



8237 THIRD STREET
DOWNEY, CA 90241

WWW.DOWNEYFCU.ORG
562.862.8141



Line of Credit Agreement: Covered Borrower Under the Military Lending Act

Product Name:

Loan Date:	Loan Number	Account Number	Credit Limit \$	25,000
Borrower 1 Name and Address		Borrower 2 Name (and Address if different from Borrower 1)		

Interest Rate and Interest Charges

Annual Percentage Rate (APR) for Cash Advances

8.90 %

Paying Interest

You will be charged interest from the transaction date.

Fees

Penalty Fees

- Late Charge Fee
- Returned Payment Fee

20.00% of Interest Due, Minimum \$0.05, Maximum \$50.00

\$20.00

How We Will Calculate Your Balance: We will use a balance computation method called daily balance. See your account Agreement for more details.

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in your account Agreement.

Daily Periodic Rate: The Daily Periodic Rate is 0.0243 %.

Late Charge Fee: A late charge of 20.00% of the interest due or \$0.05, whichever is greater not to exceed \$50.00, will be charged for each payment received more than 10 days after the due date.

Returned Payment Fee: A returned payment fee of \$20.00 will be charged for each payment that is returned for any reason.

Minimum Payment: The minimum payment will be 2.50% of the outstanding balance or \$55.00, whichever is greater. Advances will be made in increments of \$25.00.

Collection Costs: You agree to pay all costs of collecting the amount you owe under this Agreement, including court costs and reasonable attorney's fees.

Military Lending Act Disclosures: Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: The costs associated with credit insurance premiums, fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).

LINE OF CREDIT AGREEMENT AND TRUTH IN LENDING DISCLOSURE

This LOANLINER Line of Credit Agreement will be referred to as the "Agreement." "You," "your," and "borrower" mean any person who signs the Agreement. "We," "our," and "us" mean the Credit Union whose name appears on the Agreement or anyone to whom the Credit Union transfers its rights under the Agreement. The undersigned borrower(s) are jointly and severally applying for an open-end credit line to be used for personal, family, or household purposes, with the above Credit Union and agree to the terms of this Agreement.

HOW THIS AGREEMENT WORKS – We anticipate that, from time to time, you will borrow money under this Agreement. **We are not required to make advances to you under the Agreement and can refuse a request for an advance at any time.**

CREDIT LIMIT – If we establish a credit limit, it will be listed. 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.

PROMISE TO PAY – You promise to repay all amounts you owe under the Agreement plus interest. You may pay the balance in full or in part at any time without prepayment penalty, except that the minimum periodic payments are required, regardless of any prepayments, as long as any balance exists. If you have a joint share and/or deposit account, you will be responsible for paying all overdraft advances obtained by a joint holder of the share and/or deposit account. Unless otherwise required by law, payments will be applied to amounts owed under the Agreement, in the manner the Credit Union chooses.

AGREEMENT ACCESS – You can obtain credit advances in any manner authorized by us. If we allow you to use your Debit card to access the Line of Credit, you may be liable for the unauthorized use of your 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 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 this Agreement. If the card is used to obtain unauthorized advances directly from the Line of Credit, your liability will not exceed \$50.00. If the unauthorized withdrawal is from a share draft account, your liability is governed by the Regulation E disclosures you received at the time you received your 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. 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.

SECURITY FOR AGREEMENT – We may have what is known as a statutory lien on all individual and joint accounts you have with us. A statutory lien means we have the right under federal and/or state law to claim an interest in your accounts. Unless otherwise prohibited by federal and/or state law, we can enforce a statutory lien against your shares and dividends and, if any, interest and deposits, in all individual and joint accounts you have with us to satisfy any outstanding financial obligation that is due and payable to us. **The statutory lien will allow us to apply the funds in your account(s) to what you owe when you are in default.** Shares or deposits in an Individual Retirement Account or any other account that would lose special tax treatment under state or federal law are not subject to our statutory lien. Property securing other loans you have with us may also secure the Plan, unless that property is your principal dwelling or otherwise prohibited by federal and/or state law.

DEFAULT – You will be in default under this Line of Credit if you do not make a payment of the amount required on or before the date it is due. You will be in default if you break any promise you made in connection with this Agreement or if anyone is in default under any security agreement made in connection with this Agreement. You will be in default if you die, file for bankruptcy, become insolvent (that is unable to pay your bills and loans as they become due), or if you made any false or misleading statements in your loan application. You will also be in default if something happens that we believe may seriously affect your ability to repay what you owe under this Agreement or if you are in default under any other loan agreement you have with us.

ACTIONS AFTER DEFAULT – **The following paragraph applies to borrowers in Colorado, District of Columbia, Iowa, Kansas, Maine, Massachusetts, Missouri, Nebraska, West Virginia, Wisconsin and state chartered credit unions lending to South Carolina borrowers:**

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 Agreement without giving you advance notice.

The following paragraph applies to borrowers in all other states and to federally chartered credit unions lending to South Carolina borrowers: When you are in default, we can require immediate payment (acceleration) of the entire unpaid balance under the Agreement.

The following paragraph applies to all borrowers: 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. We can also exercise any other rights given by law when you are in default, and any rights we have under any Security Agreements you have with us.

AGREEMENT CHANGES/TERMINATION – We may change the periodic rate(s) or otherwise amend this Agreement, at any time for any reason not prohibited by law. We may terminate this Agreement upon adverse reevaluation of your creditworthiness, upon failure to satisfy the terms of this Agreement or at the option of you or of us with good cause. Action taken under this paragraph shall not affect the obligations of the undersigned or any other obligor.

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 Agreement 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. Any joint account holder may terminate the Agreement by giving us prior written notice. If any of you terminate the Agreement, the Agreement is terminated for all of you. You remain liable individually and jointly for all advances incurred before termination.

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.

WAIVER – We can delay or waive enforcing any of our rights under this Agreement, including your obligation to make timely payments, without losing our right to enforce the terms of the Agreement at a later time. If the law makes any term(s) of the Agreement unenforceable, the other terms will remain in effect. We can enforce this Agreement against your heirs or legal representatives.

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.

NOTICES – Notices will be sent to you at the most recent address you have given us in writing. Notice to any one of you will be notice to all.

SIGNATURES

You have received and read the LOANLINER Line of Credit Agreement (“Agreement”). By signing below, you agree to be bound by the terms of the Agreement.

X (SEAL)
BORROWER 1 SIGNATURE DATE

X (SEAL)
BORROWER 2 SIGNATURE DATE

YOUR BILLING RIGHTS -- KEEP THIS DOCUMENT FOR FUTURE USE

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

What To Do If You Find a Mistake on Your Statement – If you think there is an error on your statement, write to us at the address listed on your statement.

In your letter, give us the following information:

- **Account information:** Your name and account number.
- **Dollar amount:** The dollar amount of the suspected error.
- **Description of problem:** If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors **in writing**. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

What Will Happen After We Receive Your Letter – When we receive your letter, we must do two things: (1) Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error; (2) Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen: (1) **If we made a mistake:** You will not have to pay the amount in question or any interest or other fees related to that amount; (2) **If we do not believe there was a mistake:** You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within **10 days** telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

Your Rights If You Are Dissatisfied With Your Credit Card Purchases – If you are dissatisfied with the goods or services that you have purchased with your 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 purchase.

To use this right, all of the following must be true: (1) The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.); (2) You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify; (3) You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us **in writing** at the address listed on your statement.

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.