

# NOTE, SECURITY AGREEMENT and TRUTH-IN-LENDING DISCLOSURE

Name of Credit Union - Lender

Name(s) of Borrower(s)	Residence — Number, Street	City	State	ZIP
Borrower's Soc. Sec. No.	Share Account No.	This loan is secured by a prior Security Agreement and/or real estate mortgage dated:		Note No.

Please read **all** parts of this form **before** signing, including the "Truth-in-Lending Disclosure" below and the reverse side. The terms on the reverse side are part of this form, just as much as the terms on the front. In this form, "you" and "your" mean **all** persons who sign below. Except as mentioned below, **each** person who signs this form is responsible for repaying this loan in full, both individually and jointly with each other person who signs.

## TRUTH-IN-LENDING DISCLOSURE

<b>ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate	<b>FINANCE CHARGE</b> The dollar amount the credit will cost you	<b>Amount Financed</b> The amount of credit provided to you or on your behalf	<b>Total of Payments</b> The amount you will have paid after you have made all payments as scheduled
%	\$	\$	\$
<b>Your Payment Schedule Will Be:</b>	No. of Payments	Amount of Payments	When Payments Are Due
<b>Security:</b> You are giving a security interest in your credit union account(s) and, if box is checked, in: <input type="checkbox"/> the goods or property being purchased <input type="checkbox"/> other (describe):			
<b>Property Insurance:</b> If property insurance is required, you may obtain it from anyone you want that is acceptable to the credit union.		<b>Filing Fees:</b>	<b>Non-Filing Insurance:</b>
		\$	\$
<b>Late Charge:</b> If a payment is late, you may be charged _____ of the interest due.			
<b>Prepayment:</b> If you pay off early, you will not have to pay a penalty.		See your contract document(s) for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and security interests.	
<b>Applicable Only If Checked:</b>	<b>Required Deposit:</b> <input type="checkbox"/> The annual percentage rate does not take into account your required deposit.		<b>Assumption:</b> Someone buying your home <input type="checkbox"/> may be allowed, subject to conditions, to <input type="checkbox"/> cannot assume the remainder of the mortgage on the original terms.

\* — Means an estimate    N/A — Means "not applicable"

ITEMIZATION OF AMOUNT FINANCED OF			\$
Amount given to you directly: \$	Amount paid on your account: \$	Amount paid to others on your behalf (a-f): \$	
a \$ _____ to public officials	d \$ _____ to _____		
b \$ _____ to _____	e \$ _____ to _____		
c \$ _____ to _____	f \$ _____ to credit bureau		

## NOTE and PLEDGE OF SAVINGS

You promise to pay the credit union \$ \_\_\_\_\_ plus interest at the rate of \_\_\_\_\_ % per year on the unpaid balance, according to the payment schedule in the "Truth-in-Lending Disclosure" above. The rest of the terms and conditions of this Note are on the reverse side. You also pledge your accounts in the credit union in accordance with the "Pledge of Savings" on the reverse side. However, if payments on this loan are up to date, Borrower(s) can withdraw shares and/or deposits in excess of \$ \_\_\_\_\_

If this loan refinances an earlier loan, this Note cancels and refinances Borrower(s)' "Note" dated: _____	If this loan is being made by mail, interest on this loan begins when the loan proceeds are mailed. If this loan refinances an earlier loan, as of the same mailing date this Note cancels and refinances Borrower(s)' "Note" dated: _____
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▶ **SECURITY AGREEMENT ON REVERSE SIDE**     **IS APPLICABLE**     **IS NOT APPLICABLE** ◀

<b>COLLATERAL</b>	<b>Titled Property:</b>	Make	Year	Model	Body Style	Identification Number
	<b>Other Property (Describe):</b>					

You are buying or using the Collateral primarily for:
   
 Personal, family or household purposes
   
 Farming operations
   
 Business use

## CREDIT INSURANCE

Credit Life Insurance and Credit Disability Insurance are not required to obtain this loan and will not be provided unless you check the "YES" box; sign below and agree to pay the extra cost.

<b>Total Premium</b>		Yes	No	<b>Total Premium</b>		Yes	No
\$ _____	I want Credit Life Insurance	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	I want Credit Disability Insurance	<input type="checkbox"/>	<input type="checkbox"/>

Borrower's Signature **X**

<b>SIGNATURES</b>	Your signature below is your signature on the Note, Pledge of Savings and, if applicable, the Security Agreement on the reverse side. Borrower acknowledges receipt of a copy of this form prior to signing below. If you are only providing Collateral, check the box for "only providing Collateral" when signing; then you are only bound by the Security Agreement.			Date:
	<b>Cosigner-Guarantor</b>	<input type="checkbox"/> only providing Collateral	Borrower	
	<b>X</b>		<b>X</b>	
<b>Cosigner-Guarantor</b>	<input type="checkbox"/> only providing Collateral	Co-Borrower		
<b>X</b>		<b>X</b>		

**NOTE**  
**(Continued)**

- A. **Prepayment:** You can prepay all or any part of this loan at any time without penalty.
- B. **Late Charges:** Fines or charges may be imposed for late payments on this loan up to the maximum shown in the "Truth-in-Lending Disclosure" on the reverse side.
- C. **Default:** You are in default if you fail to make a payment on this loan on time. You are also in default under this Note if you are in default under the "Security Agreement" below (if applicable) or under any other security agreement or real estate mortgage securing this loan.
- D. **Acceleration:** If you are in default, any part of this loan then unpaid and any other amounts you owe under the "Security Agreement" below (if applicable) or under any other security agreement or real estate mortgage securing this loan are due and payable in full without notice to you (unless such a mortgage provides otherwise), at credit union's option.
- E. **Waiver of Security:** Credit union waives any security for this loan or for any refinancing of all or part of this loan or for any sum owing under any security agreement or real estate mortgage securing this loan, other than the security (1) granted by the "Pledge of Savings" in paragraph F, if applicable, (2) granted by any security agreement or real estate mortgage (a) relating to the property described in the "Collateral" box on the reverse side hereof or (b) which states specifically that it secures this loan and (3) provided by statute, if applicable.
- F. **Pledge of Savings:** As security for all amounts owing under this Note and under any security agreement and/or real estate mortgage securing this loan, you pledge all shares and/or deposits (including earnings and additions) you now or in the future have in this credit union, but only up to the total of such amounts unpaid from time to time. If you default, you authorize the credit union to apply such shares and/or deposits to payment of these amounts. This pledge does not apply to shares and/or deposits in an Individual Retirement Account (IRA) or Keogh Plan. Regardless of this pledge, if payments on this loan are up to date, Borrower(s) can withdraw shares and/or deposits to the extent indicated on the front of this form. Neither this pledge of savings nor any security provided by statute shall apply to this loan if the Note states that the pledge of savings is waived.

**SECURITY AGREEMENT**

- 1. **Security Interest:** You give the credit union a security interest in the "Collateral" described on the reverse side. (If no property is described or specified in the "Collateral" box, this Security Agreement does not apply.) This security interest also covers accessions to that property (like a tape deck for a car) and the proceeds of any insurance on the property.
- 2. **Obligations Secured:** The security interest secures the loan described on the reverse side, any renewals or extensions thereof, any sums which become due under any security agreement or real estate mortgage securing the loan, and any future loans to Borrower(s) if the loan document specifically recites that it is secured by this Security Agreement.
- 3. **Perfecting Security Interest:** You promise to sign any financing statement necessary to perfect the security interest or any amendment necessary to correct any error in such financing statement. You promise to get the security interest noted or endorsed on a certificate of title, or application therefore, when that is necessary to perfect the security interest.
- 4. **Ownership of Collateral:** You promise that you own the Collateral or will acquire it with the proceeds of the loan, and that no one else has an interest in or claim against it. You promise not to sell or otherwise dispose of the Collateral, or any part of it, without credit union's written permission, and you also promise to keep it free from liens or security interests adverse to credit union's.
- 5. **Use of Collateral:** You promise: (a) to keep the Collateral in good order and repair, reasonable wear and tear excepted; (b) not to use it in violation of any law or ordinance; (c) to let credit union inspect and examine it at reasonable times; (d) to notify credit union if you move the Collateral from the address where it is now located; (e) not to remove the Collateral from the State of Michigan without credit union's written permission.
- 6. **Insurance and Taxes on Collateral:** You promise to keep the Collateral insured against theft, fire and extended coverage perils and, if it is a motor vehicle, against physical damage, in amounts satisfactory to credit union. The insurance must be payable to you and credit union and must provide for 10 days prior written notice of cancellation to credit union. It must also provide that any premium refund upon cancellation shall be paid to credit union. You also promise to pay all taxes and assessments on the Collateral when due.
- 7. **Payment by Credit Union:** If you don't keep your promises in paragraphs 4, 5(a), and 6 above, credit union can, but doesn't have to, pay amounts necessary to remove adverse liens or security interests, and can, but doesn't have to, pay the repairs, taxes or assessments, or insurance premiums. Amounts so paid are due and payable forthwith, unless credit union chooses to add them to the balance of this loan, in which case you agree to pay larger monthly payments thereafter so the loan will be paid off when originally scheduled. In either case, such amounts are secured by the Collateral and bear interest at the rate in the Note. Such payment(s) by credit union is not a waiver of your default(s) in failing to make those payments as required by this Security Agreement.
- 8. **Default:** You are in default under this Security Agreement if: (a) you fail to make a payment on any of the "Obligations Secured" when it is due; (b) you break any promise you make in this Security Agreement; (c) you become insolvent or a receiver is appointed for your property or if court proceedings are started for liquidation of your debts; (d) a levy, seizure, or attachment is made on the Collateral; (e) the Collateral is lost, stolen, destroyed, or substantially damaged; (f) you fail to acquire the Collateral with the loan proceeds — if that was the purpose of the loan; or (g) any oral or written statement by you or any third party to induce credit union to make this loan proves to have been false in any material regard when it was made.
- 9. **Remedies:** While you are in default, credit union has the right to take possession of the Collateral wherever found, without court process if taking can be made without breach of the peace but otherwise by use of court process, and in the event of such a taking of possession, you and credit union have the rights and duties concerning the Collateral, and otherwise, provided by law or this Security Agreement.  
  
You promise to assemble the Collateral and deliver it to credit union at a reasonable and convenient time and place.  
  
Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, credit union will give you "reasonable notice" of the time and place of any public sale or of the time after which any private sale or other intended disposition of the Collateral will be made. You agree that mailing of a written notice to you at least 5 days before the sale of disposition is "reasonable notice."  
  
Expenses of retaking, holding, preparing for sale, selling and the like, if paid by credit union, are secured by the Collateral according to the terms of this Security Agreement and include, to the extent permitted by law, reasonable attorney fees and expenses.  
  
You agree that credit union may, in taking the Collateral, take possession of any personal property in the Collateral. Credit union will hold such personal property for 5 days after the taking. If you do not claim it within that time, you authorize credit union to treat it as abandoned.
- 10. **Other Rights:** No waiver of a default will be a waiver of any other default, or of the same kind of default on a future occasion. This Security Agreement is binding on your heirs, personal representatives, successors and assigns, as well as on you. When 2 or more people who have interests in the Collateral sign on the reverse side, their obligation under this Security Agreement is joint and several.

YOUR SIGNATURE ON THE REVERSE SIDE IS YOUR SIGNATURE TO THIS SECURITY AGREEMENT