

# CREDIT LINE ACCOUNT AGREEMENT AND FEDERAL DISCLOSURE STATEMENT

THIS IS YOUR CREDIT LINE ACCOUNT AGREEMENT AND IT INCLUDES NECESSARY FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENTS, AND ANY SPECIAL INSTRUCTIONS REGARDING THE USE OF YOUR ACCOUNT AND ANY ACCESS DEVICE. PLEASE BE CERTAIN TO READ THIS AGREEMENT CAREFULLY AND NOTIFY US AT ONCE IF ANY PARTS ARE UNCLEAR.

Interest Rate and Interest Charges	
APR For Cash Advances	Overdraft Line of Credit: <b>17.99%</b>
Paying Interest	We will begin charging interest on the transaction date.
Fees	
Penalty Fees	
• Late Payment	<b>\$10.00</b>

**How We Will Calculate Your Balance:** We use a method called "daily balance." See Your Account Agreement for details.

**Billing Rights:** Information on Your rights to dispute transactions and how to exercise those rights is provided in Your Account Agreement.

In this Agreement, the reference to "We," "Us," "Our," and "Credit Union" mean ALTURA CREDIT UNION (a federally chartered credit union). The words "You" and "Your" mean each person accepting this Agreement. If this is a joint Account, read singular pronouns in the plural.

You, as the Borrower, under a Credit Line Account ("Account"), understand that the following Federal Disclosure Statement and the terms and conditions found herein constitute Our Agreement with You. Advances on Your Account may only be obtained by overdrawing Your linked share draft account through the following means: by writing a share draft; by using Your Credit Union debit card; by using Your automated teller machine (ATM) card; and/or by otherwise initiating an electronic funds transfer. Regardless of the means by which any advance is made, You promise to pay Us all amounts charged to Your Account by You or by any user who has access to Your Account, with actual, apparent or implied authority for use of Your Account, including Finance Charges and other fees or charges described herein.

**FEATURE CATEGORIES.** Your Account is comprised of the Feature Category titled Overdraft Line of Credit.

**ADVANCES.** Advances made on Your Account will only occur if You overdraw Your linked share draft account, whether such overdraft occurs by share draft, through use of Your debit card, Your ATM card, or by otherwise initiating an electronic funds transfer. When the amount advanced appears on a subsequent statement, that will be conclusive evidence of Your advance unless You notify Us that You disagree with any such item appearing on Your periodic statement according to the provision of this Agreement titled "Your Billing Rights: Keep this Document for Future Use."

To maintain credit availability You must make deposit(s) to the related Credit Union checking account. Said deposit(s) must equal or exceed \$100.00 (in the aggregate) during any 45 day rolling period, and originate from a source outside of the Credit Union.

**SECURITY.** As permitted by law, to secure all transactions under this Agreement in either joint or individual Accounts, We have the right to impress and enforce a statutory lien against Your shares on deposit with Us (other than those deposits established under a governmental approved tax deferral plan such as an IRA or Keogh account), and any dividends due or to become due to You from Us to the extent that You owe on any unpaid balance on Your Account and We may enforce Our right to do so without further notice to You. Additionally, You agree that We may set-off any mutual indebtedness.

**CONSENSUAL LIEN ON SHARES.** If You have been issued an ATM or debit card, You grant and consent to a lien on Your shares with Us (except for IRA and Keogh accounts) and any dividends due or to become due to You from Us to the extent You owe on any unpaid Overdraft Line of Credit balance created through the use of Your ATM or debit card.

**OTHER SECURITY.** Collateral (other than household goods or any dwelling) given as security for any other loan You may have with Us will secure all amounts You owe Us now and in the future if that status is reflected in the "Truth-In-Lending Disclosure" in any particular Agreement evidencing such debt.

**LINE OF CREDIT LIMITS.** You will be notified of the specific Credit Limit for which You are approved. Unless You are in default, the Credit Limit established for You will generally be self-replenishing as You make payments. You will keep Your unpaid balance within Your Credit Limit set by Us, and You will pay any amount over Your Credit Limit on Our demand whether or not We authorize the advances which caused You to exceed Your Credit Limit. Even if Your unpaid balance is less than Your Credit Limit, You will have no credit available during any time that any aspect of Your Account is in default.

**JOINT ACCOUNTS.** Each Borrower will be responsible, jointly and severally, for the repayment of any amounts owed. If any Account access device, such as a Personal Identification Number (PIN) is requested and approved, You understand that any such Account access device(s) will be mailed only to the primary Borrower at the address that We have on file for You. We may refuse to follow any instructions which run counter to this provision.

**MINIMUM MONTHLY PAYMENTS (PAYMENT SCHEDULE).** Though You need only pay the Minimum Monthly Payments, You understand that You have the right to repay at any time without penalty. You also understand that You will only be charged periodic Finance Charges to the date You repay Your entire balance. You may make larger payments without penalty. Any unpaid portion of the Finance Charge will be paid by subsequent payments and will not be added to Your principal balance. You understand that any delay in the repayment of Your unpaid balance will increase Your periodic Finance Charges and any acceleration in the repayment of Your unpaid balance will decrease Your periodic Finance Charges. Payments will be applied first to any Late Charges owing, then to the Finance Charge due, then to the outstanding principal balance. All payments to Us must be in lawful money of the United States.

Minimum Monthly Payments will be established at the close of each billing cycle at an amount equal to 3.00% of Your then unpaid principal balance, subject to a minimum of \$25.00 or Your Account balance. Each payment will be charged directly to Your linked share or share draft account.

**FINANCE CHARGES.** A Finance Charge will be assessed on any unpaid principal balance for each Feature Category of Your Account for the period such balance is outstanding. Balances change each time advances are made, payments are made or credits given. The Finance Charge begins to accrue on the date of each advance and there is no grace period.

On the date Your Account is established You will be charged a Daily Periodic Rate of 0.049288% (corresponding **ANNUAL PERCENTAGE RATE 17.99%**).

**HOW TO DETERMINE THE FINANCE CHARGE.** The Finance Charge is determined by multiplying Your unpaid balance at the close of each day in the billing cycle being accounted for by the applicable Daily Periodic Rate. The unpaid balance is the balance each day after payments, credits, and unpaid Finance Charges to that balance have been subtracted and any new advances, or other charges have been added to Your unpaid balance. These daily Finance Charges are then added together

and the sum is the amount of the Finance Charge owed for the Feature Category being accounted for. The total Finance Charge You owe on Your Account for each billing cycle is the sum of all the Finance Charges due.

**LATE CHARGE.** You will be charged \$10.00 if Your payment is more than 10 days past due.

**OVERDRAFT PROTECTION.** We may transfer funds in the amount necessary (or in such other amounts as We may from time to time determine) to Your share draft account(s) by an advance on Your Overdraft Line of Credit Feature Category, subject to this provision, to clear any overdraft on Your share draft account(s). Whether or not such transfers occur will be controlled by this Agreement. In any event, You hold Us harmless for any and all liability which might otherwise arise if the transfer does not occur. Overdraft protection automatically ceases if this Agreement is ever cancelled or terminated or Your Account is in default.

**PERIODIC STATEMENTS.** On a regular basis, You will receive a statement showing all transactions on Your Account including amounts paid and borrowed since Your last statement. We will mail You a statement each month in which there is a debit or credit balance or when a Finance Charge is imposed. We need not send You a statement if We feel Your Account is uncollectible or if We have started collection proceedings against You because You defaulted. EACH STATEMENT IS DEEMED TO BE A CORRECT STATEMENT OF ACCOUNT UNLESS YOU ESTABLISH A BILLING ERROR PURSUANT TO THE FEDERAL TRUTH-IN-LENDING ACT.

**DEFAULT.** You will be in default if: (a) You do not make any payment or perform any obligation under this Agreement, or any other agreement that You may have with Us; or (b) You should die, become involved in any insolvency, receivership or custodial proceeding brought by or against You; or (c) You have made a false or misleading statement in Your credit Application and/or in Your representations to Us while You owe money on Your Account; or (d) a judgment or tax lien should be filed against You or any attachment or garnishment should be issued against any of Your property or rights, specifically including anyone starting an action or proceeding to seize any of Your funds on deposit with Us; and/or (e) We should, in good faith, believe Your ability to repay Your indebtedness hereunder is or soon will be impaired, time being of the very essence.

Upon any occurrence of default, We may, to the extent permitted by law, cancel Your rights under this Agreement, require the return of all access devices and declare the entire balance of Your Account immediately due and payable, without prior notice or demand.

**COLLECTION COSTS.** In the event collection efforts are required to obtain payment on this Account, to the extent permitted by law, You agree to pay all court costs, private process server fees, investigation fees or other costs incurred in collection and reasonable attorneys' fees incurred in the course of collecting any amounts owed under this Agreement or in the recovery of any Collateral.

**ENFORCEMENT.** We do not lose Our rights under this or any related agreement if We delay enforcing them. We can accept late payments, partial payments or any other payments, even if they are marked "paid in full" without losing any of Our rights under this Agreement. If any provision of this or any related agreement is determined to be unenforceable or invalid, all other provisions remain in full force and effect.

**NOTIFICATION OF ADDRESS CHANGE.** You will notify Us promptly if You move or otherwise have a change of address.

**CHANGE IN TERMS.** We may change the terms of this Agreement by mailing or delivering to You written notice of the changes as prescribed by the Federal Truth-In-Lending Act. To the extent permitted by law, the right to change the terms of this Agreement includes, but is not limited to, the right to change the periodic rate applicable to Your unpaid balance and/or future advances.

**INTEGRATED DOCUMENTS.** Any separate sheet of paper labeled "Additional Disclosure - Federal Truth-In-Lending Act," and/or "Credit Line Account Advance Request and Security Agreement," which is delivered together with this Agreement or at a later date becomes an integrated part of this Agreement And Disclosure.

**CONSENT TO AGREEMENT.** You acknowledge receipt of a copy of this Agreement. By signing the application; or by using Your Account or any Account access device; or by authorizing another to use Your Account, You agree to and accept its terms.

**UPDATING AND DISCLOSING FINANCIAL INFORMATION.** You will provide facts to update information contained in Your original Account Application or other financial information related to You, at Our request. You also agree that We may, from time to

time, as We deem necessary, make inquiries pertaining to Your employment, credit standing and financial responsibility in accordance with applicable laws and regulations. You further agree that We may give information about the status and payment history of Your Account to consumer credit reporting agencies, a prospective employer or insurer, or a state or federal licensing agency having any apparent legitimate business need for such information.

**TERMINATION.** Either You or We may cancel Your Account at any time whether or not You are in default. You will, in any case, remain liable to pay any unpaid balances according to the terms of Your Account.

**GOVERNING LAW.** This Agreement is controlled and governed by the laws of the State of California, except to the extent that such laws are inconsistent with controlling federal law.

#### **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 P.O. Box 908, Riverside, CA 92502-0908. 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:**

- 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.
- 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 \$50.00 of the amount You question even if Your bill is correct.