



Home Office: 16147 HWY 101 S. - PO Box 3000J  
Harbor, OR 97415 - 541-469-7700

**CONSUMER LOAN AGREEMENT AND DISCLOSURE**  
***Member's Copy***

This Consumer Loan Agreement and Disclosure "Agreement" governs your consumer loan plan ("Account") issued through Chetco Federal Credit Union ("Credit Union"). In this Agreement the words "you", "your", and "yours" mean those who sign as applicants on the Loan Application and the words "we", "us", and "our" mean the Credit Union. You agree, jointly and severally, to the following terms and conditions and all other loan documents related to this Account including any Loan Advance Voucher, Loan Proceeds Check, and Power of Attorney, if applicable, given when a loan advance is made, which collectively shall govern this Account.

**1. Payment.**

- a. Promise to Pay.** You promise to pay the Credit Union the total of all advances, **FINANCE CHARGES**, and other amounts set forth in this Agreement on the payment terms set forth below. This includes any loan requests for payments to a third party or for deposit to a deposit share, or share checking account of yours or any co-applicant at the Credit Union. You agree to pay advances requested by any other applicant the same as if you asked for the loan and it was paid to you.
- b. Paying Loans.** You promise to pay for loans under this Agreement by automatic transfers from shares, payroll deduction, or by direct payment. You may pay all or part of your loans early, at any time, without payment any penalty. However, the Credit Union may require you to keep making your monthly payment as long as you owe the Credit Union any amounts under this Agreement. If you pay your loan payments by automatic transfers, you understand that it is your responsibility to be sure that there are adequate funds in your account either by payroll deduction or personal deposit to cover the payment on the specified date or your loan will become past due. The Credit Union may impose a charge if there are not adequate funds in your account to cover the loan payment transfer. If you have authorized payroll deduction, you grant the Credit Union permission to adjust your payroll deduction up to the nearest one dollar amount to satisfy all loan payments. After all your loans are paid, the Credit Union may deposit your payroll deduction to your shares, until you notify the Credit Union otherwise in writing. You must make your monthly payments in any event, including any time that the Credit Union does not receive your payroll deduction, whatever the reason.
- c. Minimum Payment.** You agree that you will pay not less than the Minimum Payment on or before the due date indicated on your statement. Minimum Payments include all amounts past due, late charges, if applicable, and the Minimum Periodic Payment. The Minimum Payment and due date for each loan will be set out on a Loan Advance Voucher at the time of each advance. The Minimum Periodic Payment for loans will remain constant as your balance declines and may be readjusted after each new advance.  
Payments will be applied first to late charges, then to accrued **FINANCE CHARGES**, then to overlimit charges, and the remainder, if any, to the principal loan balance, unless otherwise agreed or required by applicable law. Payments in excess of Minimum Payment will not relieve

you of your obligation to make your subsequent Minimum Payments, rather they will reduce the principal amounts owing on your account.

## 2. Account Access.

- a. **Authorized Access.** You authorize any co-applicant on his or her signature alone, to request or receive advances under this Agreement. We may honor a written request by any one of you to suspend further advances or cancel this Account.
- b. **Limitations on Credit Advances.** You will receive a separate document showing the amount of the credit limit on your Account, which is the maximum amount you may draw upon without getting specific approval for additional loan advances. You agree not to attempt to obtain more credit than the amount of your credit limit. If you temporarily exceed your credit limit you understand such credit does not increase your credit limit and agree to repay the excess immediately. We will notify you in writing on an advance form, on your statement, or by separate notice if the amount of your credit limit goes up or down. For line of credit accounts, you may access credit on your Account, repay any portion of the amount borrowed, and reborrow any portion up to your credit limit from time to time without limitation. For all other loans you may access your Account once and you must repay the amount borrowed in accordance with the payment of terms.
- c. **Additional Access Devices.** You may request any additional access device, transfer instrument, or other negotiable orders which we may make available in the future. You understand that this request is voluntary, and you may decline the new services at that time the new services are offered to you. We will notify you by separate form of the terms that apply to these services.
- d. **Cancellation of Account.** Any account holder or the Credit Union may cancel a line of credit or future loan on this Account for any reason by notice to the other. You understand that a cancellation will not affect your obligations or any outstanding loan balances at the time of cancellation.
- e. **Suspension of Account.** Your ability to draw upon the line of credit or request additional loans will be suspended immediately if any of the following happen: (1) You are in default under this Agreement or any other agreement you have with the Credit Union; (2) any evaluation of your credit now or later indicates adverse information; (3) you or any account holder requests in writing a suspension of the Account; (4) anytime the Credit Union reasonably determines that the value of the security has substantially declined; or (5) the Credit Union reasonably deems itself insecure in regard to the Account. The Credit Union will notify you in writing of any such actions.

## 3. Account Default. You will be in default under this Agreement if any of the following happen on your Account:

- a. Any payment is not paid when due;
- b. Someone tries to levy, execute upon, or attach any property securing this Agreement (including any share or other accounts at the Credit Union but excluding real property);
- c. You become insolvent, bankrupt, or deceased;
- d. You violate any term of this Agreement or any security agreement securing your loans from the Credit Union or any other agreement you have with the Credit Union;
- e. You fail to provide the Credit Union with proof of property insurance securing these advances;
- f. You make any untrue statements or omissions on any application or financial statement furnished to the Credit Union.
- g. Anytime the Credit Union reasonably determines that the value of the security has substantially declined.

Upon default and thereafter, the Credit Union may declare the entire unpaid balance of all your loans under this Account immediately due and payable and you agree to pay that amount. The Credit Union may start a collection action in the county in which the Credit Union is located unless you reside in another state.

**4. Security Agreement.**

- a. **Security.** You grant the Credit Union a security interest under the Uniform Commercial Code of the state in which the Credit Union is located in all collateral described in any Loan Advance Voucher which accompanies this Agreement and any subsequent Loan Advance Vouchers. This includes property purchased later and accessions (for example tires or batteries attached to a car) whether now or later. All collateral securing one loan will secure all your other obligations (including credit card accounts, overdrafts, and any other obligation except those secured by real property) to the Credit Union including all existing and future loans.
- b. **Ownership.** You agree to keep the collateral in good repair and not to sell it or otherwise dispose of it. Except for the security interest granted under this Agreement you own the collateral free and clear. You will not allow any other liens on the collateral even if you are junior to the Credit Union's lien. Except for vehicles you agree to keep the collateral at your home unless the Credit Union tells you otherwise. If the collateral is a vehicle you will keep it at your present address except for routine use and you will not do anything that requires registering the vehicle in another state. If you move you may move the collateral to your new address if you give the Credit Union the new address in advance.
- c. **Credit Union Lien.** You agree that the Credit Union has a lien on all your shares and dividends, present and future, to the extent of your obligations to the Credit Union. You agree the Credit Union's lien is independent of any security agreement and the Credit Union may enforce its lien without further notice to you, in any manner at any time allowed by applicable law.
- d. **Pledge of Shares/Securities.** If applicable, you pledge all shares and funds, present and future and all accounts with the Credit Union in which you have an interest as security for all loan advances made under this Agreement. You understand that if you default on your loans the Credit Union may apply all that is pledged to your loan. However, this pledge will not apply to retirement account to the extent that applicable law precludes the pledge of such accounts, or to loans secured by real property or a dwelling. For all securities pledged to the Credit Union you represent that you have obtained all required consents and the Credit Union shall retain possession of the securities until all amounts owed the Credit Union are paid in full. You understand you may retain all voting rights with respect to the securities except with respect to any plan requiring a shareholder vote involving the dissolution, liquidation, merger, or sale of substantially all of the assets of the Company. You agree to notify the Credit Union of any stock dividend or stock split and to surrender any such certificates issued to you in connection therewith. You agree the Credit Union may sell any securities at any time the value of such securities declines to a point at which the Credit Union deems itself insecure. The Credit Union may sell any securities in a manner consistent with applicable federal and state securities laws.

5. **Property Maintenance/Insurance.** You agree to keep the collateral in good repair and to maintain the property in a state that does not adversely affect its value. You agree to maintain property insurance on the collateral for its full insurable value with the Credit Union as loss payee. You may obtain property insurance through any company you choose that is reasonably satisfactory to us. If you fail to keep the insurance current we may purchase insurance to protect our interest, add the premium to your loan balance, and increase the Minimum Monthly Payment. You understand that all benefits paid by insurance which we purchase will be applied to pay the loan balance. If insurance benefits do not pay the loan balance in full, you will remain responsible for the unpaid balance due

and for the **FINANCE CHARGE** which will continue to accrue on the loan balance due. We may also charge your Account any costs necessary to protect our security interest in the collateral including paying any taxes or making payments to cure defaults under any existing liens on the collateral. We have no obligation to access your Account and to make any payments under this paragraph.

- a. **Disposal Upon Default.** You may keep and use the collateral while this Agreement is not in default. If you are in default, the Credit Union will have all of the rights of a secured party under the applicable Uniform Commercial Code, in addition to any other rights the Credit Union may have. You will assemble the collateral and make it available to the Credit Union if the Credit Union requests you to do so. The Credit Union may take the property peaceably and sell it. The Credit Union will apply the net proceeds of the sale to reduce the amount you owe. Net proceeds mean the sale price less the expenses of repossessing, selling, attorney's fees, and other lawful expenses. If you are entitled to any notice by law, you agree that 10 days' prior notice is enough. Unless you ask the Credit Union in writing to give you notice at a different address, that notice sent to you at the address shown on this Agreement will be sufficient.
  - b. **Enforcement of Fees and Costs.** You will pay any amount the Credit Union pays to someone else to help enforce this Agreement. This includes the Credit Union's attorneys' fees, whether or not there is a lawsuit, including court costs and any fees on appeal. This security provision also secures all of these amounts.
  - c. **Additional Documents and Power of Attorney.** You agree to sign any other documents, such as financing statements and certificates of title, to perfect or protect the Credit Union's security interest. To expedite the release or transfer of your interest in any motor vehicle in which you have granted the Credit Union a security interest and to which the Credit Union holds the certificate of title, you hereby give the Credit Union power of attorney to sign your name to such certificate and to apply in your name for the issuance of a certificate of title to any motor vehicle in which you became owner. The Credit Union may sign any other documents (such as financing statements and certificates of title) to perfect the Credit Union's security interest and the Credit Union may file a copy of this Agreement as a financing statement.
6. **Periodic Statements.** Each statement period we will send you a statement showing advances, payments, and credits made to your Account during the billing cycle, as well as your "New Balance", any FINANCE CHARGE, and any late charge. Additionally, your periodic statement will show the year-to-date (YTD) amounts you have paid in interest and fees. Your statement also will identify the Minimum Payment you must make for that statement period and the date it is due.

## 7. FINANCE CHARGES.

- a. **When FINANCE CHARGES ACCRUE.** You will pay a **FINANCE CHARGE** calculated on the daily unpaid balance of all loans under this Account and any loan fee applicable to your Account. The **FINANCE CHARGES** will begin to accrue as of the date each loan advance is made. The **FINANCE CHARGE** based on your outstanding balance is computed by multiplying the unpaid principal balance of your loans by a Periodic Rate, and multiplying the result by the number of days since your last loan payment. When advances are added to your existing loans, the **FINANCE CHARGE** is computed on the principal balance from the date of the last payment to the date of the new advance, then on the total outstanding principal balance to the date of payment at the prevailing rate at the time of each advance.
- b. **How to Determine Finance Charges.** The unpaid principal balance is the amount of the loan outstanding, which remains unpaid at the close of business each day after all transactions for the day have been entered. The total **FINANCE CHARGE** is the sum of the **FINANCE CHARGE** on your outstanding balance and any loan fees imposed and will be shown on your

monthly statement. Your loan payments and the Credit Union's loan advances are entered when made. Advances may be directly deposited to one of your deposit accounts and will be subject to a **FINANCE CHARGE** from the date of deposit even if you do not withdraw the money immediately.

**8. Periodic Rate and Corresponding ANNUAL PERCENTAGE RATE.**

**a. Variable Rate Loans.**

**b. Loans and Lines of Credit.** The Periodic Rate and corresponding **ANNUAL PERCENTAGE RATE** for variable rate loans are based on an index which is the highest quoted Wall Street Journal Prime Rate rounded up to the nearest  $\frac{1}{4}\%$  on the 15<sup>th</sup> day prior to the beginning of each quarter: March 15, June 15, September 15, and December 15. The Credit Union adds a margin to the index. The amount of the margin varies depending on the loan type, and may also be based on your credit profile and other factors we deem appropriate. A range of the margins we add to the index for various loan types, and the Periodic Rates and **ANNUAL PERCENTAGE RATES** currently offered by the Credit Union, is set forth in the Loan Rate Schedule. The margin the initial Periodic Rate, and corresponding **ANNUAL PERCENTAGE RATE** for your loan account will be shown on the Loan Advance Voucher provided to you before or at the time of your account opening. The **ANNUAL PERCENTAGE RATE** will be adjusted January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> and October 1<sup>st</sup>. The **ANNUAL PERCENTAGE RATE** is divided by 365 to produce the daily Periodic Rate. The **ANNUAL PERCENTAGE RATE** may not increase more than 2% in any calendar year nor more than 6% over the life of the loan. Any increase or decrease in the **ANNUAL PERCENTAGE RATE** will affect the number of monthly payments you will make under the Account. However, if the amount of the payment is not enough to pay at least the accrued **FINANCE CHARGES** and insurance payments, if applicable, we will increase your monthly payment in an amount sufficient to pay off the loan balance under the original payment schedule. MANUFACTURED HOMES WILL BE FIXED FOR THREE (3) TO FIVE (5) YEARS AND THEN ADJUST ANNUALLY. RECREATION VEHICLES/BOATS WILL BE FIXED FIVE (5) YEARS AND THEN ADJUST ANNUALLY.

**c. Share Secured/Certificate Loans.** The Periodic Rate and corresponding **ANNUAL PERCENTAGE RATE** on your share/certificate secured loan is variable based upon the dividend rate declared by the Credit Union Board of Directors on your pledged account. The Credit Union adds 3% to the dividend rate. The total of the dividend rate, plus the amount the Credit Union adds, is the **ANNUAL PERCENTAGE RATE**. The **ANNUAL PERCENTAGE RATE** is divided by 365 to produce the daily Periodic Rate. The **ANNUAL PERCENTAGE RATE** may be adjusted effective on the first day following the declaration of the dividend rate for the pledged account. Any increase or decrease in the **ANNUAL PERCENTAGE RATE** will affect the number of monthly payments. The Loan Advance Voucher will disclose the Periodic Rate and the **ANNUAL PERCENTAGE RATE** for the original loan advance.

**d. Premium Line of Credit Accounts.** For Premium Line of Credit Accounts you may request advances on your account for a period of five (5) years. During the draw period, payments will be due monthly. Your minimum monthly payment will be 2% of your credit balance with a minimum payment of \$50.00 and will remain constant as your credit balance declines and may be readjusted if your credit line is increased. The Credit Union reserves the right to renew or extend the terms of this account in the future. In addition to the other permitted access methods under this Agreement, if approved, you may access this account with preprinted loan drafts that we supply you. We may not honor your loan draft if: the draft is postdated; payment of the draft would exceed your credit limits; the draft is signed by a person without authorized access; the amount of the draft is less than the minimum required account; your account has

been terminated or suspended, or any drafts have been reported lost or stolen. You may stop payment on a loan draft if you provide us with the exact information describing the draft. If you give us incorrect information we will not be responsible for failing to stop payment. You understand there may be a charge for each stop payment requested. Our liability for a wrongful dishonor is limited to your actual losses; however a dishonor for the reasons stated above is not a wrongful dishonor. The periodic rate and corresponding **ANNUAL PERCENTAGE RATE** for this account is based on the variable rate features as set forth above in section 8(a)(1).

- e. **Non- Variable Rate Loans.** The Credit Union offers various non-variable rates for the loan types listed in the Loan Rate Schedule. The Periodic Rate and **ANNUAL PERCENTAGE RATE** that will apply to your account may be based on your employment status, current debt ratio and your past credit **experience, and other** factors we deem appropriate. A range of non-variable Periodic Rates and **ANNUAL PERCENTAGE RATE** currently offered by the Credit Union is set forth in the Loan Rate Schedule. The Periodic Rate and corresponding **ANNUAL PERCENTAGE RATE** for your loan account will be shown on the Loan Advance Voucher provided to you before or at the same time of your account opening.

#### 9. **Other Costs and Charges.**

- a. **Closing Costs.** You agree to pay all the other fees and charges related to this Account as set forth on the Loan Advance Voucher at the time of each advance, including any applicable fees and charges such as filing fees, costs incurred in verifying your credit eligibility, any reconveyance fee for preparing documents in connection with the release of security, and any other out-of-pocket expenses.
- b. **Late Charges.** If any payment is past due for a period of 10 or more days you agree to pay a late charge of 20% of the past due interest or \$5.00, whichever is greater.
- c. **Attorney Fees and Collection Costs.** You agree to pay the Credit Union's attorneys' fees whether or not there is a lawsuit including attorney fees on any appeal. You also will pay any collection costs such as repossession fees and court costs. All of these costs and expenses may be added to your present debt and a **FINANCE CHARGE** may be imposed on them at the highest rate applied to any of your loan advances.
- d. **Credit Insurance.** You understand that you may voluntarily purchase credit life insurance (which would pay off the amount owed under your Account in the event of your death) and credit disability insurance (which would pay off your monthly payments in the event of disability up to the maximum monthly amount allowed). If you wish to obtain credit insurance through us the cost and term will be as set forth on the Credit Insurance Disclosure on the Loan Application or Loan Advance Voucher. If you choose to purchase credit insurance you agree that the cost of premiums may be added to the principal amount of your Account which may increase the number of monthly payments.

#### 10. **Amendments.**

You agree the Credit Union may change any part of this Agreement including all terms and conditions and **ANNUAL PERCENTAGE RATE**, when approved by the Board of Directors of the Credit Union to the extent permitted by applicable law. When the index on a variable rate loan changes, the change in **ANNUAL PERCENTAGE RATE** is automatic and does not require Board action. If you request a loan advance on an existing loan or line of credit after being notified of a change in terms you agree that the entire loan balance and the loan advance requested will be subject to the new terms and new **ANNUAL PERCENTAGE RATE**, if applicable. Any notice of change in terms required by law will be sent to your address of record which is shown on the application, unless you notify the Credit Union of the change in your address within a reasonable time prior to the notice being sent. If you receive your Loan Advance Voucher after the time of the initial advance on your account, you may cancel the obligation for this advance by providing the Credit Union with written notice and returning all of the

funds advanced to you within three calendar days of the advance. Once you negotiate any loan proceeds check or use the account funds in any manner, you have waived any right to cancel this Agreement.

#### **11. Delay in Enforcement.**

The Credit Union can delay enforcing any right under this Agreement without losing that right or any other right.

#### **12. Notices.**

All notices will be sent to your address as shown in the application. You agree to advise us promptly if you change your mailing address.

#### **13. Credit Information/Financial Statements.**

You authorize us to release information to others (e.g. credit bureaus, merchants and other financial institutions) regarding the status and history of your Account. You agree to provide us upon request at any time with a current financial statement, updated credit information, or new appraisal on the collateral at our sole discretion and your expense.

#### **14. Governing Law.**

This agreement will not take effect until it is approved by us in the state of Oregon. This Agreement will be governed by the laws of the state of Oregon.

#### **15. LOAN RATE SCHEDULE.**

**SEE A LOAN REPRESENTATIVE FOR A CURRENT LOAN RATE SCHEDULE.**

#### **16. YOUR BILLING RIGHTS - KEEP THIS NOTICE FOR FUTURE USE**

This notice contains important information about your rights and our responsibilities under the Fair Billing Credit Act.

##### **a. Notify us in Case of Errors or Questions About Your Bill**

If you think your bill is wrong, or if you need more information about a transaction on your bill, write to us (on a separate sheet) at P. O. Box 3000J, Harbor, Oregon 97415-0550. Write to us as soon as possible. We must hear from you no later than 60 days after we send you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your loan payment automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

##### **b. Your Rights and our Responsibilities After We Receive Your Written Notice**

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within **90** days, we must either correct the error or explain why we believe the bill was correct. After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

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

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we

must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

**c. Special Rule for Credit Card Purchases**

If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you have the right not to pay the remaining amount due on the property or services. There are two limitations on this right:

- (a) You must have made the purchase in your home state, or if not within your home state within 100 miles of your current mailing address; and
- (b) The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

**17. Acknowledgement and Agreement.**

You understand and agree to the terms of this Agreement. You acknowledge that you have read this Agreement and the Loan Application and the Fair Credit Billing Notice provided to you. You also understand that all Loan Advance Vouchers are part of this Agreement with the Credit Union, and that by accepting loan advances in the future you will be agreeing to the terms set forth on the Loan Advance Voucher which is integrated as part of this Agreement.

**CHETCO FCU CONSUMER LOAN AGREEMENT AND DISCLOSURE**  
*Key Terms*

Annual Percentage Rate (APR)	The annual rate that is charged for borrowing
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	expressed as a single percentage number that represents the actual yearly cost of funds over the term of a loan. This includes any fees or additional costs associated with the transaction
Collateral	Property pledged as security for performance of a loan obligation.
Default	Violation of the terms and/or condition of an advance voucher and/or security instrument.
Due Date	The date the payment is due.
Finance Charge	Interest or a fee charged for borrowing money or buying on credit.
Grace Period	An additional period of time CFCU will allow a member to make a payment on a debt without penalty. Example: ten days after the due date.
Interest	The fee charged by CFCU for the use of borrowed money.
Late Charge	Fees or penalties owed to a lender when payments are received after any grace period.
Minimum Payment	The minimum amount that is due on the due date. <b><u>Minimum Payment Warning: Making only the minimum payment will increase the amount of interest you pay and the time it takes to repay your balance.</u></b>
Non-Variable Interest Rates	Any interest rate that does not change on a periodic basis.
Risk Based Pricing	The interest rate and terms are determined by the credit risk of the member determined by a credit score.
Security Interest	The right of CFCU to take all of part of property and/or shares within CFCU to satisfy the loan balance.
Term	The length of time a loan runs. Example- A 5 – year term.
Variable Rates	Any interest rate that changes on a periodic basis.

**Main Office**  
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**541-469-7700 – Fax 541-469-1605**

**Branches in:**  
**Oregon Branches: Harbor, Brookings, Gold Beach, Port Orford, Bandon**  
**California Branches: Smith River, Crescent City, Klamath**

**Rev. 0610**