



PO Box 45046 • Salt Lake City, UT 84145

## Overdraft Line of Credit Agreement and Disclosure

This Personal Line of Credit Agreement and Disclosure is the entire Agreement between you and the Credit Union. There are no verbal understandings or agreements between you and the Credit Union. In this Agreement the words you and your mean each and all of those who signed the Loan Application as borrowers, co-borrowers and cosigners. We, us, ours, DFCU and the Credit Union means Deseret First Federal Credit Union.

Interest Rates and Interest Charges	
ANNUAL PERCENTAGE RATE (APR)	<Approved Rate>
VARIABLE RATE	This loan <is/is not> subject to a variable rate feature. Variable rate feature will be disclosed on a separate addendum to the Note.
Penalty APR	<b>18.00%</b>
Penalty APR and when it applies:  Interest rate may be reevaluated after 6 months	This <b>18.00%</b> penalty APR may be applied to your account if; <ol style="list-style-type: none"> <li>1. Your loan is 60 days delinquent</li> <li>2. Make a payment that is returned; or</li> <li>3. Do any of the above on another account that you have with DFCU</li> </ol>
Paying Interest	You will be charged interest on your daily balance.
Penalty Fees <ul style="list-style-type: none"> <li>• Late Payment</li> <li>• Returned Payment</li> <li>• Over the credit limit</li> </ul>	5% of payment or \$30 whichever is greater \$15.00 None

**How We Will Calculate Your Daily Balance:** Balance is calculated by taking the beginning balance of your account each day adding any advances and subtracting any payments or credits (and any unpaid charges).

**Minimum Advance Amount:** None

**Minimum Monthly Payment:** 3% of the outstanding balance at the end of the month or \$15.00 whichever is greater

**PROMISE TO PAY:** For value received and to be received, the maker(s) jointly and severally (each shall be agent for the other and be responsible for the advances to the other, whether with knowledge of same or not) promise to pay the credit union all sums advanced from time to time on loan accounts under this Agreement plus a FINANCE CHARGE (Interest) at the Annual Percentage Rate disclosed in this agreement as well as collection costs, attorney's fees and any costs which become due under this Agreement. The FINANCE CHARGE begins to accrue on the date of each advance. The FINANCE CHARGE is computed when a payment is made by multiplying the unpaid balance by the periodic rate for the number of days the balance is outstanding. The balance subject to FINANCE CHARGE is the daily principal balance after adding new advances and other charges and subtracting payments and other credits.

Your promise to repay means repayment in United States dollars, all amounts borrowed under this Agreement, plus the agreed FINANCE CHARGE, collection costs, attorney's fees and any costs which become due under this agreement.

**ADVANCES:** You may request Line of Credit advances in the following ways: 1. in person, 2. by telephone, 3. Using your PIN and plastic card at an ATM, 4. By overdrawing the checking account associated with this line of credit and 5. By other electronic means. The credit union may refuse to make an advance at any time for any reason not prohibited by law.

**OVERDRAFT PROTECTION:** We will extend credit to you under the terms and conditions of this Agreement. We will advance funds from your Line of Credit to your associated Share Draft/Checking Account if you overdraw your Share Draft/Checking Account, whether intentionally or not. Any checks, electronic debits or other charges presented against your Share Draft/Checking Account, including checks drawn by someone actually or apparently acting for you, will trigger an advance under this Agreement. We will make advances for the amount necessary to clear the transaction being presented, up to the balance remaining on your credit limit. You hold us harmless from any and all liability if the transfer does not occur.

**CREDIT LIMIT:** You agree not to exceed the credit limit we periodically set for the Account. We may reduce or eliminate your credit limit at any time at our sole reasonable discretion. We may, but are not required to, extend credit in excess of your credit limit. If we do extend credit in excess of your credit limit, it does not create an obligation for us to do so again in the future.

**JOINT ACCOUNTS:** You agree that the obligations and liabilities of each shall be joint and several. All agree to be responsible for all transactions covered by this line of credit regardless of who initiated the transaction on the Share Draft/Checking Account associated with this line of credit.

**FINANCE CHARGE:** You will pay a finance charge (interest) for all advances. The finance charge begins to accrue on the date of the advance. The finance charge is computed by taking the unpaid balance for each day since your last payment (or if you have not made a payment, from the time of an advance) and multiplying by the applicable daily periodic rate. The sum of these amounts is the finance charge. The balance used to compute the finance charge is the unpaid balance each day after payments and credits have been subtracted and additions have been added.

**VARIABLE RATE:** If your loan has a variable rate feature, you understand and agree that the Annual Percentage Rate of your line of credit may change as disclosed. The Credit Union may, at its option, elect not to impose any increase in the rate without losing its right to impose it later.

**CHANGE IN TERMS:** You agree that the Credit Union may, subject to applicable law, modify any of the terms and conditions of this Agreement, including, but not limited to, the rate used to determine the finance charge. Notice of such change shall be mailed or delivered to you at least fifteen (15) days prior to the effective date of any change. Such changes may affect the existing balance of your loan, and, if so, will be disclosed to you in the notice of change in terms.

**PLEDGE OF SHARES:** As security for this loan, you pledge to the Credit Union all shares and deposits now and here after held by you at this Credit Union, as well as earnings on present and future shares and deposits. Any funds which are in your Individual Retirement Account or in a Keogh Plan with the Credit Union are not included in this pledge. Your share accounts at the Credit Union are also subject to the lien provided by 123 USC Sections 1757 (11).

**DEFAULT:** You will be in default if any of the following happens: (a) you fail to make any payment when due, including any late fees, interest or attorney's fees assessed, (b) you break any promise that you have made to the Credit Union contained in this Agreement or any related documents or in any other agreement or loan which you have with the Credit Union, (c) you default under any other loan, extension of credit, security agreement, purchase or sales agreement or any other agreement in favor of any other person that may materially affect any of your property or your ability to repay this Agreement or perform your obligations under this Agreement or any of its related documents, (d) you default under any other loan, extension of credit, security agreement, purchase or sales agreement or any other agreement in favor of the Credit Union that may materially affect any of your property or your ability to repay this note or perform your obligations under this Agreement or any of its related documents, (e) if any representation or statement which you made or furnished to the Credit Union is false or misleading in any material respect either now or at the time made or furnished, (f) you die or become insolvent, a receiver is appointed on your behalf, you make an assignment for the benefit of creditors or any proceeding is commenced by you or against you under any bankruptcy or insolvency law, (g) any of the events described in this default section occur with respect to any co-maker, accommodation pledge or guarantor of this Agreement, (h) a material adverse change occurs in your financial condition or the Credit Union believes the prospect of payment or performance of the indebtedness is impaired, (i) the Credit Union, for whatever reason, in good faith, deems itself insecure.

**ERRORS AND OMISSIONS/COMPLIANCE AGREEMENT:** In consideration of the Credit Union extending credit, you agree, if requested by the Credit Union or Closing Agent for the Credit Union, to fully cooperate and adjust for clerical errors on any or all loan documentation if deemed necessary or desirable in the reasonable discretion of the Credit Union. You agree to comply with all above noted requests by the Credit Union within 30 days from date of said requests. Failure to comply with this Agreement will constitute an event of default. All costs and expenses incurred in correcting errors and omissions or forcing compliance shall be borne by the borrower.

**PAYMENTS:** Payments will be applied first to collection costs, including attorney's fees, then to late charges, then to interest due, and then to the unpaid principal balance. Early payments will reduce, and late payments will increase, your total finance charge. Unpaid interest will be collected from your next payment(s) and will not be added to your principal balance. The final payment is always the balance due on the loan, including principal, interest and any other charges which become due under this Agreement.

**CREDIT UNION'S RIGHTS:** Upon default, the Credit Union may declare the entire unpaid principal balance of this Line of Credit and all accrued unpaid interest, together with any fees and costs, immediately due and payable without providing any notice to you. You further agree that you will pay this default amount. Upon default, the Credit Union may, at its option, increase the interest on this Line of Credit to the maximum permitted by applicable law. The interest rate will not exceed the maximum rate permitted by applicable law. You agree that the Credit Union may take whatever actions are necessary to collect the outstanding obligation owed. The Credit Union may hire or pay someone else to help collect this Agreement if you do not pay. You agree that you will pay the Credit Union any amount which includes the Credit Union's reasonable attorney's fees and legal expenses whether or not there is a law suit filed, including any reasonable attorney's fees and legal expenses incurred for bankruptcy proceedings, including efforts to modify or vacate any automatic stay in injunction as well as all fees incurred on appeal or any anticipated post-judgment collection services. You also agree to pay any court costs.

**GOVERNING LAW AND JURISDICTION:** This Agreement has been delivered to the Credit Union and accepted by the Credit Union in the state of Utah. If there is a law suit, you agree that you are subject to the jurisdiction of the courts of the state of Utah located in Salt Lake County. This Agreement should be governed by and construed in accordance with the laws of the state of Utah.

**ADDITIONAL PROVISIONS:**

1. You agree to provide the Credit Union with a current financial statement or other credit related information when the Credit Union requests. You will be in default if you fail to provide these materials.
2. You agree that if any part of this Agreement be found invalid, it will in no way affect the remainder of the Agreement.
3. Your signing or endorsing any checks issued under this Agreement shall be further evidence of your acceptance of the terms and conditions of this Agreement.
4. The Credit Union can delay enforcing any of its rights under this Agreement without losing them.
5. The Credit Union may accept late or partial payments, even if marked "payment in full", without losing any of its rights under this Agreement.
6. The signed loan application along with the Overdraft Line of Credit Agreement and Disclosure shall constitute the entire agreement between the parties. Any oral representations, statements or agreements not reduced to writing and incorporated herein are null and void.

**OBLIGATIONS OF PERSONS UNDER THIS AGREEMENT:** Each person is fully and personally obligated to keep all of the promises made in this Agreement including the promise to pay the full amount owed. Any person who is a guarantor, accommodation party, surety or endorser of this Agreement is also obligated to do these things. Any person who takes over these obligations including the obligations of the guarantor, maker, co-obligor or endorser of this Agreement is also obligated to keep all of the promises made in this Agreement. You agree that the Credit Union may enforce its rights under this agreement against each person individually or against all of you together. This means that anyone of you may be required to pay all of the amounts owed under this Agreement.

**GENERAL PROVISIONS:** The Credit Union may delay or forego enforcing any of its rights or remedies under this Agreement without losing them. You, as well as any other person who guarantees this Agreement, waive presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms or provisions of this Agreement and unless otherwise expressly stated in writing, no party, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that the Credit Union may renew or extend (repeatedly and for any length of time) this loan, or release any party or guarantor or impair, and take any other action deemed necessary by the Credit Union without the consent of or notice to yourself, any of the parties or anyone else. You and all such parties agree that the Credit Union may modify this line of credit without your consent or the consent or notice to anyone else other than the party with whom the modification is made.

**NOTICE TO COSIGNER(S):**

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay this obligation if you have to and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of your credit record.

This notice is not the contract that makes you liable for the debt.

**NOTICE AND AGREEMENT RELATING TO CREDIT:** The 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 or alleged oral agreement. You acknowledge receipt of a copy of this notice and agree that only the written credit Agreement contains the terms applicable to this credit transaction.