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## COMPLETE CREDIT

### DISCLOSURE STATEMENT AND AGREEMENT

The following Disclosure Statement and Agreement describes the terms of the open-end credit plan (referred to as “the Plan”) agreed to between the Member (referred to as “I”, “me” or “my”) and the Credit Union (referred to as “you”, “your” or “yours”). The Plan involves open-end credit for personal, family or household purposes excluding credit card and home equity obligations and may have more than one account in which case each account will be treated as separate from the others for purposes of determining FINANCE CHARGE and minimum payments. Each person who signs as an applicant is responsible for credit extended under the Plan and agrees to follow the terms and conditions and all other documents related to this Plan including Funds Advance Vouchers and Loan Proceeds Checks, if applicable, given when a credit advance is made, which collectively shall govern this account. A Funds Advance Voucher will disclose the Periodic Rate and the ANNUAL PERCENTAGE RATE prior to the first transaction on each account.

**Finance Charge:** All activity in any account during each monthly period (“cycle”), including all new advances, posted to an account during the cycle, will be subject to a FINANCE CHARGE as of the date each advance is posted to the account. The FINANCE CHARGE will be posted to my account as my payments are received and will be figured by applying the applicable daily periodic rate (as shown on the Interest Rate Schedule) to the “daily balance” for each of my accounts.

The daily balance is the outstanding account balance at the end of each day. It includes advances made and payments and credits received during that day. It does not include any unpaid FINANCE CHARGES. The FINANCE CHARGE for each day of the cycle is then figured by multiplying the daily balance in each account by the appropriate daily periodic rate. The sum of these amounts equals the FINANCE CHARGE.

**Variable Rate Collateral Secured Loans:** The ANNUAL PERCENTAGE RATE and Daily Periodic Rate will be determined by reference to an Index Rate, which is the average rate for the second month of the prior quarter, on U.S. Treasury Securities adjusted to a constant maturity of 1 year (1 Year Treasury Rate) as announced in the Federal Reserve Statistical Release H.15. The ANNUAL PERCENTAGE RATE is the Index Rate plus 1.75%, rounded up to the nearest 1/4 of 1%. The rate will never be lower than 5.75% (floor). The ANNUAL PERCENTAGE RATE and Daily Periodic Rate may increase or decrease from time to time. Adjustments will take effect on the first business day of each calendar quarter.

**Variable Rate Share Secured Loans:** The ANNUAL PERCENTAGE RATE will change based upon changes in the dividend rate paid on Credit Union share accounts. The Daily Periodic Rate will equal 1/365th of the ANNUAL PERCENTAGE RATE. For Share and Money Manager Savings secured loans, the ANNUAL PERCENTAGE RATE will equal 2.5% above the rate in effect on the last day of the preceding dividend period (which is quarterly), rounded up to the nearest 1/4 of 1%. For Money Market and World Class Money Market secured loans, the ANNUAL PERCENTAGE RATE will equal 2.5% above the average dividend rate paid on the highest dividend tier for the preceding month, rounded up to the nearest 1/4 of 1%. The ANNUAL PERCENTAGE RATE and Daily Periodic Rate may increase or decrease from time to time. Adjustments will take effect on the first business day of each calendar quarter for loans secured by the Share and Money Manager savings accounts and on the first business day of each calendar month for loans secured by the Money Market and World Class Money Market accounts.

**Variable Rate Certificate Secured Loans:** The ANNUAL PERCENTAGE RATE will equal the dividend rate being paid on the certificate pledged as collateral for this account (Certificate Rate) plus 2.5% rounded up to the nearest 1/4 of 1%. The Daily Periodic Rate will equal 1/365th of the ANNUAL PERCENTAGE RATE. If the certificate matures before the outstanding balance is paid off, the certificate will be renewed automatically. This account has a variable rate feature. The ANNUAL PERCENTAGE RATE and Daily Periodic Rate in effect when I access this account may change, based upon changes in the Certificate Rate at the time the certificate is renewed. The ANNUAL PERCENTAGE RATE will change on the date the certificate is renewed and will be 2.5% above the Certificate Rate when the certificate is renewed, rounded up to the nearest 1/4 of 1%.

**All Variable Rate Loans:** If the ANNUAL PERCENTAGE RATE increases, the monthly payment and number of monthly payments may increase. If the ANNUAL PERCENTAGE RATE decreases, the monthly payment and the number of monthly payments may decrease. In no event will the ANNUAL PERCENTAGE RATE be higher than the maximum permitted under Minnesota or other applicable law.

**Minimum Payment:** My minimum payment for each account (excluding Fixed Rate Loans) will equal the greater of \$50.00 (\$30 for Student Loans) or my basic monthly payment plus any amount by which my outstanding balance exceeds my credit limit.

My payment on Fixed Rate Collateral Secured Loans is equal to an amount that will amortize the funds advance over the term requested and is set forth in the Funds Advance Voucher.

My payment on Variable Rate Collateral Secured Loans is \$17 per \$1000 of the outstanding balance after each advance. For Share and Certificate Secured Loans, my payment is \$13

per \$1000 of the outstanding balance after each advance.

My payment on Fixed Rate Loans, will be set until the entire indebtedness is paid in full. My payment for Fixed Rate Lines of Credit will be adjusted, if required, monthly based on 2.5% of my outstanding principal balance rounded up to the nearest dollar amount. I understand that payments will only be adjusted upward and that I must contact the Credit Union to arrange to have my payment lowered.

The credit union may, at their discretion, allow me to “skip” one or more payments to my account(s) under this plan. In these instances, I agree that finance charges will continue to accrue on the unpaid balance and after the agreed upon “skip” I will resume full monthly payments.

My first payment for all loan advances (excluding Line of Credit loans) will be due on the date shown on the Funds Advance Voucher I receive for each advance and subsequent payments will be due monthly thereafter.

My first payment for my Fixed Rate Line of Credit account will be due no later than 30 days after the first advance. The minimum payment will be due monthly.

**Student Loans:** The ANNUAL PERCENTAGE RATE and Daily Periodic Rate will be determined by reference to an Index Rate, which is the average rate for the second month of the prior quarter on U.S. Treasury Securities adjusted to a constant maturity of 1 year (1 Year Treasury Rate) as announced in the Federal Reserve Statistical Release H.15. The ANNUAL PERCENTAGE RATE is the Index Rate plus 3.00%. The ANNUAL PERCENTAGE RATE and Daily Periodic Rate may increase or decrease annually. Adjustments will take effect on the first business day of July each year.

Student Loans have an annual disbursement maximum of \$2,500 with a total lifetime disbursement limit of \$10,000 per applicant. There is a 1% origination fee included in the ANNUAL PERCENTAGE RATE. I may pay this amount in full in advance or finance it over the life of the loan. The loan will be amortized over 120 months (10 years) from the date of the first disbursement (the “**Payment Period**”). My basic monthly payment will be adjusted, if necessary, to fully repay the loan in the payment period. My new payment will be the amount shown on the Funds Advance Voucher I receive for each advance.

**Other Charges:** Payments received 15 days after the month in which they are due will be assessed a \$20 Late Payment Charge.

**Payment Methods:** I may make payment by automatic transfers, direct deposit or by personal payment. If I pay by automatic transfers, I understand that it is my responsibility to be sure that there are adequate funds to cover the payment on the transfer date or my account will become

past due. I realize that I must make my monthly payments, even if the Credit Union does not receive my direct deposit, whatever the reason.

If I have signed up for direct deposit, I authorize you to make all payments due under this agreement from my employer and to allocate the payments to my existing accounts.

**Treatment of Payments:** Payments must be received at the address for payments specified by you on the Periodic Statement by 5:00 P.M. on a business day to be credited to my account(s) as of that same day. Payments received at other locations are subject to posting delays of up to five calendar days. If any payments made by me are less than the total minimum payment due under the Plan you may allocate such payment among my accounts at your sole discretion. You may accept late payments, partial payments and payments marked “payment in full” without losing your rights under this agreement.

**Periodic Statement:** At the close of each quarterly period in which there is any activity in an account or there is a credit or debit balance of more than \$1.00 in my accounts, I will be provided with a statement summarizing such activity (“Periodic Statement”).

**Security Agreement:** To provide you with security for payment and performance of all my obligations to you under this Disclosure Statement and Agreement, which may now exist or may exist in the future, I pledge all my shares, deposit accounts, certificates and dividends in which I have an interest, present and future (excluding those in my IRA or other qualified retirement accounts) as security for all advances made under this Plan. In case I default, you may apply these shares, deposit accounts, certificates and dividends to the payment of all sums due at the time of default, including costs of collection, reasonable attorney’s fees and any charges due.

Furthermore, with respect to Secured accounts, I am giving you a security interest in all collateral described in any Funds Advance Voucher which accompanies this Agreement and any subsequent Funds Advance Vouchers. This includes property purchased later and accessions, whether added now or later. All collateral securing one account will secure all of my other obligations (except those secured by real property) to the Credit Union, including all existing and future accounts.

If I have a certificate or share secured account, I agree that I cannot withdraw any amount that I have agreed to keep on deposit as described in the Funds Advance Voucher. The collateral also secures my payment of all your reasonable costs and expenses (including attorney’s fees) in the collection of my debt. The collateral shall also secure all other debts, obligations and liabilities I may have with you, now or in the future, including future advances, however created.

**Credit Limit:** You will establish a credit limit, which I will receive on a separate document, for Fixed Rate Line of Credit

Loans, which is the maximum amount I may draw upon without getting specific approval for additional credit advances. I will not obtain credit in excess of the credit limit, and I assume responsibility for all credit extended by you on the basis of authorized use by me, regardless of the current credit limit. If I temporarily exceed my credit limit, I agree to repay the excess immediately. You may increase or decrease my credit limit from time to time. I may access credit on my Plan, repay any portion of the amount borrowed and reborrow any portion up to my credit limit from time to time without limitation. For all other types of accounts, I may access my Plan once and must repay the amount borrowed in accordance with the payment terms.

**Modification of Plan:** You may modify the terms of any account of the Plan at any time by giving notice to me as required by applicable law at my address as shown on my account records with you. If I elect to continue using the Plan after receiving notification, any modifications apply to my outstanding balances as well as to new credit extensions.

**Use of the Plan:** You may suspend further advances or cancel this Plan upon receiving a written request by me or a co-applicant on this Plan. I understand that any person authorized to use an access device for this Plan may access my line of credit and we agree to be jointly and individually liable for such transactions.

In the event of possible unauthorized use of my account(s), I will notify you immediately at the address or telephone number shown at the top of this Agreement.

**Overdraft Protection:** If I have a Fixed Rate Line of Credit as overdraft protection to my checking account, I may request credit by writing checks and overdrawing my checking account. You will treat the overdraft as a request for a credit advance and will allow such access subject to the terms of this Plan. Overdraft transfers will occur once per day in amounts equal to the cumulative overdrafts for that day, up to the approved credit limit, and transferred to my checking account. Transfers occur the night after the overdraft. If I fail to meet any conditions of my checking account, you may cancel my overdraft protection access immediately without notice. I understand that any owner of my checking account may cause a credit advance to be made for which I may be individually or jointly liable. I may cancel my overdraft protection at anytime upon written notice to you.

**Acceleration of Payment:** In the event of (a) my failure to make any payment when due; (b) my breach of any term contained in this Disclosure Statement and Agreement; (c) my death; or (d) any statement made by me in connection with this Disclosure Statement and Agreement being false in any material respect: then, upon your election and upon notice required by applicable law, the entire amount of my debt will be immediately due and payable. Furthermore, in the event of my insolvency or the filing of any request for relief under the

Bankruptcy Act by or against me, the entire amount of my debt will become due and payable immediately, without any notice or demand by you.

**Termination of the Plan:** I agree that subject to notice as required under applicable law, you may terminate this Plan and suspend my ability to draw on a line of credit or request additional credit advances at any time upon (a) reevaluation of my credit worthiness; (b) my failure to satisfy the terms of this Disclosure Statement and Agreement, or (c) for other good cause.

**Protection of Collateral:** If I do not make my payments as required, or if any other event described in the Acceleration of Payment paragraph occurs, you can take the collateral without breach of the peace and sell it to reduce my debt after giving me the proper notice or you can take advantage of any other rights and remedies given to secured parties under the Uniform Commercial Code or other applicable law. I agree: (a) to maintain, protect and to preserve the collateral; (b) not to use or permit any one to use the collateral in violation of this Disclosure Statement and Agreement or any statute, regulation or ordinance or any policy of insurance covering the collateral; (c) to pay promptly, when due, all taxes, charges, encumbrances or liens now or later imposed upon or affecting the collateral; (d) to notify you promptly of any change of my name or address on file; (e) to help you do all that is necessary to protect your security interest in the collateral, including giving you all endorsements, assignments, financing statements, or other writings which are necessary to protect your security interest and its priority; (f) not to sell, encumber, lease, rent, otherwise dispose of, or give the collateral to anyone else (other than you); (g) to promptly deliver to you in the form received, all proceeds of the collateral I receive; (h) at any reasonable time upon your demand to exhibit to you and allow you to inspect the collateral; (i) unless delivered to you, to keep the collateral at my residence as set forth in your records and not to remove it from that location without your written permission; and (j) to insure the collateral for its full value against loss and damage with an insurance company I may choose provided that you may refuse to accept, for reasonable cause, the insurance policy I offer. The policies for such insurance must say that you are to be paid if there is a loss and the deductible must not be more than \$500.00. If the collateral is lost or damaged you can use the insurance proceeds to replace or repair it or to repay any amount I owe you. If I do not insure the collateral, you can insure it (although you do not have to) and may treat the cost of insurance as a further extension of credit or may demand that I repay you immediately for all payments you may incur to get such insurance. If you extend credit for the cost of the insurance or to otherwise protect the collateral, it will accrue FINANCE CHARGES. I agree my payments may be increased so that the additional costs and finance charges will be repaid in

equal installments over the next twelve (12) months.

**Credit Insurance:** If I request credit insurance and qualify, the premium will be calculated monthly by multiplying the premium rate by the outstanding balance of each account. The premium rates per \$1,000.00 of the monthly outstanding balance are disclosed to me at the time I contract for the insurance. The premiums are subject to change. The cost of premiums will be added to the principal amount of my account(s) which may increase the number of monthly payments and/or my monthly payment amount. Although such insurance is freely cancelable it will be retained in effect until I have notified you of my intention to cancel. If I am late in paying, or fail to pay my periodic payment, you may allocate funds on my behalf to pay such premiums and you may impose additional Finance Charges on the amount financed.

**Savings Clause:** If any of the provisions of this disclosure Statement and Agreement shall be held invalid or unenforceable then this Disclosure Statement and Agreement shall be construed as if it did not contain those provisions and the rights and obligations of you and me hereunder shall be construed and enforced accordingly.

**Governing Law:** This Disclosure Statement and Agreement shall be governed in all respects by the laws of the State of Minnesota and applicable federal law.

**My Billing Rights:** The following notice contains important information about my rights and your responsibilities under the Fair Credit Billing Act.

[Notification to You in Case of Errors or Questions About My Periodic Statement:](#)

If I think my Periodic Statement is wrong, or if I need more information about a transaction on my Periodic Statement, I will write you on a separate sheet at the address listed on my Periodic Statement. I will write you as soon as possible. You must hear from me no later than 60 days after you send me the first Periodic Statement on which the error or problem appeared. I can telephone you, but doing so will not preserve my rights. In my letter, I must give you the following information:

- \* My name and account number.
- \* The dollar amount of the suspected error.
- \* Describe the error and explain, why I believe there is an error.
- \* If I need more information, describe the item I am not sure about.

[My Rights and Your Responsibilities After You Receive My Written Notice:](#)

You must acknowledge my letter within 30 days, unless you have corrected the error by then. Within 90 days, you must either correct the error or explain why you believe the Periodic Statement was correct.

After you receive my letter, you cannot try to collect any amount I question, or report me as delinquent. You can continue to bill me for the amount I question including finance charges, and you can apply any unpaid amount against my credit limit. I do not have to pay any questioned amount while you are investigating, but I am still obligated to pay the parts of my Periodic Statement that are not in question.

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

If I fail to pay the amount that you think I owe, you may report me as delinquent. However, if your explanation does not satisfy me and I write to you within 10 days telling you that I still refuse to pay, you must tell anyone you report to that I have a question about my Periodic Statement. And, you must tell me the name of anyone you reported me to. You must tell anyone you report me to that the matter has been settled between us when it finally is.

If you don't follow these rules, you can't collect the first \$50 of the questioned amount, even if my Periodic Statement was correct.

### **\*\*\*IMPORTANT INFORMATION\*\*\***

The following applies to you if you have an ATM or VISA check card AND a line-of-credit attached to your account.

#### **SECURITY INTEREST**

**THE CREDIT UNION SHALL HAVE A LIEN OR THE RIGHT TO IMPRESS A LIEN ON SHARES AND DEPOSITS FOR SUMS DUE. SUCH A RIGHT WILL NOT APPLY TO SHARES OR DEPOSITS HELD IN AN INDIVIDUAL RETIREMENT ACCOUNT. YOU PLEDGE ALL PAID SHARES AND DEPOSITS AND PAYMENTS, WHICH YOU NOW OR MAY HAVE IN THE CREDIT UNION TO THE EXTENT OF ALL OF YOUR UNPAID BALANCES DUE TO THE CREDIT UNION. IN CASE OF DEFAULT, YOU AUTHORIZE THE CREDIT UNION TO APPLY ANY OR ALL SUCH FUNDS TO THE PAYMENT OF UNPAID BALANCES.**

**Acknowledgment and Agreement:** I understand and agree to the terms of this Agreement. I have read this Agreement, and the loan Application. I also understand that all Funds Advance Vouchers are part of this Agreement and that by accepting credit advances in the future I will be agreeing to the terms set forth on the Funds Advance Voucher which is integrated as part of this Agreement.