as security for a loan with another creditor until the Advance is repaid. You promise you will allow no other security interest or lien to attach to the property either by your actions or by operation of law.

**PROPERTY INSURANCE, TAXES AND FEES —** You must maintain property insurance on all property that you give as security under the Plan. You may purchase the property insurance from anyone you choose who is acceptable to the Credit Union. The amount and coverage of the property insurance must be acceptable to us. You may provide the property insurance through a policy you already have, or through a policy you get and pay for. You promise to make the insurance policy payable to us and to deliver the policy or proof of coverage to us if asked to do so.

If you cancel your insurance and get a refund, we have a right to the refund. If the property is lost or damaged, we can use the insurance settlement to repair the property or apply it towards what you owe. You authorize us to endorse any draft or check which may be payable to you in order for us to collect any refund or benefits due under your insurance policy. You also promise to pay all taxes and fees (like registration fees) due on the property.

If you do not pay the taxes or fees on the property when due or keep it insured, we may pay these obligations, but we are not required to do so. Any money we spend for taxes, fees or insurance will be added to the unpaid balance of the advance and you will pay interest on those amounts at the same rate you agreed to pay on the advance. We may receive payments in connection with the insurance from a company which provides the insurance. We may monitor our loans for the purpose of determining whether you and other borrowers have complied with the insurance requirements of our loan agreements or may engage others to do so. The insurance charge added to an advance may include (1) the insurance company's payments to us and (2) the cost of determining compliance with the insurance requirements. If we add amounts for taxes, fees or insurance to the unpaid balance of an advance, we may increase your payments to pay the amount added within the term of the insurance or approximate term of the advance.

**INSURANCE NOTICE —** If you do not purchase the required property insurance, the insurance we may purchase and charge you for will cover only our interest in the property. The premium for this insurance may be higher because the insurance company may have given us the right to purchase insurance after uninsured collateral is lost or damaged. **The insurance will not be liability insurance and will not satisfy any state financial responsibility or no fault laws.**

**PROTECTING THE SECURITY INTEREST —** If your state issues a title for the property, you promise to have our security interest shown on the title. We may have to file what is called a financing statement to protect our security interest from the claims of others. If asked to do so, you promise to sign a financing statement. You also promise to do whatever else we think is necessary to protect our security interest in the property. You promise to pay all costs, including but not limited to any attorney fees, we incur in protecting our security interest and rights in the property, to the extent permitted by applicable law.

**USE OF PROPERTY —** Until the Advance has been paid off, you promise you will: (1) Use the property carefully and keep it in good repair. (2) Obtain our written permission before making major changes to the property or changing the address where the property is kept. (3) Inform us in writing before changing your address. (4) Allow us to inspect the property. (5) Promptly notify us if the property is damaged, stolen or abused. (6) Not use the property for any unlawful purpose. (7) Not to retitle property in another state without telling us.

**NOTICE TO NORTH DAKOTA BORROWERS PURCHASING A MOTOR VEHICLE —** THE MOTOR VEHICLE IN THIS TRANSACTION MAY BE SUBJECT TO REPOSSESSION. IF IT IS REPOSSESSED AND SOLD TO SOMEONE ELSE, AND ALL AMOUNTS DUE TO THE SECURED PARTY ARE NOT RECEIVED IN THAT SALE, YOU MAY HAVE TO PAY THE DIFFERENCE.

**NOTICE FOR ARIZONA OWNERS OF PROPERTY —** It is unlawful for you to fail to return a motor vehicle that is subject to a security interest, within thirty days after you have received notice of default. The notice will be mailed to the address you gave us. It is your responsibility to notify us if your address changes. The maximum penalty for unlawful failure to return a motor vehicle is one year in prison and/or a fine of \$150,000.

## VISA CREDIT CARD ACCOUNT AGREEMENT

In this Agreement the words **you** and **your** mean each and all of those who sign this Agreement, or who sign an application for a CoastHills Federal Credit Union VISA Credit Card. **Card** means the CoastHills Federal Credit Union VISA credit card and any duplicates and renewals the Credit Union issues to you. **Account** means your VISA credit card line of credit account with the Credit Union. **Credit Union** means CoastHills Federal Credit Union.

**USING THE ACCOUNT —** If your application for a VISA credit card account is approved, the Credit Union will establish a line of credit for you and notify you of its amount when the Card is sent to you. You agree not to let your Account balance exceed your approved credit limit. Each payment you make on the Account will restore your credit limit by the amount of the payment which is applied to the principal amount of purchases and cash advances. You may request an increase in your credit limit by contacting the Credit Union. The Credit Union has the right to reduce or terminate your limit at any time.

**USING THE CARD —** You may use your Card to purchase goods and services in person and by mail or telephone from merchants and others who accept VISA credit cards. If you wish to pay for goods or services over the Internet, you may be required to provide card number security information before you will be permitted to complete the transaction. In addition, you may obtain cash advances from the Credit Union, from other financial institutions participating in the VISA program and from automated teller machines (ATMs), such as VISA ATM Network, that provide access to the VISA system. (Not all ATMs provide such access.) You will need to use your Personal Identification Number (PIN) to obtain a cash advance from an ATM.

**RESPONSIBILITY —** You agree to pay all charges (purchases and cash advances) to your Account made by you or anyone who you authorize to use your Account. Your obligation to pay the amount owed on your Account continues until paid in full even though an agreement, divorce decree or other court judgment to which the Credit Union is not a party may direct someone else to pay the Account balance.

If more than one person signs this Agreement, each is individually responsible for all

amounts owed on the Account and all are jointly responsible for all amounts owed.

**FINANCE CHARGES —** In order to avoid a FINANCE CHARGE on purchases made since your last statement date, you must pay the Total New Balance shown on your statement within 25 days of the statement closing date. Otherwise a FINANCE CHARGE on purchases is calculated from the beginning of the next statement period on previously billed but unpaid purchases and on new purchases from the date they are posted to your Account. Cash advances are always subject to a FINANCE CHARGE from the date they are posted to your Account. Your Account will be subject to FINANCE CHARGE. The Annual Percentage Rate for VISA and VISA Platinum will be disclosed in the Addendum. Separate FINANCE CHARGES for purchase and cash advances are determined by multiplying the periodic rate by the separate average daily balances for purchases and cash advances. Each average daily balance is determined by taking the beginning balance (of cash advances or purchases) in your Account each day, adding any new purchases or cash advances (whichever is applicable) and subtracting any payments or credits. The results are the daily balances. All the daily balances for the statement cycle are added and the total is divided by the number of days in the statement cycle to arrive at the average daily balance for the cycle.

**OTHER CHARGES —** The following other charges will be added to your Account, as applicable:

- ANNUAL CARDHOLDER FEE: You agree to pay us when billed each year a non-refundable annual cardholder fee as disclosed in the Addendum.
- OVERLIMIT FEE: If your balance is 10% over your approved limit, you will be charged a fee for each month until your balance is reduced to your approved limit. The fee will be disclosed in the Addendum. In the event you are over your credit limit or delinquent, no further ATM transactions shall be permitted without our specific prior authorization.

(continued)

## VISA CREDIT CARD ACCOUNT AGREEMENT (*continued*)

- (c) **COPIES:** If you request a copy of any document, we may charge your Account a fee. The fee will be disclosed in the Addendum. If your request is related to a billing error and an error is found, we will credit any copying charges to your Account.
- (d) **LATE PAYMENT FEE:** You may be charged a late payment fee as disclosed in the Addendum.
- (e) **NSF CHECKS:** A fee will be assessed for each VISA payment check that is returned to the Credit Union for non-sufficient funds. The fee will be disclosed in the Addendum.
- (f) **CARD REPLACEMENT:** We reserve the right to charge a card replacement fee. The fee will be disclosed in the Addendum.
- (g) **ATM TRANSACTIONS:** Cash advances using an ATM Network at another financial institution can result in a fee per transaction added to the advance by that institution.

**MONTHLY PAYMENT** — Each month you must pay at least the minimum payment shown on your statement within 25 days of the statement closing date. You may, of course, pay more frequently, pay more than the minimum payment, or pay the Total New Balance in full. If you make extra payments or larger payments, you are still required to make at least the minimum payment each month your Account has a balance. The minimum payment will be disclosed in the Addendum. In addition, at any time your Total New Balance exceeds your credit limit, you must immediately pay the excess upon demand. Subject to applicable law, your payments will be applied to what you owe the Credit Union in any manner the Credit Union chooses.

**SECURITY INTEREST** — If you give the Credit Union a specific pledge of shares by signing a separate pledge of shares, your pledged shares will secure your Account. You may not withdraw amounts that have been specifically pledged to secure your Account until the credit union agrees to release all or part of the pledged amount. In addition, your Account is secured by all other shares you have in any individual or joint account with the Credit Union, except for shares in an Individual Retirement Account or in any other account that would lose special tax treatment under state or federal law if given as security. These other shares may be withdrawn unless you are in default under this agreement. You authorize the Credit Union to apply the balance in your individual or joint share accounts to pay any amounts due on your account if you should default. Collateral securing other loans you have with the Credit Union may also secure this loan, except that your home will never be considered as security for this Account, notwithstanding anything to the contrary in any other agreement.

**DEFAULT** — You will be in default if you fail to make any minimum payment or other required payment by the date that it is due. You will be in default if you break any promise you make under this Agreement. You will be in default if you die, file for bankruptcy or become insolvent, that is, unable to pay your obligations when they become due. You will be in default if you make any false or misleading statement in any credit application or credit update. You will also be in default if something happens which the Credit Union believes may substantially reduce your ability to repay what you owe. When you are in default, the Credit Union has the right to demand immediate payment of your full Account balance without notice. If immediate payment is demanded, you will continue to pay **FINANCE CHARGE**, at the daily periodic rate charged before default, until what you owe has been paid, and any shares that were given as security will be applied towards what you owe. To the extent permitted by law, you will also be required to pay the Credit Union's collection expenses, including court costs and reasonable attorney's fees.

**LIABILITY FOR UNAUTHORIZED USE-LOST/STOLEN CARD NOTIFICATION** — You agree to notify us immediately, orally or in writing at P.O. Box 200, Lompoc, CA 93438-0200 or telephone us at (805) 733-7600 during business hours or call (800) 453-4270 after business hours, of the loss, theft or unauthorized use of your Credit Card. You may be liable for the unauthorized use of your Credit Card. You will not be liable for unauthorized use that occurs after you notify us of the loss, theft, or possible unauthorized use. You will have no liability for unauthorized purchases made with your Credit Card, unless you are grossly negligent in the handling of your Card. In any case, your liability will not exceed \$50.

**CHANGING OR TERMINATING YOUR ACCOUNT** — The Credit Union may change the terms of this Agreement from time to time after giving you any advance notice required

by law. Your use of the Card after receiving notice of a change will indicate your agreement to the change. To the extent the law permits, and except as otherwise indicated in the notice to you, the change will apply to your existing Account balance as well as to future transactions.

Either the Credit Union or any one of you may terminate this Agreement at any time, but termination by you or the Credit Union will not affect your obligation to pay the Account balance plus any finance and other charges you owe under this Agreement. The Card(s) you receive remain the property of the Credit Union, and you must recover and surrender to the Credit Union all Cards upon request or upon termination of this Agreement whether by you or the Credit Union.

**CREDIT INFORMATION** — You authorize the Credit Union to investigate your credit standing when opening or reviewing your Account. You authorize the Credit Union to disclose information regarding your Account to credit bureaus and creditors who inquire about your credit standing. If your account is eligible for emergency cash and/or emergency card replacement services, and you request such services, you agree that we may provide personal information about you and your account that is necessary to provide you with the requested service(s).

**RETURNS AND ADJUSTMENTS** — Merchants and others who honor the Card may give credit for returns or adjustments, and they will do so by sending the Credit Union a credit slip which will be posted to your Account. If your credits and payments exceed what you owe the Credit Union, the amount will be applied against future purchases and cash advance. If the amount is \$1 or more, it will be refunded upon your written request or automatically after six months.

**FOREIGN TRANSACTIONS** — Purchases and cash withdrawals made in foreign countries and foreign currencies will be debited from your account in U.S. dollars. The conversion rate to dollars will be determined in accordance with the operating regulations established by VISA International. Currently the currency conversion rate used to determine the transaction amount in U.S. dollars is generally either a government-mandated rate or the wholesale rate in effect the day before the transaction processing date, increased by one percentage point. The currency conversion rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

**MERCHANT DISPUTES** — The Credit Union is not responsible for the refusal of any merchant or financial institution to honor the Card. The Credit Union is subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the Card if you have made a good faith attempt but have been unable to obtain satisfaction from the merchant or service provider, and (a) your purchase was made in response to an advertisement the Credit Union sent or participated in sending to you; or (b) your purchase cost more than \$50 and was made in your state or within 100 miles of your home.

**EFFECT OF AGREEMENT** — This Agreement is the contract which applies to all transactions on your Account even though the seals, cash advances, credit or other slips you sign or receive may contain different terms.

**NO WAIVER** — The Credit Union can delay enforcing any of its rights any number of times without losing them.

**STATEMENTS AND NOTICES** — You will receive a statement each month showing transactions on your Account. Statements and notices will be mailed to you at the most recent address you have given the Credit Union. Notice sent to any one of you will be considered notice to all. You agree to promptly notify the Credit Union if you change your mailing address.

**TRANSFER OF ACCOUNT** — You cannot transfer or assign your Account to any other person.

**GOVERNING LAW** — This Agreement and your Account shall be governed by California law and the laws of the United States. If there is a lawsuit, you agree to submit to the jurisdiction of the courts of Santa Barbara County, California.

**ILLEGAL TRANSACTIONS PROHIBITED** — You agree that you will not use your card for any transaction that is illegal under applicable federal, state or local law.

## BILLING RIGHTS NOTICE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

**NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT.** If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay a credit card account automatically from your share account or checking account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

**YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE.** We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the statement was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to send statements to you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your statement that are not in question.

If we find that we made a mistake on your statement, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your statement. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your statement was correct.

**SPECIAL RULE FOR CREDIT CARD PURCHASES.** If you have a problem with the quality of property or services that you purchased with a 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 property or services. There are two limitations on this right: (a) You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address; and (b) The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

### SPECIAL RULES FOR CALIFORNIA RESIDENTS

If you are a **California resident**, our right to recover any credit extended through the use of your credit card in making purchases from a retailer is subject to the good faith defenses which you have properly asserted as a buyer under California law against the retailer from whom the card holder made the purchases if:

- (a) The purchase price of the item as to which a defense is asserted exceeds \$50.00;
- (b) The purchase was made within the State of California;
- (c) You have made a written demand upon the retailer with respect to the purchase and attempted in good faith to obtain reasonable satisfaction from the retailer; and
- (d) You give us written notice specifying the retailer, the date of purchase, the purchase price, the goods or services purchased, the nature of your defense with respect to the transaction, as well as the action which you have taken, in attempting to obtain satisfaction from the retailer.

Consumer

|                 |                 |                |
|-----------------|-----------------|----------------|
| BORROWER 1 NAME | BORROWER 2 NAME | ACCOUNT NUMBER |
|-----------------|-----------------|----------------|

**COASTHILLS LOAN PROTECTION CONTRACT**

This contract will be governed by the state law of the Lender's physical address.

CoastHills Loan Protection (referred to as "the program") is voluntary and not required in order to obtain credit. We will not consider whether or not you elect CoastHills Loan Protection in making our credit decision.

**COVERED LOAN**

LOAN NUMBER: \_\_\_\_\_

**OPTIONS**

|   |   |  |  |  |   |
|---|---|--|--|--|---|
| <b>YOU ELECT:</b><br>(check only one box)                       | <input type="checkbox"/> <b>Option A</b><br>• Loss of Life<br>• Disability<br>• Interest<br>Cancellation<br>Involuntary<br>Unemployment<br>• Family Leave | <input type="checkbox"/> <b>Option B</b><br>• Loss of Life<br>• Disability | <input type="checkbox"/> <b>Option C</b><br>• Disability | <input type="checkbox"/> <b>Option D</b><br>• Loss of Life | <input type="checkbox"/> <b>No Protection</b> |
| <b>Cost per \$1000 of the Monthly Outstanding Loan Balance*</b> | \$3.50  | \$2.50   | \$1.75   | \$1.00   |   |

|  |          |
|--|----------|
| Estimated Total Fees for Option chosen (Closed-End Only) | \$ _____ |
|--|----------|

\*If the outstanding loan balance is greater than \$100,000, the rate will not be applied to the amount that exceeds \$100,000.

The program contains certain terms and exclusions. Subject to those terms and conditions, which you should read carefully, you are eligible for the program if you are a borrower on the loan and under age 70 on the effective date of protection.

One important condition to your ability to have your loan payment cancelled/postponed due to Disability, Interest Cancellation Involuntary Unemployment, and Family Leave is that you must be actively working for income 25 hours or more per week when you become disabled, become involuntarily unemployed, or take a family leave.

The program protects the first two borrowers listed on the lending agreement.

The protected borrower(s) may not qualify for all benefits.

This contract contains the conditions upon which we will cancel or postpone all or a portion of the interest, daily payment, or protected balance. You, meaning a borrower enrolled in the program, should read this contract carefully and keep it in your files. This contract explains the terms that both you and we agree to follow for the program. This contract replaces any and all credit insurance policies and/or certificates, similar payment protection plans, and program contracts you previously entered into with respect to the loan.

Your signature below means:

- Your election above will remain in effect, according to the terms of the CoastHills Loan Protection Contract, unless subsequently modified.
- You agree that you have received and thoroughly read the CoastHills Loan Protection Contract.
- You authorize the program fee to be added to your outstanding balance each month.

**Subsequent Election**

If the election above represents a replacement of credit insurance or similar payment protection or a change in the program for an existing loan, and the cost of the newly elected protection results in increased program fees, you agree to:

- make more loan payments of the same amount until what you owe has been repaid.
- increase your loan payment to \$ \_\_\_\_\_ per \_\_\_\_\_.
- make \_\_\_\_\_ additional loan payments **and** increase your loan payment to \$ \_\_\_\_\_ per \_\_\_\_\_.
- increase your monthly payment according to the terms of your loan agreement.

|                      |
|----------------------|
| <b>X</b>             |
| BORROWER 1 SIGNATURE |
| DATE                 |

|                      |
|----------------------|
| <b>X</b>             |
| BORROWER 2 SIGNATURE |
| DATE                 |

By phone conversation, I hereby represent that the above referenced member has authorized election of the specified coverage(s), indicated above:

DATE \_\_\_\_\_ TIME \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF C.U. EMPLOYEE

### DEFINITIONS

**ACCIDENTAL INJURY** means an occurrence that is unforeseen, unexpected, involuntary and due to an external cause.

**ADMINISTRATOR** means CUMIS Insurance Society, Inc., 5910 Mineral Point Road, Madison, Wisconsin 53705, or one of its affiliates, or a contracted third party.

**ADVANCE** means each extension of credit we provide to you under a loan.

**BORROWER** means a person who is obligated to repay the advance to us, either principally or jointly and severally. It does not include guarantors.

**DAILY PAYMENT** means the protected periodic payment converted to an equivalent amount per day.

**EFFECTIVE DATE OF PROTECTION** means the later of the date you enrolled in a program option, the date your protection under the program is reinstated, or the date of the advance.

**FULL TIME EMPLOYMENT or EMPLOYED FULL TIME** means actively working for income 25 hours or more per week.

**LOAN** means a loan identified on this contract as a covered loan.

**NON-PROTECTED ADVANCE** means any advance not protected according to the Non-Protected Events section of this contract.

**PROTECTED BALANCE** means the pay-off amount owed under the loan on the first day of a protected event less any non-protected advances.

**PROTECTED PERIODIC PAYMENT** means the minimum payment amount, including principal, interest, and the program fee, due on the protected balance. It does not include any other fee or insurance amount not included in the protected balance, scheduled balloon payment, escrow amounts, the amount of any minimum payment that represents past due payments, or amounts that exceed any credit limit for the loan. For balloon loans, the protected periodic payment will be determined using the minimum payment amount due for the period immediately preceding the scheduled balloon payment. For variable rate and/or variable payment loans, the protected periodic payment will remain equal to the protected periodic payment as of the first day of the protected event.

**WE, US, OUR** means the Lender named on the loan and this contract.

### GENERAL PROVISIONS

**PROOF OF A PROTECTED EVENT.** You must notify us or our administrator when a protected event occurs. Claim forms and written evidence may be required periodically to show that conditions of the program are satisfied. If you do not report a claim or provide initial or continued proof within one year of the date requested, we will not accept (or continue to accept) your claim.

**PAST EVENTS.** The program does not protect you from events that occurred before your enrollment in the program.

If you enroll in the program as a single borrower and add a joint borrower at a later date, the joint borrower will be considered to have enrolled in the program on the date of becoming a joint borrower.

**TAX IMPLICATIONS.** You may be subject to federal, state, and local taxes on the amount of a cancelled or postponed debt. You should consult your tax advisor. Neither we, nor our administrator, are able to provide you with tax guidance.

**PROGRAM FEE.** The program fee is the amount you pay for protection under the program. The rate used to determine the program fee is subject to change. You will receive notice before any increase goes into effect. The program fee will be added to the outstanding balance each month.

**CHANGING THE TERMS OF THIS CONTRACT.** We have the right to change (including the addition or deletion of) the terms of this contract and apply those changes to the outstanding balance. You will receive notice before any change goes into effect. Your continued payment of the program fee will constitute your acceptance of the change in terms. You have the right to cancel this contract at any time.

**CHANGING BETWEEN OPTIONS.** If you change from one program option (the "prior program option") to a different program option (the "current program option"), and an event occurs that does not qualify for protection under the current program option because of the new effective date of protection, we will recognize the continuous time protected for a specific event under both program options. However, the level of protection available will be the lesser of:

- the protection that would be provided under the current program option if the effective date of protection was adjusted to be the same as the effective date of protection under the prior program option; or
- the protection that would have been provided under the prior program option if it had remained in effect.

**TERMINATION OF THE PROGRAM.** You may terminate this program contract at any time by providing us with written notice at least 5 business days prior to the requested termination date. If you do so within 30 days of enrolling in the program, we will credit the outstanding balance for any fees charged for the program.

Your protection under the program will automatically terminate:

- on the last day of the month during which you reach age 70.
- when any portion of any payment of the loan is past due for 90 days or more. If you bring your loan current, your protection under the program will not be reinstated automatically. You must re-enroll to participate in the program.
- when you fail to pay the program fee.
- for any other reason if we give you written notice at least 30 days in advance of the termination (or as required by law).

Termination will not affect benefits for a protected event that occurred prior to the termination date as long as an outstanding balance remains on the loan.

**ERRORS AND ADJUSTMENTS.** If we cancel or postpone more or less than we should have according to the terms of this contract, we will adjust the balance when the error is discovered.

If we issued protection under the program due to our own error, and we recognize our error before a protected event occurs, our obligation to you is limited to return of any program fee you paid. If we recognize our error after a protected event occurs, we will provide benefits for the protected event that occurred, and we will terminate the program for any future events as of the date we recognize our error.

However, if you misstated a material fact when enrolling for the program that caused us to issue protection under the program when we otherwise wouldn't have, we will return any program fee you paid when we discover this, and we will not provide any benefits even if an otherwise protected event has already occurred.

**WAIVER OF PROVISIONS.** We reserve the right to waive any of the requirements described in this contract, at our sole discretion. If we do so, we will not be obligated to waive the same requirements in any other situation and our waiver will not constitute a waiver of any other requirements.

**CONTINUED EFFECTIVENESS.** If any part of this contract is determined to be unenforceable, the rest will remain in effect.

### PROTECTED EVENTS

A loan is protected according to the terms of this contract if you are enrolled for the specified program protection and you have paid the applicable program fee.

#### **LOSS OF LIFE (Included with Option A and Option B)**

If you die before the end of the month during which you reach age 70, we will cancel 100% of the Loss of Life amount.

For each protected borrower, the Loss of Life amount is the lesser of the protected balance or \$100,000.

#### **LOSS OF LIFE (Included with Option D)**

If you die before the end of the month during which you reach age 70, we will cancel 100% of the Loss of Life amount.

For each protected borrower, the Loss of Life amount is the lesser of the protected balance or \$100,000.

If you are diagnosed with a terminal illness before the end of the month during which you reach age 70, we will cancel the daily payment due on the loan for 6 months from the date we receive proof or until the entire protected balance is cancelled, but not more than \$6,000 over the life of the loan.

Terminal illness means a medical condition which, in a physician's best medical judgment, causes you to have a life expectancy of 6 months or less.

**DISABILITY (Included with Option A, Option B and Option C)**

Disability means that you are:

- unable to engage in the significant duties of your occupation for at least 30 consecutive days; and
- under the regular care and treatment of a physician; and
- not working at any job, or combination of jobs, paying you an income equal to or exceeding 80% of the wages you were earning from your full time employment immediately preceding the date you became disabled.

If you are employed full time when you become disabled before the end of the month during which you reach age 70, we will cancel the daily payment for each day that you are disabled:

- beginning with the 31st day of Disability; and
- for the next 6 months or until the entire protected balance is cancelled, but not more than \$6,000 per period of Disability.

**INTEREST CANCELLATION INVOLUNTARY UNEMPLOYMENT (Included with Option A)**

Involuntary Unemployment means that for at least 30 consecutive days you are not working at any job, or any combination of jobs for 25 hours or more per week and that you are actively seeking full time employment. Involuntary Unemployment includes honorable discharge from active duty service by the United States Armed Forces.

Involuntary Unemployment does not include any annual, regularly scheduled, or seasonal layoff or any period of unemployment that occurs while you are a temporary employee, independent contractor, self-employed, or employed by a joint borrower. It also does not include any retirement, vacation, strike, unionized labor dispute, lockout, sabbatical, family leave, disability, termination due to your willful or criminal misconduct, resignation by agreement with your employer, voluntary furlough, voluntary unemployment or voluntary loss of wages.

If you are employed full time when you become Involuntarily Unemployed, you do not have to make a payment on the protected balance, and we will cancel a prorated portion of the interest and program fee attributable to the protected balance for each day that you are Involuntarily Unemployed:

- beginning with the 31st day of Involuntary Unemployment or the first day after any severance pay has ceased, whichever comes later; and
- for the next 6 months but not more than \$3,000 per period of Involuntary Unemployment.

For Involuntary Unemployment, we will initially require proof that you have received federal, state, or railroad unemployment benefits for the period of unemployment to determine if you meet the definition of Involuntarily Unemployed. You must provide evidence of your continued Involuntary Unemployment each month by demonstrating your continued registration with a state unemployment office or a recognized employment agency.

**There is no reduction of the protected balance.**

**FAMILY LEAVE (Included with Option A)**

Family Leave means that you take an unpaid leave of absence from your full time employment for at least 30 consecutive days, with your employer's written approval, to attend to the needs of your newborn, newly adopted or foster child, or to care for a spouse, child or parent with a serious health condition, as defined by the Federal Family and Medical Leave Act. It does not include any leave of absence that occurs while you are a temporary employee, independent contractor, self-employed, or employed by a joint borrower.

If you are employed full time when you begin a Family Leave, we will cancel the daily payment for each day of your Family Leave:

- beginning with the 31st day of the Family Leave; and
- for 6 months or until the entire protected balance has been cancelled, but not more than \$3,000 per period of Family Leave.

**NON-PROTECTED EVENTS**

An advance is not protected by the program if the event:

- is due to the commission of a felony.
- is caused by or results from an atomic explosion or any other release of nuclear energy (except when used solely for medical treatment).

Additional non-protected events are specified below.

An advance is not protected by **Loss of Life** protection if the event:

- occurs within the 6 months immediately following the effective date of protection for the advance and is related to a pre-existing condition for which you received advice, diagnosis, or treatment (including medication) within the 6 months immediately preceding the effective date of protection for the advance.
- is the result of a suicide or an intentionally self-inflicted injury that occurs within the 12 months immediately following the effective date of protection for the advance.
- occurs after the end of the month during which you reach age 70.

An advance is not protected by **Disability** protection if the event:

- occurs within the 6 months immediately following the effective date of protection for the advance and is related to a pre-existing condition for which you received advice, diagnosis, or treatment (including medication) within the 6 months immediately preceding the effective date of protection for the advance.
- is related to a normal pregnancy.
- is due to an intentionally self-inflicted injury.
- occurs after the end of the month during which you reach age 70.

An advance is not protected by **Interest Cancellation Involuntary Unemployment** protection if the event:

- occurs within the 6 months immediately following the effective date of protection for the advance.
- is due to an intentionally self-inflicted injury.
- occurs after the end of the month during which you reach age 70.

An advance is not protected by **Family Leave** protection if the event:

- occurs within the 6 months immediately following the effective date of protection for the advance.
- occurs after the end of the month during which you reach age 70.

**CONCURRENT PROTECTED EVENTS**

If we are canceling the daily payment for one protected event and another protected event occurs:

- the amount cancelled will be applied to the dollar limitation for the first protected event.

- we will not cancel more than the daily payment for any one day.

If two protected borrowers die at the same time, we will cancel the lesser of the protected balance or \$200,000 for Option A, Option B and Option D.

**RECURRENT EVENTS**

If you incur a claim for the same type of protected event again within one year after you have recovered or returned to work, we will consider this a continuation of the prior event. For disability, however, this only applies if you are disabled due to the same condition. Any remaining time period available from the earlier protected event will continue beginning with the date of the recurrence. If you incur a claim for the same type of protected event more than one year after recovering or returning to work, we will consider it a new protected event. This provision applies whether you return to work with the same or a different employer.

**STATUS OF THE LOAN AFTER A PROTECTED EVENT**

During the time it takes to process your claim, you remain responsible for making at least the minimum payment due on the loan by the payment due date. You are responsible for any difference between the minimum payment due on the loan and the amount cancelled or postponed. If you have a valid claim, we will refund the portion of your payment(s) that should have been cancelled or postponed according to the terms of this contract.

**Contact us with any questions on the program.**



**ACKNOWLEDGEMENT OF APPLICATION FOR JOINT CREDIT  
Reg B**

By signing below, each of the following applicants certify that they are applying for joint credit.

Printed Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Account #: \_\_\_\_\_