

COAST GUARD EMPLOYEES CREDIT UNION

Hale Boggs Federal Building, 500 Poydras St. Rm. 1226
New Orleans, LA 70130-3396

Web: www.coastguardecu.net

Toll free: 800-772-6163
Direct: 504-671-2287 or -2289
Fax: 504-671-2290 or 877-427-3291



Statement of Understanding (Type or Print Clearly) E-mail: cgecu@coastguardecu.net

Purpose of form:

The below statements are provided for all loan applicants to read and understand prior to committing to a loan contract with this Credit Union. By your initials next to each statement you are indicating that you have read, understand and are agreeing to each one of these statements.

"ALL STATEMENTS MUST HAVE INITIALS OR "N/A" ENTERED
YOU ARE RESPONSIBLE FOR READING EACH STATEMENT.

Initial next to each statement that applies, some of these may not apply and "N/A" must be entered.

| | | |
|--|-----------------|---|
| Applicant | Joint/Co-Signer | I certify that I am not requesting early release from active duty in accordance with any early release program. |
| Applicant | Joint/Co-Signer | I understand that if I am separated from the U.S. Coast Guard for any reason, that my debt with the Credit Union is a legal debt and must be repaid as agreed in the promissory note. |
| Applicant | Joint/Co-Signer | If I retire from the U.S. Coast Guard or Employment with the U.S. Coast Guard and have an outstanding balance that I will carry my allotment forward for repayment of the loan and that it is my responsibility to ensure payments arrive on time as per the promissory note. |
| The below statements must be read and initialed by all applicants and joint/co-signer for the loan. | | |
| Applicant | Joint/Co-Signer | I will keep the Credit Union advised of any mailing address changes and keep my mailing address current. I further understand that a quarterly fee of \$10.00 will be charged to my account if I do not have a current mailing address with the Credit Union. |
| Applicant | Joint/Co-Signer | I understand that if I default on the loan, that my account will be turned over for legal and/or collection action and that 25% of the outstanding principal and interest will be added to my loan balance for legal fees, court costs and collection expenses. |
| Applicant | Joint/Co-Signer | I understand that any delinquencies on loan repayments and defaults are automatically reported to the Credit Bureau and will adversely affect my credit rating. |
| Applicant | Joint/Co-Signer | I understand that the Internal Revenue Service (IRS) can be notified of any discharges of indebtedness in accordance with the Internal Revenue Code and I will be required to pay federal income tax on that amount. |
| Applicant | Joint/Co-Signer | If for any reason I file for bankruptcy, I will list the Coast Guard Employees Credit Union outside the plan and continue to repay the loan as agreed in the promissory note. Further, I understand that I must contact the Credit union and request a Reaffirmation Agreement for each loan I have outstanding. |
| Applicant | Joint/Co-Signer | I understand that if I cost the Coast Guard Employees Credit Union a loss of any kind, that my membership will be suspend and access to services restricted until such time that the loss is paid in full and that I must request a reinstatement of my membership from the Board of Directors. Further, that only the BOD has approval authority to reinstate my membership with the Credit Union. |
| Applicant | Joint/Co-Signer | I understand that default is defined as the non-payment of two (2) consecutive payments on the due date or in the case of payments due more frequently than once per month, default is defined as non-payment for a period of sixty (60) days. |
| Applicant | Joint/Co-Signer | I understand that Louisiana Law permits repossession of motor vehicles without judicial process. |
| Applicant | Joint/Co-Signer | I understand that the Credit Union imposes a Late Payment Fee if the payment on my loan is greater than ten (10) days delinquent at 5% of the past due amount, not to exceed \$35.00 per payment. Further, that any cost incurred by the Credit Union for notification that my account is greater than 30 days delinquent will be accessed once per month to my account. |

Acknowledgement:

I, _____ and _____ do hereby
Printed name of applicant Printed name of joint/co-signer

certify that all statements initialed above are understood and that I am agreeing to each statement with my signature below.

Signature of applicant

date

Signature of joint/co-signer

date

Statement of Understanding Note Instructions

Form Description:

The **Statement of Understanding** is provided to ensure you have an understanding of the loan agreement terms and your financial responsibilities. This is an important document and you should read it carefully, any questions concerning the statements should be answered prior to initialing the statement. The top three statements may or may not apply, if they do not apply then “N/A” should be placed in the space for initials. If no Joint/Co-Signer then put “N/A” in the space for their initials on each line and in the space provided for their printed name at the bottom of the form.

IMPORTANT ALL STEPS MUST BE FOLLOWED OR FORM IS INVALID

| Step | Instructions |
|------|---|
| 1 | Read the uncompleted form prior to entering any data. |
| 2 | IMPORTANT , you must put your initials on EACH line to indicate you have read and understand the statement. DO NOT initial on one line and draw a line down the form, this will invalidate the form. |
| 3 | Call the Credit Union staff if you have any questions concerning this form or any of the statements. It is your responsibility to understand what you are initializing. |
| 4 | Make sure you type or print clearly your name and if necessary the joint/co-signer name in the space provided and each signs/dates the form where appropriate. |
| 5 | Return original documents to the credit union by mail or as directed by Credit Union Staff. |

SIGNATURES ON THIS FORM MUST BE INCLUDED WITH ALL LOAN APPLICATIONS OR THE LOAN OFFICER WILL DISAPPROVE DUE TO AN INCOMPLETE APPLICATION.

Page two (2), Statement of Understanding Instructions do not have to be sent to the Credit Union office with signed page one of form.

Signed copies of this form can be provided to loan applicants on request.