



NAGA VENKATA SOM GONABOYINA  
10863 NW 83RD ST UNIT 8  
MIAMI, FL 33178

RE: 6069419-144



**GAP Waiver Addendum****Date:** 8/2/2021 **Lender:** Digital Federal Credit Union**Borrower/Debtor Name:** NAGA VENKATA SOM GONABOYINA**Address:** 10863 NW 83RD ST UNIT 8, MIAMI, FL 33178**Account #:** 6069419 **Loan Officer:** \_\_\_\_\_**Vehicle Year/Make/Model:** 2019 LEXUS NX **Previously Titled:** Yes ☐ No ☐**Collateral Type:** AUTO/PICKUP-TRUCK **Vehicle ID Number (VIN):** JTJBARBZXK2208459**Amount Financed:** \$23,417.74 **Installment Loan Term:** 65 (Months)**GAP Effective Date:** \_\_\_\_\_ **MSRP or NADA Retail LTV % \*:** 57.929%

\*Loan to Value percentage will be confirmed for accuracy by calculation performed by GAP administrator at time of claim.

☐ **Yes, I elect the GAP Waiver Addendum.**

I understand that in consideration for the purchase of this GAP Waiver Addendum for my Installment Loan, the Lender will cancel, in the event of a Total Loss, Constructive Total Loss or Unrecovered Theft, the GAP Amount, subject to the provisions and exclusions identified beginning on page 2 of this GAP Waiver Addendum. I will be liable for all loan amounts not cancelled under this GAP Waiver Addendum.

I understand the purchase of this GAP Waiver Addendum is voluntary. Whether or not I purchase the GAP Waiver Addendum will not affect my application for credit or the terms of any existing credit agreement I have with the Lender.

I understand this GAP Waiver Addendum is not an offer of insurance coverage. This GAP Waiver Addendum is not a substitute for collision or property damage insurance does not provide general liability coverage, nor does it fulfill the requirements of state laws requiring motorists to maintain insurance coverage.

I understand that I may cancel the GAP Waiver Addendum at any time during the first 60 days for a full refund of the GAP Waiver Fee. If I provide notice of cancellation more than 60 days following the GAP Effective Date, the GAP Waiver Fee will be Nonrefundable.

I understand there are eligibility requirements, conditions, and exclusions that could prevent me from receiving benefits under the GAP Waiver Addendum which are explained in the following pages of this GAP Waiver Addendum.

I understand this GAP Waiver Addendum forms a part of my Installment Loan. The cost of the GAP Waiver Addendum may be added to my Installment Loan on which interest may accrue at the rate disclosed on my Installment Loan agreement. The Lender or third party servicers may receive a portion of the cost of this GAP Waiver Addendum.

The one-time GAP Waiver Fee is \$ \_\_\_\_\_

GAP Advantage \$1,000 (See description of GAP Advantage set forth on subsequent pages of this form)

I understand the Lender will not waive that portion of the Unpaid Net Balance attributable to the original Installment Loan amount exceeding 125% of the Manufacturer's Suggested Retail Price (MSRP) on new auto, truck or van, or 125% of NADA Retail on a used auto, truck or van. All other eligible collateral shall not exceed 125% of MSRP or NADA Retail.

I understand that I should carefully read the GAP Waiver Addendum for a full explanation of its terms and conditions before signing. I may consult an insurance agent to determine if similar protection may be obtained and at what cost. The GAP Amount subject to waiver may decrease over the term of the loan.

By signing below I affirm that I have read and agree to the terms of this GAP Waiver Addendum.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_☒ **No, I do not elect the GAP Waiver Addendum.**

In the event my vehicle is stolen or a total loss and my insurance company pays less than the amount of my Installment Loan, I understand I will be fully responsible for any deficiency balance.

**Signature:** NAGA VENKATA SOM GONABOYINA **Date:** 8/2/2021

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**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

## DEFINITIONS

"We", "us", and "our" refer to the Lender; "you" and "your" refer to the Borrower/Debtor shown on page 1 of this form. For the purposes of this GAP Waiver Addendum, the following words are defined and their meanings will be as follows:

**"Eligible Collateral"** are identified as:

- Private Passenger vehicles not to exceed a maximum amount financed of \$100,000 or used for Commercial Purposes. Private Passenger vehicles include four-wheeled autos, vans, or light trucks not to exceed 1-ton load capacity. Maximum loan term eligible for protection is 84 months. The maximum term covered by this GAP Waiver Addendum is 84 months.
- Miscellaneous Collateral not to exceed a retail value of \$50,000 or used for Commercial Purposes. Includes: any motorcycle, all-terrain vehicle (ATV), snowmobile, golf cart, or jet ski. Maximum loan term eligible for protection is 240 months. The maximum term covered by this GAP Waiver Addendum is 84 months.

**Note: Salvage or Reconstructed title vehicles are not eligible for waiver of the GAP Amount.**

**"GAP Amount"** means the difference between the Primary Insurance carrier's physical damage insurance payment for an Unrecovered Theft, Total Loss or Constructive Total Loss or, if uninsured, the Eligible Collateral's Actual Cash Value, and the Unpaid Net Balance of the Installment Loan. If the Actual Cash Value of the Eligible Collateral on the Date of Loss is greater than or equal to the Unpaid Net Balance, no waiver of the GAP Amount will be provided under this GAP Waiver Addendum. If you are entitled to collect a portion of the GAP Amount from others, including but not limited to, primary and other insurance, or salvage sale, that payment received from others will not be covered in the GAP Amount settlement. The GAP Amount does not cover deductions made by the Primary Insurance carrier for towing, storage, or prior damage that has already been paid to you. The maximum GAP Amount waived shall not exceed \$50,000.

**"Total Loss or Constructive Total Loss"** means a loss where the cost to repair or replace the Eligible Collateral would exceed the Actual Cash Value, as determined by the Primary Insurance carrier, or designated appraiser.

**"Unrecovered Theft"** means the Eligible Collateral has been reported as stolen by you to both the police and Primary Insurance carrier, who have made every effort, yet have failed, to find and return the Eligible Collateral.

**"Actual Cash Value"** means the retail value of the Eligible Collateral determined by the Primary Insurance carrier as of the Date of Loss. However, if there is no Primary Insurance on the Date of Loss, Actual Cash Value shall mean the retail value of the Eligible Collateral using NADA Retail with appropriate adjustments for mileage or optional equipment.

**"Primary Insurance"** means inforce insurance coverage, required by us, and carried by you to protect the Eligible Collateral from collision and comprehensive loss, naming us as Lienholder.

**"Unpaid Net Balance"** means the amount in U.S. currency owed by the Borrower/Debtor to clear the outstanding loan account upon the Date of Loss, including, if applicable, any Negative Equity. The Unpaid Net Balance does **not** include (1) unearned finance charges or interest; (2) loan charges; (3) late charges; (4) Delinquent Payments; (5) uncollected service charges; (6) refundable prepaid taxes and fees; (7) disposition fees, termination fees or penalty fees; (8) the recoverable portion of financed credit insurance charges, or the recoverable portion of financed amounts for service contracts or warranties that are owed by the Borrower/Debtor on the Date of Loss; (9) amounts that are built into or added to the loan balance after the inception date of the Installment Loan; (10) Debt Consolidation amounts added to the original financing of the vehicle.

**"Negative Equity"** means amounts still owing from a previous vehicle loan which is financed into the new vehicle loan.

**"Debt Consolidation"** means any debt added to a vehicle loan, such as funds to pay off a credit card debt, signature loan, or any other funds not directly related to the purchase of the Eligible Collateral.

**"Delinquent Payments"** means any payment, as described in the Installment Loan, which remains unpaid for a period of more than 30 days after the due date stated in the Installment Loan. **This includes any lender approved skipped payments or missed payments.**

**"Date of Loss"** means the date on which the Eligible Collateral is reported stolen or incurs physical damage that is severe enough to constitute a Total Loss or Constructive Total Loss. If such date is indeterminable, the Date of Loss shall either be the date established by the Primary Insurance carrier or the date the occurrence was reported to the police, whichever is the earlier.

**"Non-Purchase Loans"** means a loan for which the funds are not used to purchase a vehicle; however, the Lender secures the loan with an Eligible Collateral title. Non-Purchase Loans are eligible for GAP and follow the eligibility requirements, conditions, and exclusions outlined in this Waiver Form. Non-Purchase Loans secured by more than one Eligible Collateral are not eligible for GAP.

**"Commercial Purposes"** means carrying goods or passengers for compensation; or any Eligible Collateral titled either partially or entirely under a business or corporation name. This includes, but is not limited to, use of the Eligible Collateral as a taxi, for livery or delivery services, or for hire where compensation is provided for those services. Share-the-expenses car pools are not considered a Commercial Purpose under this GAP Waiver Addendum.

## AGREEMENT

In consideration for your payment of the GAP Waiver Fee shown on page 1 of this form, we will waive the GAP Amount due to a Total Loss, Constructive Total Loss or an Unrecovered Theft to the Eligible Collateral. Our waiver shall be equal to the GAP Amount including, if the collateral is protected by Primary Insurance, up to \$1,000 for the Primary Insurance deductible. The deductible will only be paid if there is a deficiency balance on the loan. The GAP Amount waived shall not exceed \$50,000. If the Eligible Collateral is not covered by Primary Insurance, we will waive only the GAP Amount obtained by subtracting the Actual Cash Value of the Eligible Collateral from the Unpaid Net Balance. We will not waive that portion of the Unpaid Net Balance attributable to the original Installment

Loan amount exceeding 125% of the Manufacturer's Suggested Retail Price (MSRP) on a new auto, truck or van, or 125% of NADA Retail on a used auto, truck or van. All other eligible collateral shall not exceed 125% of MSRP or NADA Retail.

### **GAP ADVANTAGE PROTECTION**

In the event of a Total Loss to the Eligible Collateral listed on this GAP Waiver Addendum, you may be eligible to receive an additional credit from us, in the amount shown on page 1. In order for you to receive this additional credit, you must lease, purchase, or finance, within ninety (90) days from the date the Eligible Collateral is determined to be a Total Loss, a like replacement Eligible Collateral from us. The GAP Advantage Protection credit has no cash value and will only be paid by us in the form of a credit towards the amount financed as shown in your replacement Eligible Collateral loan or lease.

### **EXCLUSIONS**

This GAP Waiver Addendum shall be void if there has been any material fact(s) withheld, concealed or misrepresented or in the event of fraud by you. This GAP Waiver Addendum does not provide for waiver of the GAP Amount for bodily injury or property damage liability, medical payments, medical expenses, physical damage, uninsured motorist, supplementary uninsured motorist, personal injury protection or losses other than those stated in this GAP Waiver Addendum. **Installment Loans where the first payment is deferred more than ninety (90) days are ineligible for waiver.**

No waiver will be made under this GAP Waiver Addendum for a Total Loss; (1) when the Total Loss, Constructive Total Loss or Unrecovered Theft occurs prior to the GAP Effective Date of this Gap Waiver Addendum; (2) if the Primary Insurance settlement is equal to or greater than the Unpaid Net Balance; (3) resulting directly or indirectly from any dishonest, fraudulent, or criminal act by you, or any dealer from whom you may acquire the Installment Loan; (4) caused intentionally by you; (5) to other than the standard or optional equipment available from the manufacturer of the Eligible Collateral; (6) to equipment designed for the recording, reproduction, receiving or transmitting of sound or signals unless the device is permanently installed in the Eligible Collateral at the time the Eligible Collateral is purchased; (7) due to conversion, embezzlement or, secretion by any person in lawful possession of the Eligible Collateral, or due to the legal confiscation of the Eligible Collateral by a public official.

#### **Additionally, this Waiver does not include the following:**

- Any refundable additions to amount financed.
- Interest accrued after Date of Loss.
- Delinquent Payments or any missed payments more than 30 days past due.
- Late charges, fees or funds added after Installment Loan inception.
- Deductions made by Primary Insurance carrier for towing fees, storage fees, salvage purchase, or for prior damage that has already been paid to you.
- Primary Insurance deductible in excess of \$1,000.
- Portion of Installment Loan that exceeds 125% of Manufactured Suggested Retail Price (MSRP) for a new auto, truck or van, or 125% of NADA Retail for a used auto, truck or van. All other eligible collateral shall not exceed 125% of MSRP or NADA Retail.
- Debt Consolidation amounts of the Borrower/Debtor added to the original financing of the vehicle. This exclusion does not apply to non-purchase loans or to Debt Consolidation amounts added in a refinance or loan modification, (but only up to the maximum LTV), when a new GAP waiver is purchased.
- Leases or Balloon Notes

### **CANCELLATION**

**This GAP Waiver Addendum may be canceled by you for a full refund within sixty (60) days of the GAP Effective Date. However, in the event of a Total Loss, Constructive Total Loss or Unrecovered Theft of the Eligible Collateral, the GAP Waiver Addendum fee will be deemed as fully earned and therefore, no refund will be due. If a cancellation request is received after 60 days from the GAP Effective Date the GAP Waiver Addendum is Nonrefundable.**

### **TERMINATION**

This GAP Waiver terminates as of the date that: (1) the loan agreement for the Eligible Collateral terminates; (2) the loan agreement for the Eligible Collateral is cancelled prior to its expiration; or (3) the Eligible Collateral is sold, assigned or re-financed to a different Lender, or is transferred by the Borrower/Debtor before the expiration date of the loan agreement; (4) the date you cancel the GAP Waiver Addendum.

### **NOTICE OF LOSS**

In the event of a Total Loss, Constructive Total Loss or Unrecovered Theft, you must notify us within 30 days of receiving final settlement from the primary or third party insurance carrier and provide the following: (a) copy of the Primary Insurance settlement, (b) verification of the Primary Insurance deductible, (c) copy of police report in the case of an Unrecovered Theft. We must file the GAP waiver demand within sixty (60) days after receiving final settlement from the Primary Insurer, or within sixty (60) days of the Date of Loss if you do not have Primary Insurance coverage.

**Important Notice: You are solely responsible for the payment of any and all taxes you may owe due to the discharge of your debt under this GAP Waiver Addendum. You may wish to consult a tax professional.**

DIGITAL FEDERAL CREDIT UNION  
220 DONALD LYNCH BLVD  
PO BOX 9130  
MARLBOROUGH, MA 01752-9130

Document #: 4562547

Borrower: NAGA VENKATA SOM GONABOYINA



Federally Insured by NCUA

Date of loan: 8/2/2021

Member Number: 6069419 - 144

**NOTE, SECURITY AGREEMENT, AND  
FEDERAL DISCLOSURE STATEMENT**

In this Agreement, the words "YOU" and "YOUR" mean each and all of those that sign this Agreement. The words "WE", "US" and "OUR" mean DIGITAL FEDERAL CREDIT UNION (DCU).

**FEDERAL DISCLOSURE STATEMENT**

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after making all payments as scheduled.
1.490%	\$ 971.95	\$ 23,417.74	\$ 24,389.69

Your payment schedule will be:

Number of Payments:	Amount of Payments:	When Payments are Due:
64	375.23	MONTHLY STARTING 9/1/2021
1	374.97	MATURING 1/1/2027

☒ **VARIABLE RATE FEATURE:** If checked, the rate of interest on this loan may have been fixed at a lower rate because of your agreement to maintain a Checking with Relationship or Plus benefits status (as defined by DCU), and to have your monthly loan payment satisfied via one of the Electronic Methods currently offered, on or before the payment due date, and not to receive a monthly bill or coupon. If you have selected an automatic transfer you agree to ensure sufficient funds will be available no later than 8:00 a.m. Eastern time on the transfer due date. (We will only transfer from the available balance in the share you have designated.) If you have selected a non-automatic electronic method such as Easy Touch Telephone Teller or Online Banking you agree you are responsible for initiating and completing the payment on time.

If at any time during the term of the loan you fail to meet the above requirements, your ANNUAL PERCENTAGE RATE (APR) will without additional notification, increase by as much as one half of one percent (1/2 of 1%). The increase will result in additional payment(s) which you agree to make. For example, if your loan was originally for \$10,000 for 48 months at 3.99% APR and your account relationship changes during the fourth month of your loan term, your rate could be increased to 4.49% APR and you would be required to make one (1) additional payment.

☒ **SECURITY INTEREST:** If checked, this loan is secured by the following described personal property. If this is a vehicle loan, you must ensure DCU is listed as first lien holder on the Certificate of Title. (PLEASE NOTE: If you are in default, we may also apply all shares (as permitted by law) then on deposit needed by us to repay your loan in accordance with the Federal Credit Union Act and our Truth-in-Savings Disclosure and Account Agreements):

☒ 2019 LEXUS NX JTJBARBZXK2208459☐ Pledged funds held in member #

THE APR DOES NOT TAKE INTO ACCOUNT YOUR REQUIRED DEPOSIT

LATE CHARGE: If a payment is 15 or more days late, you will be charged a late charge of four percent (4%) of the payment due, but not less than \$5.00.

FILING FEES: \$

REPAYMENT: There is no pre-payment penalty if you pay off your loan early.

ADDITIONAL DISCLOSURES: See the LOAN NOTE and SECURITY AGREEMENT on page 2 for additional terms and conditions to which you are bound including but not limited to those regarding security interests, default, penalties, and CROSS-COLLATERALIZATION.

**ITEMIZATION OF THE AMOUNT FINANCED**

AMOUNT FINANCED \$ 23,417.74	Amount given to you directly \$	Amount paid on your account \$
Amount paid to others on your behalf:		
\$ 23,417.74 to APP#4562547	\$	to
\$ to	\$	to

**VOLUNTARY OPTIONS – See page 2 for important disclosure regarding SALE OF INSURANCE**

"You" or "Your" means the borrower. You may select any service provider of your choice. YOU CANNOT BE DENIED CREDIT SIMPLY BECAUSE YOU CHOOSE NOT TO BUY PAYMENT PROTECTION. PAYMENT PROTECTION IS NOT REQUIRED TO OBTAIN CREDIT. Voluntary options include Payment Protection and Guaranteed Asset Protection (GAP). Election of GAP is noted in the itemization of amount financed section above. Rates are subject to change after written notice and you may cancel this coverage at any time.

☐ Preferred Plan☐ Basic Plan☐ Premier Plan

\$

You understand and agree that applicable Payment Protection fees will be added to your loan balance monthly and will accrue FINANCE CHARGES from the day they are posted. The amount of any Payment Protection Plan is reflected in the "Total of Payments" shown above. GAP coverage has a single pay premium.

**OWNER OF THE SECURITY**

OWNER OF THE SECURITY: If you are not a co-borrower/cosigner on this loan but are an owner of the property being offered as security on this loan, please sign below. By doing so, you agree to be bonded by the terms of the Security Agreement on page 2 of this Agreement.

X ADDRESS

NOTICE: SEE PAGE 2 FOR FURTHER TERMS AND CONDITIONS

**SIGNATORY AGREEMENT AND ACKNOWLEDGEMENT OF VOLUNTARY OPTIONS**

By signing below and/or by endorsing the check representing the proceeds of this loan, you acknowledge receipt of a copy of this Note, Security Agreement (and exhibits, if any) and Federal Disclosure Statement and accept and agree to the terms stated on either page of this document. This includes an acknowledgement of having read the VOLUNTARY OPTIONS section above and understanding that your signature constitutes an agreement to pay the fee without which coverage will not be provided, as well as acceptance of DCU's right to enforce its Lien on Shares should you be in default.

You agree that a photocopy or facsimile of this Note or of your signature on this Note shall be as binding as the original.

DocuSigned by:

BORROWER

NAGA VENKATA SOM GONABOYINA  
NAGA VENKATA SOM GONABOYINA

CO-BORROWER/COSIGNER

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**LOAN NOTE**

**PROMISE TO PAY:** You promise to pay all amounts due and agree to make all payments in accordance with the Federal Disclosure Statement on page 1. You understand that the FINANCE CHARGE and Total of Payments are based on the assumption that all payments are made on or by the due date and you agree you may be liable for fees, including collection costs, and additional FINANCE CHARGE as a result of your failure to do so. The number of your payments is subject to change (see VARIABLE RATE FEATURE shown on page 1). You understand that all payments are calculated on a monthly payment schedule and should you opt to pay weekly, the monthly payment amount is simply divided by four.

**MONTHLY PAYMENT DISTRIBUTION:** Each monthly payment you make to us will be applied to late fees, FINANCE CHARGES, principal, and collection cost if any, in any order we consider appropriate as permitted by law. If you have elected voluntary options, the premium is included in the minimum amount due monthly and will be applied when the principal balance payment is applied. We may apply any payment which we receive from you to the payment of this loan or to any other obligation you owe to us that is due and unpaid.

**ACCELERATION:** If you are in default, we have the right to terminate this Note and Security Agreement and demand immediate payment of the entire loan. **PREPAYMENT OR IRREGULAR PAYMENTS:** Though you need only pay the fixed installments, you understand you have the right to repay your entire loan at any time without penalty. You also understand you will only be charged FINANCE CHARGES to the date you repay your entire loan. You may make larger payments without penalty and this may reduce the total amount of FINANCE CHARGES you will pay. Any partial payment of your loan will not delay your next scheduled due date(s). You understand any payment that (a) delays or (b) accelerates the reduction of your loan balance will (a) increase or (b) decrease your FINANCE CHARGES. Irregular payments may alter your Guaranteed Asset Protection (GAP) if applicable.

**LAST PAYMENT:** You give us permission to deposit the balance of your last payment, if any, to your Savings Account.

**DEFAULT:** You will be in default if: 1) You do not pay your installments on time; 2) You fail to live up to any of the terms and conditions of this Note and Security Agreement; 3) Your creditworthiness is impaired; 4) The value of the collateral is impaired; 5) The collateral or a share account is seized or attached by legal process; 6) You die, become insolvent, or you are the subject of bankruptcy or receivership proceedings; 7) There is a change of ownership of all or any part of the collateral; 8) You are in default on any other loan with us; or 9) You have made any misrepresentations in connection with the loan application and/or this Agreement. (See also OUR RIGHTS IF YOU ARE IN DEFAULT section of the Security Agreement below)

**LIEN ON SHARES:** If you are in default, we may apply all shares (as permitted by law) then on deposit needed by us to repay your loan in accordance with the Federal Credit Union Act and our Account Agreement for Consumers. If a third party should make judicial application for or otherwise attempt to enforce a lien on your shares and deposits, we may freeze such shares and deposits to the extent of your entire loan. A freeze would prevent your withdrawal of any funds subject to the freeze.

**COLLECTION COSTS:** If you are in default, you understand that you will be charged a FINANCE CHARGE on the unpaid Amount Financed until you repay the loan. You also agree to pay late charges, our collection costs, reasonable attorney's fees, administrative fees, and court costs.

**SALE OF INSURANCE:** DCU Insurance (DCU Financial Insurance Services, LLC), an affiliate of DCU, offers a wide range of personal property and casualty insurance products and services. You may choose to request an expert insurance coverage review and consultation from DCU Insurance, at your convenience. You may be contacted by a licensed representative to provide you with a free, no-obligation quote. **YOUR DECISION TO PURCHASE OR NOT PURCHASE INSURANCE FROM DCU INSURANCE WILL NOT AFFECT THE APPROVAL OF YOUR DIGITAL FEDERAL CREDIT UNION LOAN. YOU MAY PURCHASE ANY REQUIRED INSURANCE (DEDUCTIBLES CANNOT EXCEED \$1,000) FROM THE APPROPRIATELY LICENSED AGENT OR INSURER OF YOUR CHOICE.** If you have any concerns or complaints regarding this business relationship, you may contact DCU Insurance at 800.328.8797 ext. 6978.

**ADDITIONAL CONDITIONS:** You understand and agree: that you are responsible for notifying us of any change in your contact information (address, phone, etc.) or employment; that this Agreement is made by a Federal Credit Union governed by Federal Law; that the terms and conditions of the Federal Disclosure Statement are incorporated by this reference; that all who sign, sign as maker and agree to be individually and jointly obligated to pay this loan in accordance with the terms and conditions of this Note, Security Agreement, and Federal Disclosure Statement; and that our delay in enforcing any of the rights under this Note have no effect on our right to enforce them in the future. If any provision of this Note, Security Agreement, and Federal Disclosure Statement is to any extent unlawful or unenforceable, that provision shall be excluded to the extent of such illegality or unenforceability, and the remaining provisions shall remain in full force and effect; in particular, Covered Borrowers are provided certain protections under the Military Lending Act, and if you are a Covered Borrower, we will not enforce any provisions that are prohibited by the Military Lending Act.

**MILITARY LENDING ACT DISCLOSURE:** For extensions of Consumer Credit to Covered Borrowers, as those terms are defined within the Military Lending Act regulations under 12 USC 232, Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account). To hear this disclosure and a description of your payment obligation, please contact DCU toll free at 800.328.8797, weekdays from 8:00 am to 9:00 pm and Saturdays from 9:00 am to 3:00 pm, Eastern time.

**SECURITY AGREEMENT – If you are giving us a security interest (see page 1) your loan is also subject to the following additional terms:**

**SECURITY AGREEMENT:** You are giving us a security interest (shown on page 1), you understand that the security interest is governed by the Uniform Commercial Code and will cover the property described herein. You understand that your loan is also secured by any insurance proceeds or any insurance premium refunds. You also understand and agree to the additional security agreement terms set forth below.

**CROSS COLLATERALIZATION:** YOU ARE GIVING A SECURITY INTEREST IN THE COLLATERAL DESCRIBED HEREIN TO SECURE THIS DEBT AND ALL OTHER DEBTS NOW OR HEREAFTER OWED US, INCLUDING ALL DEBTS INCURRED BY CREDIT CARD (AND OVERDRAFTS), EXCEPT THAT THIS COLLATERAL SHALL NOT SECURE ANY DEBT FROM US THAT IS SECURED BY YOUR PRIMARY RESIDENCE.

**FUTURE ADVANCES:** You understand that the Security Agreement also applies to any future advances made by us and that any future advances will be added to the "Amount Financed" of the loan and will accrue FINANCE CHARGES at the ANNUAL PERCENTAGE RATE shown on page 1. The term "future advances" includes, but is not limited to, money advanced to you, money advanced to third parties at your direction, and costs, fees, or other monies advanced by us to protect our interest in the security. Future advances may result in a higher monthly payment amount or increased number of payments.

**STATUS OF SECURITY:** You promise that you own the security and that there are no liens or any other claims against the security other than ours. You agree not to sell or lease the security to anyone else, or give it as security to anyone else, until the loan has been paid in full. You promise to ensure Digital Federal Credit Union (DCU) is accurately reflected as being first lien holder or as having priority security interest status on any Certificate of Title or UCC financing statement and to ensure DCU has received confirmation of same within ninety (90) days, and agree that if you have not had DCU recorded in this manner, we will apply to do so at your expense. If we record such lien, you agree that we may add its cost to your loan and you also agree that your term (as disclosed in the payment schedule on page 1) may be extended to pay for such lien. Any amount spent by us to protect our interest in the security will be added to the "Amount Financed" of the loan and will accrue FINANCE CHARGES at the ANNUAL PERCENTAGE RATE shown on page 1. If this is a motor-vehicle secured loan, you certify that the vehicle pledged as security is not and has never been a "Lemon Law Buyback" and/or "Salvage" title vehicle.

**PROPERTY INSURANCE (Other than Stocks or Shares):** You promise to maintain property insurance, naming us as Loss Payee, and fully insuring the security described in the Federal Disclosure Statement on page 1 against loss by fire, theft and collision (deductible cannot exceed \$1,000), and to provide "all risks" insurance in the case of aircraft or boats and accessories thereto when applicable. You may provide the required insurance through an existing policy or by a policy you independently obtain and pay for from a person of your choosing. You agree to deliver a copy of the insurance policy to us. If you do not get or keep this insurance, we may, but are not obligated to, obtain insurance and/or we may declare the Note and Security Agreement in default. You understand that we are under no obligation to purchase any particular type or amount of insurance coverage. Therefore, such coverage will cover DCU, but may or may not protect you or your equity in the security against any risk, hazard or liability, and may provide greater or lesser coverage than was previously in effect and/or may include additional types of coverage. You acknowledge that the cost of the insurance coverage so obtained by DCU may significantly exceed the cost of insurance that you could have obtained. If we obtain insurance, you agree that we may add its cost to your loan and you also agree that your payments (as disclosed in the payment schedule on page 1) may be increased to pay for the insurance during the term of your loan. Any amount spent by us for insurance will be added to the "Amount Financed" of the loan and will accrue FINANCE CHARGES at the ANNUAL PERCENTAGE RATE shown on page 1. If you, subsequent to our having placed this insurance, provide us with proof of your having obtained insurance, we will cancel the policy and remove the unused portion of the insurance premium from your loan balance, minus a reasonable administrative fee.

**PRESERVATION OF SECURITY (Other than Stocks or Shares):** You promise to take care of and not materially alter the security, that the security will not be used for unlawful purposes and that you will pay all taxes due on it. You agree to perform all acts that we deem necessary to make our security interest enforceable. You agree to inform us immediately if the security is to be moved from the address on your application and that such movement will not be to a location outside of the United States (including Puerto Rico) unless your entire loan balance has been paid in full. In addition you agree that we may inspect the security at any time, that there will be no other liens against the security, and that you will pay the costs of protecting the security, including reasonable attorney's fees.

**STOCKS OR SHARES AS SECURITY:** If STOCKS are pledged as security for this loan, a list of stocks is shown on or referred to on page 1. You understand that your loan balance must not exceed the value. If during the term of the loan, the value of the stock held as collateral decreases and causes the loan-to-stock value to increase to 85% or greater, you understand you will have seventy-two (72) hours from the date of notification to furnish either additional funds or additional collateral to re-establish the maximum collateral equity position shown on page 1. If you do not re-establish the maximum collateral equity position, you authorize us to sell your stock and apply the proceeds of the sale to your outstanding stock loan. If SHARES are pledged as security for this loan, you understand that you must keep a sum equal to your entire loan on deposit with us until you repay your entire loan.

**OUR RIGHTS IF YOU ARE IN DEFAULT:** If you are in default, as defined above, we may demand immediate payment of your entire loan. You understand that we also have other rights which may include but are not limited to: 1) the right to retake the security and after giving notice of the sale as required by law to sell the security in a reasonable manner. (You understand if the amount we receive at the sale does not pay your principal balance, FINANCE CHARGES, late charges and the costs of protecting, retaking, repairing, reconditioning, storing and selling the security, along with collections costs, reasonable attorney's fees, administrative fees, and court costs, that you agree to pay any remaining amount, as we are permitted by law to collect); 2) the right to apply the default rate of 18.00% to your then current loan balance in which case you understand and agree your payment amount and/or total payments before your loan is considered paid in full will increase. (See also DEFAULT section of Note above)

# Title and Insurance Requirements

Essential information regarding loan title and insurance requirements

Please review the following two items.

**Failure to act without delay could result in an increase in your loan rate, payment amount, or both.**

## Title Information

As indicated in your Loan Agreement, you are responsible for ensuring that DCU appears as "First Lienholder" on your vehicle title and that DCU receives the original title within 90 days.

**Our lien must appear as follows:**

Digital Federal Credit Union  
PO Box 25166  
Lehigh Valley, PA 18002-5166

**NOTE:** Certain states require you to include DCU's registered lien code on their application. Those states and the corresponding lien code are as follows:

State	DCU Registered Lien Code	State	DCU Registered Lien Code
Arizona	04-2683316	Nevada	DZ0003
California	X00	New Hampshire	73
Colorado	E0426833160001	New Jersey	270 338 244 18002 0
Florida	0204242935	New York	51213
Georgia	001100020591	North Carolina	000031453258
Hawaii	DIG	Ohio	VNTK001042683316
Idaho	042683316	Pennsylvania	21139182501
Iowa	04268331600	South Carolina	DFC2710
Louisiana	ELDD	South Dakota	042683316**
Maryland	0577	Texas	04268331600
Massachusetts	CO1259	Virginia	FK8
Mississippi	90012252300	Washington	DCU
Nebraska	10233546	Wisconsin	00114896

## Vehicle Insurance

Your insurance agent will need to fax or mail us a current copy of your insurance coverage which **must** include the following:

- Year, Make, Model and VIN or Serial Number
- Comprehensive and Collision Coverage (**deductible cannot exceed \$1,000**)
- DCU listed as Loss Payee:

Digital Federal Credit Union  
PO Box 25007  
Fort Worth, TX 76124

- No excluded drivers

Insurance document delivery options:

Email: [dcu@myloaninsurance.com](mailto:dcu@myloaninsurance.com) (preferred method)  
Fax: 877.293.2059



If proof of insurance is not received, DCU will obtain an insurance policy to cover our interest in the Collateral. The cost of this policy, for which you will be responsible, will likely be higher than insurance you obtain on your own. We must receive your proof of insurance as soon as possible to avoid having CPI added to your loan.

**– If you are unsure whether this has been done, contact your insurance agent immediately! –**