



# Union Center

UNION CENTER NATIONAL BANK

Heart Smart Banking<sup>SM</sup>

2455 Morris Avenue Union, NJ 07083

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## **HEART SMART OVERDRAFT PROTECTION LINE OF CREDIT AGREEMENT AND DISCLOSURE**

**Lender:** Union Center National Bank  
2455 Morris Avenue  
Union, NJ 07083

**1. Introduction:** This OVERDRAFT PROTECTION LINE OF CREDIT AGREEMENT AND DISCLOSURE ("Agreement") governs your line of credit (the "Credit Line" or the Credit Line Account") Issued through UNION CENTER NATIONAL BANK. In this Agreement, the words "borrower", "you", "your," and "applicant" mean each and every person who signed the Consumer Credit Application, including all Borrowers named above. The words "we," "us," "our," and "lender" mean UNION CENTER NATIONAL BANK. You agree to the following terms and conditions:

**2. Promise to Pay:** You promise to pay UNION CENTER NATIONAL BANK, or order, the total of all credit advances and FINANCE CHARGES, together with all costs and expenses for which you are responsible under this Agreement. You will pay your Credit Line according to the payment terms set forth below. If there is more than one Borrower, each is jointly and severally liable on this Agreement. This means we can require any Borrower to pay all amounts due under this Agreement, including credit advances made to any Borrower. Each Borrower authorizes any other Borrower, on his or her signature alone, to cancel the Credit Line, to request and receive credit advances and to do all other things necessary to carry out the terms of this Agreement. We can release any Borrower from responsibility under this Agreement and the others will remain responsible.

**3. Term:** The term of your Credit Line will begin as of the date of this Agreement ("Opening Date") and **will continue until termination of your Credit Line Account.** All indebtedness under this Agreement, if not already paid pursuant to the payment provisions below, will be due and payable upon termination. The draw period of your Credit Line will begin a day after the Agreement Date, when the Agreement is accepted by us and you have met all of our conditions for the Credit Line. You may obtain credit advances during this period ("**Draw Period**").

**4. Credit Limit:** This Agreement covers a revolving line of credit for the principal amount set forth above which will be your "Credit Limit" under this Agreement you may borrow against the line, repay any portion of the amount borrowed, and re-borrow up to the amount of the Credit Limit. Your Credit Limit is the maximum amount you may have outstanding at any one time. You agree not to attempt, request, or obtain a credit advance that will make your Credit Line Account balance exceed your Credit Limit. Your Credit Limit will not be increased should you overdraw your Credit Line Account. If you exceed your Credit Limit, you agree to repay immediately the amount by which your Credit Line Account exceeds your Credit Limit, even if we have not yet billed you.

**5. Charges to your Credit Line:** We may charge your Credit Line to pay other fees and costs that you are obligated to pay under this Agreement or any other document related to your Credit Line. Any amount so charged to your Credit Line will be a credit advance and will decrease the funds available, if any, under the Credit Line. However, we have no obligation to provide

any of the credit advances referred to in this paragraph.  
**6. Effective Disbursement Date:** The words "Effective Disbursement Date" as used in this Agreement means a day, after the Agreement Date, when the Agreement is accepted by us in the State of New Jersey and you have met all of our conditions for the Credit Line. You agree and understand that you may not receive any credit advance under your Credit Line until after the Effective Disbursement Date of this Agreement.

**7. Credit Advances:** After the Effective Disbursement Date of this Agreement, you may obtain credit advances under your Credit Line as follows:

**(A) Overdrafts:** Writing a check, utilizing your debit card, the use of our bill pay product or through other various electronic channels on your designated transaction account with us in excess of the available collected balance in the account.

If there is more than one person authorized to use this Credit Line Account, you agree not to give us conflicting instructions, such as one of you telling us not to give advances to the other.

**8. Future Credit Line Service:** Your application for this Credit Line also serves as a request to receive any new services which may be available now or at some future time, one of our services in connection with this Credit Line, including, but not limited to, Debit Card, ATM, ACH, telephone and other various electronic channels. You understand that this request is voluntary and that you may refuse any of these new services at the time they are offered. You further understand that the terms and conditions of this Agreement, together with any specific terms covering the new service, will govern any transactions made pursuant to any of these new services.

**9. Collateral:** This is an unsecured Line of Credit.

**10. Right of Setoff:** You grant to us a contractual security interest in, and hereby assign, convey, deliver, pledge, and transfer to us all right, title and interest in and to, your accounts with us (whether checking, savings, or some other account). This includes, without limitation, all accounts you hold jointly with someone else and all accounts you may open in the future. This does not include however any IRA, Keogh, or trust accounts. You authorize us, to the extent permitted by applicable law, to charge or setoff all sums owing on this Agreement against any and all such accounts.

**11. Periodic Statements:** If you have a balance owing on your Credit Line Account or have any account activity, we will send you a periodic statement. It will show, among other things, credit advances, FINANCE CHARGES, other charges, payments made, other credits, your "Previous Balance," and your "New Balance.- Your statement also will identify the Minimum Payment you must make for that billing period and the date it is due.

Interest Rates and Interest Charges	
Annual Percentage Rate	Fixed Rate <b>16.000%</b>
Minimum Advance Amount	The minimum amount of any credit advance that can be made on your Credit Line is \$100.00
Minimum Interest Charge	None.
Paying Interest	You will be charged interest from the date of the credit advance. There is "no grace period."

Fees	
Transaction Fee	
* Transfer Fee	For each advance you make from your Credit Line, a \$10.00 fee will be charged to your transaction account balance
Penalty Fees	
* Late Payment	If your payment is more than 15 days late, a late charge of 5.00% of the overdue payment will be assessed.
* Returned Item	You will be charged \$25.00 if you pay your Credit Line obligation with a check, draft, or other item that is dishonored for any reason, unless applicable law requires a lower charge or prohibits any charge.

**How We Will Calculate Your Balance:** We use a method called "average daily balance." See your account agreement and disclosure for details.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement and disclosure.

**12. When FINANCE CHARGES Begin to Accrue:** Periodic FINANCE CHARGES for credit advances under your Credit Line will begin to accrue on the date credit advances are posted to your Credit Line.

**13. Method Used to Determine the Balance on which the FINANCE CHARGE Will Be Computed:** A daily FINANCE CHARGE will be imposed on all credit advances made under your Credit Line Imposed from the date of each credit advance based on the "average daily balance" method. To get the average daily balance, we take the beginning balance of your Credit Line Account each day, add any new advances and subtract any payments or credits and any unpaid FINANCE CHARGES. This gives us a daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

**14. Method of Determining the Amount of FINANCE CHARGE:** Any FINANCE CHARGE is determined by applying the "Periodic Rate" to the balance described herein. Then we multiply by the number of days in the billing cycle. This is your FINANCE CHARGE calculated by applying a Periodic Rate.

**15. Periodic Rate and Corresponding ANNUAL PERCENTAGE RATE:** The periodic Rate and the corresponding ANNUAL PERCENTAGE RATE on your Credit Line are based upon an ANNUAL PERCENTAGE RATE on ranges of balances as shown below. To determine the Periodic Rate that will apply to your account, we divide the value of the interest rate by the number of days in a year (daily). To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by the number of days in a year (daily). This result is the ANNUAL PERCENTAGE RATE.

Current Rates for the Payment Stream

Range of Balance or Conditions	Fixed Interest Rate	ANNUAL PERCENTAGE RATE	Daily Periodic Rate
All Balances	16.000 %	16.000 %	0.04383 %

Notwithstanding any other provision of this Agreement, we will not charge interest on any undisbursed loan proceeds.

**16. Minimum Payment:** Your "Regular Payment" will be based on a percentage of your outstanding balance as shown below or \$100.00, whichever is greater.

Range of Balances	Regular Payment Calculation
All Balances	2.80 % of your outstanding balance

Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges.

In any event, if your Credit Line balance falls below \$100.00, you agree to pay your balance in full. You agree to pay no less than the Minimum Payment on or before the due date indicated on your periodic billing statement.

**17. How Your Payments Are Applied:** Unless otherwise agreed or required by applicable law, payments and other credits will be applied first to Finance Charges; then to unpaid principal; then to any voluntary credit life and disability insurance premiums; and then to any amounts that exceed your Credit Limit.

**18. Receipt of Payments:** All payments must be made by a check, money order, or other instrument in U.S. dollars and must be received by us at the remittance address shown on your periodic billing statement. Payments received at that address prior to 2:00 PM EASTERN TIME on any business day will be credited to your Credit Line as of the date received. If we receive payments at other locations, such payments will be credited promptly to your Credit Line, but crediting may be delayed for up to five (5) days after receipt.

**19. Right to Credit Advances:** After the Effective Disbursement Date, we will honor your requests for credit advances up to your Credit Limit so long as: (A) you are not in default under the terms of this Agreement; (B) this Agreement has not been terminated or suspended; and (C) your Credit Line has not been cancelled as provided above in the section of this Agreement titled "Term."

**20. Default:** We may declare you to be in default if anyone or more of the following events occur; (A) you fail to pay a Minimum Payment when due; (B) you die; (C) you make any false or - misleading statements on your Credit Line application; (D) you violate any provision of this Agreement or any other agreement with us; (E) any garnishment, attachment, or execution is issued against any material asset owned by you; (F) you exceed your Credit Limit; (G) you file for bankruptcy or other insolvency relief, or an involuntary petition under the provisions of the Federal Bankruptcy Act is filed against you (H) we in good faith believe ourselves insecure.

**21. Lender's Rights:** If you are in default, we will send notice to you setting forth a time period of at least thirty (30) days within which such default may be cured. During this cure period, without notice, we may suspend your Credit Line as provided below. If such default is not cured during this period, we may either terminate or continue suspension of your Credit Line Account.

(A) **Suspension:** If we suspend your Credit Line, you will lose the right to obtain further credit advances. However, all other terms of this Agreement will remain in effect and be binding upon you, including your liability for any further unauthorized use of any Credit Line access devices.

(B) **Termination:** If we terminate your Credit Line, your Credit Line will be suspended and the entire unpaid balance of your Credit Line Account will be immediately due and payable, without prior notice except as may be required by law, and you agree to pay that amount plus all FINANCE

CHARGES and other amounts due under this Agreement.

**(C) Collection Costs:** We may hire or pay someone else to help collect the Credit Line Account if you do not pay. You also will pay us that amount. This includes, subject to any limits under applicable law, our reasonable attorneys' fees and our legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, you also will pay any court costs, in addition to all other sums provided by law.

**22. Delay in Enforcement:** We may delay or waive the enforcement of any of our rights under this Agreement without losing that right or any other right. If we delay or waive any of our rights, we may enforce that right at any time in the future without advance notice. For example, not terminating your account for non-payment will not be a waiver of our right to terminate your account in the future if you have not paid.

**23. Termination by you:** If you terminate this Agreement, you must notify us in writing. Despite termination, your obligation under this Agreement will remain in full force and effect until you have paid us all amounts due under this Agreement.

**24. Prepayment:** You may prepay all or any amount owing under this Credit Line at any time without penalty, except we will be entitled to receive all accrued FINANCE CHARGES, and other charges, if any. Payments in excess of your Minimum Payment will not relieve you of your obligation to continue to make your Minimum Payments. Instead, they will reduce the principal balance owed on the Credit Line. You agree not to send us payments marked "paid in full", "without recourse", or similar language. If you send such a payment, we may accept it without losing any of our rights under this Agreement, and you will remain obligated to pay any further amount owed to us. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: UNION CENTER NATIONAL BANK 2455 MORRIS AVE. UNION, NJ 07083.

**25. Notices:** All notices will be sent to your address as shown in your Credit Line application. Notices will be mailed to you at a different address if you give us written notice of a different address. You agree to advise us promptly if you change your mailing address.

**26. Annual Review:** If requested by us, you agree that you will provide a current financial statement, a new credit application, or both, on forms provided by us. Based upon this information we will conduct a review of your Credit Line Account. You also agree we may obtain credit reports on you at any time, at our sole option and expense, for any reason, including but not limited to determining whether there has been an adverse change in your financial condition. You authorize us to release information to others (such as credit bureaus, merchants, and other financial institutions) about the status and history of your Credit Line Account. Based upon a material adverse change in your

financial condition (such as termination of employment or loss of income), we may suspend your Credit Line.

**27. Transfer or Assignment:** Without prior notice or approval from you, we reserve the right to sell or transfer your Credit Line Account and our rights and obligations under this Agreement to another lender, entity, or person. Your rights under this Agreement belong to you only and may not be transferred or assigned. Your obligations, however, are binding on your heirs and legal representatives. Upon any such sale or transfer, we will have no further obligation to provide you with credit advances or to perform any other obligation under this Agreement.

**28. Notify us of Inaccurate Information:** Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy (ies) should be sent to us at the address shown at the beginning of this Agreement.

**29. Jury Waiver:** We and you hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either us or you against the other.

**30. Governing Law:** This Agreement will be governed by and interpreted in accordance with federal law and the laws of the State of New Jersey. This Agreement has been accepted by us in the State of New Jersey.

**31. Caption Headings:** Caption headings in this Agreement are for convenience purposes only and are not to be used to Interpret or define the provisions of this Agreement.

**32. Interpretation:** You agree that this Agreement is the best evidence of your agreements with us. If we go to court for any reason, we can use a copy, filmed or electronic, of any periodic statement, this Agreement or any other document to prove what you owe us or that a transaction has taken place. The copy, microfilm, microfiche, or optical image will have the same validity as the original. You agree that, except to the extent you can show there is a billing error; your most current periodic statement is the best evidence of your obligation to pay.

**33. Severability:** If a court finds that any provision of this Agreement is not valid or should not be enforced, that fact by itself will not mean that the rest of this Agreement will not be valid or enforce. Therefore, a court will enforce the rest of the provisions of this Agreement even if a provision of this Agreement may be found to be invalid or unenforceable.

**34. Acknowledgment and Amendments:** You understand and agree to the terms and conditions in this Agreement. You acknowledge that, subject to applicable laws, we have the right to change the terms and conditions of the Credit Line program. You also understand and agree that you may be subject to other agreements with us regarding transfer instruments or access devices which may access your Credit Line. Any person signing below may request a modification to this Agreement, and if granted, the modification will be binding upon all signers. By signing the Consumer Credit Application, you acknowledge that you have read this Agreement. You also acknowledge receipt of a completed copy of this Agreement including the Fair Credit Billing Notice.

**YOUR 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.

**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 us on a separate sheet at 2455 MORRIS AVE, UNION NJ 07083 or at the address listed on your bill. Write to us as soon as possible. We must hear from you no later than sixty (60) days after we sent 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 bill 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 (3) business days before the automatic payment is scheduled to occur.

**Your rights and our responsibilities after we receive your written notice:**

We must acknowledge your letter within thirty (30) days, unless we have corrected the error by then. Within ninety (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 for 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 on which 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 to us within ten (10) 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.