

Overdraft Protection/Personal Line of Credit Agreement



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This Overdraft Protection/Personal Line of Credit Agreement ("Agreement") governs your line of credit account with Cyprus Federal Credit Union. In this Agreement the terms "you" and "your" mean each person who signs the Consumer Loan Application, an Account Disclosure, or this Agreement as a borrower or owner of collateral, as applicable. The term "Credit Union" means Cyprus Federal Credit Union.

1. Account Documents. Under this Agreement you are establishing a line of credit account. The Account is governed by the terms of this Agreement and the Line of Credit Account Opening Disclosures, all of which are a part of this Agreement.

2. Line of Credit. Upon your request and approval by the Credit Union, your Line of Credit will be established as an open-end, revolving Line of Credit. The terms applicable to your Line of Credit account will be governed by: (i) this Agreement; (ii) the Line of Credit Account Opening Disclosure provided at account opening; (iii) any other Loan documents required under this Agreement. These Loan documents are incorporated in and integrated as part of this Agreement.

3. Accessing Your Line of Credit. If more than one person signs this Agreement or one of the loan documents, your obligations under this Agreement, are joint and several. You and any co-applicant, jointly or alone, may request and receive loan advances under this Agreement, to suspend further advances, or terminate this Agreement. You may request loan advances in person, by mail, or by telephone or electronic transfer service to the extent applicable. In addition, if the Credit Union has approved this Account for overdraft protection, your initiation of a transaction on your associated checking account will constitute a request for an advance under this Agreement. The Credit Union may disburse loan proceeds to you directly, to third parties, or to a deposit or share account of yours or any co-applicant in accordance with your instructions.

4. Line of Credit Advances. You may request and obtain a Line of Credit account from the Credit Union. You will receive Line of Credit Account Disclosures at the time your account is opened which will contain specific disclosures regarding interest charges, fees, and terms related to the account. At the time of your initial Line of Credit advance, you will receive Line of Credit Advance Disclosures which will contain specific disclosures regarding your approved credit limit, payment terms, and security related to the account. You may access credit on your account up to your approved credit limit, prepay any portion of the balance, and request subsequent advances from time to time without limitation, provided you are not in default. The approved credit limit for a

Line of Credit account is the maximum amount you may draw upon at any time under that account without getting specific approval for additional Line of Credit advances.

5. Payment Terms.

a. Promise to Pay. You promise to pay the Credit Union all Line of Credit advances, interest, fees and charges, and other amounts due in accordance with this Agreement.

b. Payment Methods. You may make payments on your Line of Credit by automatic transfer from shares, payroll deduction, or by other form of payment, as applicable. If you make automatic transfer payments, you are responsible for maintaining adequate funds in your account to satisfy your payments. If the Credit Union does not receive your payroll deduction, the Credit Union will not waive your payment requirement and you remain responsible for making timely payments. You may pay all or any portion of your account at any time without penalty, but any such prepayment will not relieve you of your obligation to make the required minimum payments. After your account is paid, the Credit Union may deposit payroll deduction or electronic payment amounts to your share account unless otherwise notified.

c. Periodic Payments. Your Periodic Payment will equal two and one-half percent (2.5%) of the outstanding balance shown on your statement, with a minimum of \$25.00. In addition to the Periodic Payment, your payment will include all amounts past due, including any late fees and any portion of your balance that exceeds the credit limit.

d. Crediting Payments. Payments received at any office of the Credit Union prior to any posted transaction cutoff hours will be credited as of the day they are received and processed. Payments received after a transaction cutoff hour may not be credited until the next business day. All payments will be credited first to any fees, charges, or other amounts owed under this Agreement, then to accrued interest, and the remainder to principal.

6. Interest Charges.

a. When Interest Accrues. Each Line of Credit advance will accrue interest beginning on the date the advance is posted to your account. Interest will continue to accrue on your account until the entire outstanding balance is paid in full. Advances deposited to a deposit account will be subject to interest from the date of deposit even if the funds are not withdrawn immediately.

b. How to Determine Interest. The Credit Union figures the Interest Charge on your Account by multiplying the "Average Daily Balance" of purchases, balance transfers, and cash advances for your Account (including current transactions) by the Daily Periodic Rate, multiplied by the number of days in the billing period. To get the "Average Daily Balance" we take the beginning balance of your Account each day, add any new purchases or cash advances, and subtract any payments or credits, unpaid Interest Charge and unpaid late charges. This gives us the daily balance. Then, we add up all the daily balances for the billing period and divide the total by the number of days in the billing period. This gives us the "Average Daily Balance." To get the Daily Periodic Rate, we divide the Annual Percentage Rate in effect for the billing period by 365.

c. Interest Rate. The interest rate will be set forth on the Line of Credit Account Opening Disclosure. The Credit Union may change the rates it offers from time to time.

7. Fees and Charges. You agree to pay the fees and costs as set forth on the Line of Credit Account Disclosures.

a. Late Fee. If any payment is not made within 10 days after its due date, you will pay a late fee equal to five percent (5%) of the payment amount, or \$25, whichever is greater.

b. Collection Costs and Attorney Fees. If you are in default under the terms of this Agreement, you agree to pay the Credit Union's costs in enforcing this Agreement and collecting any amounts you owe. The Credit Union's costs include, to the extent permitted by applicable law, reasonable attorney fees if the Credit Union hires an attorney, and legal expenses incurred whether or not a lawsuit is commenced, plus any court costs and all other reasonable sums allowed by law. Attorney fees and legal expenses include those related to bankruptcy proceedings (including efforts to modify or vacate any automatic stay), trials, appeals, and any anticipated post-judgment collection actions. You agree that all collection costs and attorney fees incurred by the Credit Union are secured in accordance with this Agreement.

8. Events of Default. You will be in default if any of the following happen:

- a.** You fail to make any payment when due;
- b.** You break any promise you have made to the Credit Union in this or any agreement with the Credit Union;
- c.** Any other creditor or governmental agency tries to take any of the collateral, including a garnishment of your Credit Union shares;

d. There is any material adverse change in your financial condition;

e. You or any guarantor die, become insolvent, make an assignment for the benefit of creditors, a receiver is appointed, or a petition for bankruptcy is commenced by or against you;

f. Any information or representation you make on any application or agreement with the Credit Union is not true; or

g. The Credit Union in good faith deems itself insecure.

9. Credit Union Actions. You agree the Credit Union may accept late payments and partial payments and can delay enforcing any of its rights under this Agreement without losing them. The Credit Union's waiver of its rights in one instance does not constitute a waiver of its rights in other instances, or waiver of any other default. You agree the Credit Union may permit a modification, extension, or renewal of any term under this Agreement, or release or substitute collateral or any other person obligated for repayment of this Agreement or any guaranty, and you will remain liable for repayment of your Line of Credit. The Credit Union may exercise any of its rights under the security agreement and applicable law. In addition, the Credit Union may take other actions as follows:

a. Suspension or Termination of Line of Credit Advances. The Credit Union may suspend your ability to draw upon a Line of Credit or use any access device, without prior notice to you, under the following conditions: (i) you are in default under this Agreement or any other agreement with the Credit Union; (ii) any credit verification indicates adverse information; (iii) any time the Credit Union reasonably determines the value of the collateral has declined; or (iv) you request a suspension of this account. In addition, the Credit Union may terminate further advances on the Line of Credit at any time and for any reason by providing notice to you.

b. Acceleration of Balance. Upon default, you waive demand and any notice, including notice of intent to accelerate and notice of acceleration. The Credit Union may declare the entire balance of your Account immediately due, without prior notice.

c. Credit Union Lien/Security Interest. To the extent permitted by applicable law and to the extent of your indebtedness to the Credit Union, the Credit Union has a statutory lien on all your shares, deposits, and accumulated dividends or interest in all of your accounts at the Credit Union. In addition, you grant the Credit Union a security interest in all shares, deposits, and accumulated dividends or interest in all your accounts at the Credit Union, individual or joint, (except Individual Retirement Accounts). In the event that you fail to make

any payments due to the Credit Union pursuant to the terms of this or any other agreement with the Credit Union, you authorize the Credit Union to immediately exercise its lien and apply the balance in these accounts to pay any indebtedness to the Credit Union, without further notice to you. Collateral securing other loans (except real estate or a dwelling) may also secure this loan.

d. Credit Verification. You agree to provide the Credit Union upon request at any time with current financial information, updated employment and credit information, or a new appraisal or valuation of collateral, as permitted by law. You understand that the Credit Union may record such information in its files and rely on it to make decisions about your account. You authorize the Credit Union at any time to release information to any credit bureau, merchant or other financial institution regarding the status and history of your account.

10. Amendments. To the extent permitted by applicable law, you agree the Credit Union may amend the terms of this Agreement from time to time. The Credit Union will notify you of any changes as required by law. Any notice of change in terms required by law will be sent to your address of record. You agree to inform the Credit Union in writing of your current address at all times. The Credit Union will consider this address your address of record. Notices will be mailed to you at the most recent address you have provided the Credit Union in writing. To the extent permitted by law, you agree that notice to any one borrower will be considered as giving notice to all borrowers. No oral statement by any Credit Union officer or employee is included in this Agreement, which may be modified only in writing. Changes will apply to existing accounts to the extent set forth in the change in terms notice.

11. Applicable Law. You agree this Agreement will be governed by and interpreted in accordance with the laws of State of Utah. If any provision of this Agreement is invalid, the rest of the provisions shall remain valid.

NOTICE TO ACTIVE DUTY MILITARY MEMBERS AND THEIR DEPENDENTS

This notice applies to any borrower who is either: (i) a member of the Armed Forces who is currently serving on

active duty (under a call or order not less than 30 days), Active Guard or Reserve duty ("Covered Member"); or (ii) is a dependent of the Covered Member.

Military Annual Percentage Rate. 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%. 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 a credit card account); and any participation fee charged (other than certain participation fees for a credit card account). The Credit Union may adjust interest or fees as necessary in any month in order to ensure that the annual percentage rate does not exceed 36%.

Payment Obligation. Your payment obligation under your Credit Card Account is set forth in the Payment Terms provision (Section 5) of the Line of Credit Agreement.

Security Interest. The Credit Union's security interest in all your Credit Union shares or deposits pursuant to the Credit Card Agreement will not apply your Credit Card Account. A security interest in shares or deposits granted in connection with any other credit card account, loan or line of credit does not secure the Credit Card Account identified above, in spite of any provision that collateral securing one loan secures all of your other Credit Union obligations. However, if you establish a deposit or share account specifically in connection with your Credit Card Account, funds deposited in that account after you establish the Credit Card Account are subject to our security interest as set forth above in the Credit Card Agreement.

Credit Union Toll-Free Telephone Number. Call (800) 929-7787 for verbal information about the Military Annual Percentage Rate and your payment obligation.
