

Overdraft Line of Credit Disclosure

Northern Colorado Credit Union

This OVEDRAFT LINE OF CREDIT Disclosure, 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 Northern Colorado Credit Union or anyone to whom the Credit Union transfers its rights under the PLAN.

1. **HOW THE 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.

2. **CREDIT LIMIT** -- Your Credit Limit for this Overdraft Line of Credit is \$_____. You promise not to exceed the established credit limit. If you exceed the established credit limit, you promise to repay immediately the amount, which exceeds the credit limit. Line of Credit will advance at \$50.00 increments to pay items.

3. **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. **Your payment will be determined at the time of each advance as set in the Addendum.** 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 share draft account, you will be responsible for paying all overdraft advances obtained by a joint holder of the share draft account. Unless otherwise required by law, payments will be applied to amount owed under the PLAN, in the manner the Credit Union chooses.

4. **PLAN ACCESS** -- You can obtain credit advances in any manner authorized by us. If we allow you to use your ATM/Check Card to access the PLAN, you may be liable for the unauthorized use of your ATM/Check 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/Check 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 \$50.00. 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 ATM/Check Card, even if the withdrawal results in an advance being made from your overdraft subaccount.

5. **FINANCE CHARGE** -- Depends on your Credit Score: 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.

Your Interest Rate and Daily Rate:

<input type="checkbox"/>	Rate	Daily Rate	<input type="checkbox"/>	Rate	Daily Rate	<input type="checkbox"/>	Rate	Daily Rate	<input type="checkbox"/>	Rate	Daily Rate
<input type="checkbox"/>	11.90%	0.03808%	<input type="checkbox"/>	12.90%	0.03534%	<input type="checkbox"/>	14.90%	0.04082%	<input type="checkbox"/>	16.90%	0.04630%

6. **LATE FEE: \$15.00 if your payment is 15 days late.**

7. **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, you're pledged shares may be withdrawn unless you are in default. **The statutory lien and/or your pledge will allow us to apply the funds in your account to that you owe when you are in default.** The statutory lien and your pledge do not apply to any Individual Retirement Accounts or any other account that would lose special tax treatment under state or federal law if given as security.

8. **CREDIT INSURANCE** -- Credit life and/or credit disability insurance is optional under the PLAN. If you qualify for and purchase the insurance from us, you authorize us to add the insurance premiums monthly to your loan balance and charge you interest on the entire balance. If you elect credit insurance, your payments may increase or the period of time necessary to repay your advance may be extended. The credit insurance rates may change during the PLAN. If the rates change, we will provide any notices required by applicable law.

9. **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.

10. **JOINT ACCOUNTS** -- If this is a joint account, each of you is individually and jointly responsible for paying any amount owed. That means we can enforce our right 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.

11. **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.

12. **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.

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

14. **DEFAULT** -- 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.

15. **ACTIONS AFTER DEFAULT** -- 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. 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, and any rights we have under any Security Agreements you have with us.

16. **CANCELLING OR CHANGING THE PLAN** -- 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 to the interest rate or other charges will apply to future advances. 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.

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Credit Insurance Application/Schedule

“You” or “Your” means the member and the joint insured (if applicable).

Credit insurance is voluntary and not required in order to obtain this loan. You may select any insurer of your choice. You can get this insurance only if you check the “yes” box below and sign your name and write in the date. The rate you are charged for the insurance is subject to change. You will receive written notice before any increase goes into effect. You have the right to stop this insurance by notifying your credit union in writing. Your signature below means you agree that:

- If you elect insurance, you authorize the credit union to add the charges for insurance to your loan each month.
- You are eligible for disability insurance only if you are working for wages or profit for 25 hours a week or more on the date of any advance. If you are not, that particular advance will not be insured until you return to work. If you are off work because of temporary layoff, strike or vacation, but soon to resume, you will be considered at work.
- You are eligible for insurance up to the Maximum Age for Insurance. Insurance will stop when you reach that age.

NOTE: THE LIFE AND DISABILITY INSURANCE CONTAINS CERTAIN BENEFIT EXCLUSIONS, INCLUDING A PRE-EXISTING CONDITION EXCLUSION. PLEASE REFERE TO YOUR CERTIFICATE FOR DETAILS.

YOU ELECT THE FOLLOWING INSURANCE COVERAGE(S)	COST PER \$100 OF YOUR MONTHLY LOAN BALANCE		
	YES	NO	
SINGLE CREDIT DISABILTY			\$0.16
SINGLE CREDIT LIFE			\$0.094
JOINT CREDIT LIFE			\$0.145

<u>INSURANCE MAXIMUMS</u>	<u>DISABILITY</u>	<u>LIFE</u>
MAX. MONTHLY TOTAL BENEFIT	\$ 850.00	N/A
MAX. INS. BALANCE PER LOAN ACCT	\$50,000.00	\$50,000.00
MAXIMUM AGE FOR INSURANCE	66	70

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

If you are totally disabled for more than 30 days, then the disability benefit will begin with the 31st day.