



Canal Ponds Business Park  
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 summitfcu.org

## Line of Credit Agreement and Disclosure Including Overdraft Protection

We are pleased to inform you that your application for a Summit Overdraft/Line of Credit has been approved for a credit limit of \_\_\_\_\_.

**Definitions:** This Agreement applies only to Overdraft Protection/Line of Credit Loans. In this Agreement, the words "You" and "Your" refer to the Member/Borrower and any Joint Member/Co-Borrower. "We", "Us", and "Our" refer to The Summit Federal Credit Union. This Agreement is a supplement to your current Membership and Account Agreement with The Summit Federal Credit Union. Where this Agreement is different from your Membership and Account Agreement, this Agreement will control.

Interest Rates and Interest Charges		Fees	
Annual Percentage Rate (APR) for Cash Advances	16.95%	Late Payment	\$35.00
Paying Interest	You will be charged interest from the transaction date.	Returned Payment	N/A
<p><b>Late Payment Fees:</b> Will be charged if your minimum payment is not made within one (1) day of its due date.</p> <p><b>Line of Credit Advances:</b> The minimum loan advance is \$100.</p> <p><b>Overdraft Loan Minimum Payment:</b> Payments will be the lesser of \$35 or the balance due.</p> <p><b>How We Will Calculate Your Balance:</b> We use the daily balance method of calculating your finance charge. See the finance charge section below.</p> <p><b>Billing Rights:</b> Information on your right to dispute transactions and how to exercise those rights is provided below.</p>			

**Advances:** You may obtain advances under this line of credit in the following ways (or other such means):

Membership and Account Agreement for more information about the Courtesy Pay service.

- You may request advances in person, by mail, by telephone, by Quik Tran, by Summit Online Access or Mobile Banking.
- If you or anyone authorized by you requests to make a withdrawal from your checking account in excess of the available balance in that account, an advance will be made to your checking account under this Agreement in increments of \$100, but not exceeding your available credit limit. If your available credit limit is insufficient to pay the withdrawal, a transfer will be made from your available balance in your Primary Savings account for the amount necessary (when added to the amount available in your checking account and transferred under this Agreement) to pay the withdrawal and a transfer fee as set forth in the current Rate and Fee Schedule. However, no transfer from your savings account will be made if during the current monthly billing cycle you have exceeded your transfer limitations. Your Electronic Fund Transfers Agreement and Disclosure has more information about transfer limitations. In addition, no advance will be made from your savings account to the extent that the transfer would leave less than par value in your savings account. If (i) the combined available funds in your checking account, under this Agreement, and in your savings account are insufficient to pay the entire withdrawal, (ii) You are eligible for the Courtesy Pay service, (iii) paying the balance of the withdrawal and the resulting Courtesy Pay fee will not exceed the maximum Courtesy Pay Cumulative Negative Balance Limitation, and (iv) the withdrawal was initiated through use of a check or an ACH transaction drawn on your checking account and you have not opted out to receive the Courtesy Pay service, then we may pay the portion of the withdrawal and any transfer and Courtesy Pay fees that are not covered by those cumulative funds under the Courtesy Pay service. However, if paying the balance of the withdrawal and resulting transfer and Courtesy Pay fees would exceed the maximum Courtesy Pay Cumulative Negative Balance Limitation, or if we elect in our discretion not to pay the balance under the Courtesy Pay service, we are not required to pay the withdrawal and the withdrawal request will be refused for insufficient funds, unless we at our sole option, decide to pay the withdrawal. If we nevertheless elect to pay the withdrawal or otherwise impose a fee that overdraws your account, you will pay the overdrawn amount as well as any applicable insufficient funds fee immediately on The Summit's demand. We reserve the right to pursue collection of previously dishonored items at any time. Refer to the
- If you or anyone authorized by you requests to make a withdrawal from your Primary Savings account in excess of the available balance in that account, an advance will be made to your savings account under this Agreement in increments of \$100, but not exceeding your available credit limit. If your available credit limit is insufficient to pay the withdrawal, a transfer will be made from your available balance in your checking account for the amount necessary (when added to the amount available in your savings account and transferred under this Agreement) to pay the withdrawal and a transfer fee as set forth in the current Summit Rate and Fee Schedule. If the combined available funds in your savings account, under this Agreement, and in your checking account are insufficient to pay the entire withdrawal, we are not required to pay the withdrawal and the withdrawal request will be refused for insufficient funds, unless we, at our sole option, decide to pay the withdrawal. If we nevertheless elect to pay the withdrawal or otherwise impose a fee that overdraws your account, you will pay the overdrawn amount as well as any applicable insufficient funds fee immediately on The Summit's demand. We reserve the right to pursue collections of previously dishonored items at any time, including giving a payor bank extra time beyond any midnight deadline limits.

**Promise To Pay:** You promise to repay us all loans made to you under this Agreement together with the finance charges described in the following section. You will also pay any charges for insurance that you have elected to purchase. Payments on the principal amount you owe will replenish your available credit limit.

**Finance Charges:** You will pay a finance charge for each day you have an outstanding line of credit balance. There is no grace period which would allow you to avoid a finance charge on advances. The finance charge will be posted to your account when your payments are received. The finance charge is figured by multiplying the daily balance in the Account by the daily periodic rate of .04644 (the corresponding ANNUAL PERCENTAGE RATE is 16.95%). The product of these amounts equals the finance charge. The daily balance is the actual principal balance owed under this Agreement at the end of each day after credits and payments have been subtracted and new advances and other charges have been added. It does not include any unpaid late charges and finance charges.

## **MY BILLING RIGHTS**

### **Keep This Notice For Future Use**

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

### ***What To Do If You Find a Mistake On Your Statement***

If you think there is an error on your statement, you will notify us at:

The Summit Federal Credit Union  
Canal Ponds Business Park  
Attn: Consumer Lending  
100 Marina Drive  
Rochester, New York 14626-5104

Or

[www.summitfcu.org](http://www.summitfcu.org)

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do, we are not required to investigate any potential errors and you may have to pay the amount in question.

You will give us the following information:

- Account Information: Your name and account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of problem: If you think there is an error on your bill, you will describe what you believe is wrong and why you believe it is a mistake.

### ***What Will Happen After We Receive Your Letter***

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you will be responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

1. If we made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
2. If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe. If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you have a question about your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us. If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount in question even if your bill is correct.

**Payments:** You will make a minimum payment each month. Minimum monthly payments will be established at the close of each billing cycle at an amount equal to 3.50% of the Average Daily Balance outstanding during such billing cycles. That payment will be calculated by multiplying your outstanding balance on the last day of the month, two (2) months prior to our due date, by 0.0350. For example, your 12/1 minimum payment will be based on your 10/31 outstanding balance. This payment will vary each month; it will be the lesser of \$35.00 or the balance due. The total minimum payment due will be shown on your monthly billing statement.

You may make more than the minimum payment at any time without penalty. You must continue to make minimum payments each month unless you prepay your entire outstanding loan balance.

**Conditions Under Which Loans Become Immediately Due:** Without giving you notice, we can require that you immediately repay your outstanding loan balance(s) if:

- You do not make any minimum payment to us on time or you do not pay your other debts as they become due; or
- You do not do all of the things within the Agreement that we require you to do; or
- You file for bankruptcy, any bankruptcy filing is made against you, or anyone is appointed to take charge of your property for others; or
- Any person tries by legal process to take any of your money that is in our possession; or
- You did not tell the entire truth when you applied for credit; or
- We in good faith believe you are unable to repay your outstanding loan balances; or
- You die or become legally unable to manage your own affairs; or
- Any legal judgement is entered against you.

Each of these conditions is called a "default." We may also take any other legal action to pay part or all of your debts to us.

**Statutory Lien:** Under our Bylaws and the Federal Credit Union Act (12 U.S.C. Section 1757 (11)), we have the right to impress and enforce a statutory lien against your shares and dividends in the event of your failure to satisfy a financial obligation to us. We may enforce that right by applying the balance of shares and dividends in your account(s) at the time of that default in order to satisfy your obligation. We may exercise the right without further notice to you. However, shares (except for IRA) that you have in any account that would lose special tax treatment under any law, if subject to this interest, are excluded from this interest. Collateral securing other loans from me may also secure loans under this Overdraft Protection/Line of Credit agreement.

**Collections Costs:** If a default occurs and we need to sue you or take any other action to collect what you owe us, you will pay our collection costs and reasonable attorneys' fees.

**Joint Members/Co-Borrowers:** Each Borrower will be responsible, jointly and severally, for the repayment of amounts owed. We may refuse to follow any instructions which run counter to this provision.

**Changes To This Agreement:** We can change the terms of this Agreement at any time. We will comply with applicable laws and regulations and inform you of any changes.

**Termination:** We may terminate this Agreement any time a default occurs, if we reevaluate your creditworthiness and reasonably believe that you cannot meet the repayment requirements, if the balance in your Primary Savings account is less than The Summit's required par value, or for other circumstances The Summit deems reasonable; provided that such termination is in compliance with applicable law. You may terminate this Agreement at any time. Termination will not change your obligation to repay any of your outstanding loans.

**Failure To Exercise Rights:** You understand we may accept partial or late payments (even if they are marked "Paid in Full") without losing any of our rights. We may also delay or fail to exercise any rights under this Agreement without losing our ability to exercise those rights at any other time.

**Successors:** Anyone taking your place, such as your heirs, legal representatives, or successors, will have the same obligations as you have under this Agreement.