

# RETAIL INSTALLMENT CONTRACT

In this Retail Installment Contract ("Contract"), the words "we," "us," "our" and "Seller" mean the Seller identified below, and Seller's successors and assignees. The words "you," "your," and "Buyer" mean the Buyer identified below who signs or authenticates this Contract. Words or phrases preceded by a checkbox (☐) are only applicable if the checkbox is marked (e.g. ☒)

Date of Contract

Contract Maturity Date

**SELLER** (Name and Address)

Tax ID #

**BUYER** (Name and Address)

You (Buyer) agree to buy, subject to the terms of this Contract, and we (Seller) agree to sell the Goods and Services described below in the section "Description of Goods and Services." The goods covered by this Contract are sold in their current condition, together with any attachments or accessories.

## DESCRIPTION OF GOODS AND SERVICES (e.g. Make, Model, Serial Number, etc.)

You promise to pay us according to the terms of this Contract, including the terms set forth in the Federal Truth-In-Lending Disclosure which is an integral part of this Contract. All payments to us must be in lawful money of the United States of America.

To secure payment of this Contract and your other promises under this Contract, you give us a security interest in and/or a lien upon the goods described above and all accessories, parts, equipment, attachments, and accessions placed on or in the goods. Our security interest extends to any replacements of the goods which you purchase within 10 days of the date of this Contract or any extensions, renewals, or refinancings of this Contract. You further grant us a security interest and assignment in the proceeds of any policy of insurance covering the goods purchased with this Contract.

**This Contract is subject to a fixed Simple Interest Rate of \_\_\_\_\_ % per annum. Interest will begin to accrue at the Simple Interest Rate on the \_\_\_\_\_ day following the Date of Contract.**

## FEDERAL TRUTH-IN-LENDING DISCLOSURE

### ANNUAL PERCENTAGE RATE

The cost of your credit as a yearly rate.

%

### FINANCE CHARGE

The dollar amount the credit will cost you.

\$

### Amount Financed

The amount of credit provided to you or on your behalf.

\$

### Total of Payments

The amount you will have paid when you have made all payments as scheduled.

\$

### Total Sale Price

The total cost of your purchase on credit including your down payment of:

\$ \_\_\_\_\_

\$

Your Payment Schedule will be:

Number of Payments

Amount of Payments

When payments are due

19 -

**Security:** You are giving us a security interest in: ☒ the goods or property being purchased; ☐ \_\_\_\_\_

☐ **Required Deposit.** The Annual Percentage Rate does not reflect the effect of the required deposit.

**Late Charge:** If your payment is more than 10 days late, you will be charged a fee of 5.0% of the past due payment, subject to a minimum of \$10.00.

**Prepayment:** If you pay off early, you will not have to pay a penalty.

**Filing Fee:** \$ \_\_\_\_\_

See the text of this Contract for additional information about nonpayment, default, and any required repayment in full before the scheduled date.

## ITEMIZATION OF AMOUNT FINANCED

### A. Cash Price

1. Cash Price \$ \_\_\_\_\_

2. State Sales Tax \$ \_\_\_\_\_

3. Total Cash Price (A1 + A2) \$ \_\_\_\_\_

B. Cash Down Payment \$ \_\_\_\_\_

C. Unpaid Balance of Cash Price (A3 - B) \$ \_\_\_\_\_

D. Amount Paid to Public Officials (UCC Fin. Stmt.) \$ \_\_\_\_\_

E. Unpaid Balance (C + D) \$ \_\_\_\_\_

F. Required Deposit Balance \$ \_\_\_\_\_

G. Amount Financed (E - F) \$ \_\_\_\_\_

H. **Finance Charge** \$ \_\_\_\_\_

I. Deferred Payment Price (G + H) \$ \_\_\_\_\_

## ADDITIONAL TERMS OF CONTRACT

**Repayment.** You promise to pay to Us the Amount Financed (the unpaid portion of the Cash Price) plus all accrued interest and other finance charges according to the Payment Schedule set forth in the Federal Truth-In-Lending Disclosure on Page 1 of this Contract. The scheduled payment amounts shown on Page 1 include interest computed at the Simple Interest Rate shown on Page 1 from the date finance charges begin to accrue, as also shown on Page 1. You promise to make payments until the entire Amount Financed and all accrued interest and any other fees and charges have been paid in full.

During the first 18 months of this Contract, your scheduled payment amount will be an amount equal to all of the interest charges that are scheduled to accrue on the Amount Financed each month ("Interest Only Payments"). This payment amount is shown in the first row of the Payment Schedule on Page 1. After that, your scheduled payments will be principal and interest payments in an amount equal to that necessary to fully amortize the Amount Financed (principal) by the Contract Maturity Date at the Simple Interest Rate shown on Page 1, subject to a minimum of \$25.00. This payment amount is also shown in the Payment Schedule on Page 1.

This Contract is subject to a Simple Interest Rate, shown on Page 1, which applies a daily periodic rate (corresponding to the annual Simple Interest Rate) to the unpaid principal balance due under this Contract each day. The Total of Payments amount shown in the Federal Truth-In-Lending Disclosure on Page 1 is based on the assumption that we will receive your scheduled payment on the payment due date each month. If you make your payment earlier than the scheduled due date, or in an amount larger than required, this will have the effect of reducing the total amount of interest that accrues. If you make your payment later than the scheduled due date, this will have the effect of increasing the total amount of interest that accrues. As a result, the amount and timing of each payment that you make during the term of this Contract may affect the amount of your final payment, which may be larger or smaller than the scheduled payment amount shown in the Payment Schedule.

**Late Charge.** If your scheduled payment is not received by the date specified in the section "Late Charge" in the Federal Truth-In-Lending Disclosure, you will be charged a late charge as set forth on Page 1.

**Prepayment.** You may prepay all or a part of the unpaid balance at any time without penalty. If you make a partial prepayment (that is, if your prepayment does not repay the entire outstanding balance), you are still required to make the next scheduled payment due, unless your outstanding balance is less than that amount, in which case your scheduled payment will be the remaining unpaid balance. If you make a full prepayment, you may be entitled to a refund of a portion of any finance charge that we have collected that is in excess of the amount of finance charge that we were entitled to collect to the date of prepayment in full. The amount of any such refund shall be calculated and refunded to you as prescribed by applicable state law.

**Collateral; Security Interest.** If this Contract is for the purchase of goods, you have given us a security interest in or lien on the goods purchased with the Contract, as described on Page 1 (hereinafter "Collateral"). You understand that we may file a Uniform Commercial Code (UCC) financing statement as permitted by applicable law to perfect our security interest in the Collateral. You promise to pay us an amount equal to the financing statement filing fee, if any, shown in the Itemization of Amount Financed on Page 1. You agree that you will cooperate with us in doing anything necessary to help us perfect our security interest or maintain our security interest in the Collateral while you owe money under this Contract. Unless we give our prior express written consent, you will not allow any other liens, security interests or encumbrances to attach to the Collateral. Upon payment of all sums due under this Contract, we shall release our security interest in the Collateral. To the extent permitted by law, you agree to pay us any costs associated with releasing our security interest, including the cost of filing any termination statement.

**Property Insurance.** You promise to maintain property insurance coverage to protect our interest in the Collateral at all times. The coverage must be in an amount sufficient to protect our security interest in the Collateral, and must protect against loss by theft, fire, and other hazards included in the term "comprehensive." You may obtain the insurance from any insurer you want that is duly licensed to do business in the state in which the Collateral is located, provided such insurer is reasonably acceptable to us. You may provide the insurance through an existing policy you own, or through a policy you obtain and purchase on your own. You agree that you will provide us with satisfactory evidence of such coverage upon our request, and to provide such evidence within a reasonable period of time after you receive written notice of our request.

You understand and agree that if you do not provide us with evidence of the insurance coverage required by this provision, that we may, at our sole and exclusive option, purchase property insurance coverage to protect our security interest in the Collateral, and you agree to pay us for the coverage. THE INSURANCE WILL NOT BE LIABILITY INSURANCE. If you have not immediately paid us for such insurance and we have added the amount to the unpaid balance of your Contract, we may charge interest on any such amount we have paid for insurance until the effective date of the cancellation or expiration of such insurance, or until you have paid us in full for such insurance. You understand that we are under no obligation to purchase insurance coverage to protect the Collateral, and that any insurance we may obtain may cost more, and provide you with less coverage, than insurance you may be able to obtain on your own. We have the authority to obtain, adjust, settle or cancel insurance, and may endorse any party's name on any draft.

Unless you provide us with evidence of the insurance coverage required by your agreement with us, we may purchase insurance at your expense to protect our interests in the Collateral. This insurance may, but need not, protect your interests. The coverage that we purchase may not pay any claim that you make or any claim that is made against you in connection with the Collateral. You may later cancel any insurance purchased by us, but only after providing us with evidence that you have obtained insurance as required by our agreement. If we purchase insurance for the Collateral, you will be responsible for the costs of that insurance, including interest and any other charges we may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to your total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance you may be able to obtain on your own.

**Default.** Each of the following shall constitute an event of default under this Contract. You will be in default if: (a) you fail to make any payment or perform any obligation you have under this Contract or any other agreement you have with us; (b) you have made a false or misleading statement in your credit application and/or in any of your representations to us while you owe money under this Contract; (c) you are the sole Buyer (or the sole remaining Buyer) under this Contract and you should die; (d) you should be involved in any insolvency, bankruptcy, receivership or custodial proceeding brought by you, or brought against you by another person or entity; (e) you use the collateral in any illegal activity; (f) you do anything or fail to do anything that we believe endangers the Collateral; (g) a judgment or tax lien should be filed against you or any attachment or garnishment should be issued against any of your property or rights; or (h) we, in good faith, believe that your ability to repay amounts due under this Contract is or will soon be impaired, time being of the very essence.

**Remedies.** Upon the occurrence of an event of default, and after providing you notice, if any, required by applicable law of your right to cure the default and you fail to cure the default in the time provided in such notice, we may require immediate repayment in full of the amounts remaining unpaid under this Contract. To the extent permitted by applicable law, you individually and jointly waive presentment, demand, protest, notice of protest, notice of intent to accelerate, notice of acceleration, and any other notice that we are demanding payment in full due to your default under this Contract. You understand that interest shall continue to accrue at the rate shown on Page 1 on the unpaid balance of this Contract after an event of default, until the outstanding balance is paid in full.

If you fail to pay the amounts you owe upon default, we may, to the extent permitted by applicable law, exercise our rights with respect to the Collateral. We may require that you deliver the Collateral to us at a time and place of our choosing, or we may, at our sole and exclusive option, take possession of the Collateral. You understand and agree that we may take possession of the Collateral without judicial process and you authorize a right of entry upon the premises where the Collateral is located for that purpose. If, in taking possession of the Collateral, it is necessary for us to enter any dwelling or structure located on the premises where the Collateral, or any part of the Collateral, is located, we shall if required by applicable law, give you notice of our intent to do so, and you agree that you shall cooperate with us and/or our agent(s) in doing everything that we reasonably require to repossess the Collateral. You understand that this Contract, the Uniform Commercial Code, and other applicable law authorizes us to take various actions to enforce this Contract, and we may rely on any or all of those provisions. We may sell or dispose of the Collateral in any manner permitted by applicable law, and any resulting deficiency shall be immediately paid to us, to the extent allowed by applicable law.

In the event that collection efforts are required to obtain amounts you owe us under this Contract, you agree to pay us all costs and expenses incurred by us in collecting the amounts owed, including court costs, private process server fees, investigation fees or other costs incurred in collection. If we (or any holder of this Contract) places this Contract for collection with an attorney who is not our salaried employee (or a salaried employee of the Contract holder), you also agree to pay reasonable attorneys' fees, even if a legal action is not brought, to the extent permitted by applicable law.

### ADDITIONAL TERMS OF CONTRACT (Continued)

**Severability.** If any part of this Contract is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Contract shall remain in full force and effect.

**No Waiver.** Any delay by us in exercising any right, remedy, power or privilege under this Contract shall not be deemed a waiver of our right to exercise any such right, remedy, power or privilege at a later time.

**Other Provisions.** All of our rights under this Contract shall inure to the benefit of our successors and assigns, and all of your obligations under this Contract shall be binding upon your heirs or legal representatives or successors. You expressly authorize the use of electronic signatures, facsimile signatures, digital signatures, or other electronically generated signatures for purposes of signing/authenticating this Contract, and you understand that such signatures shall have the same legal force and effect as your original signature for purposes of this Contract or any documents related to this Contract.

**Assignability.** We may assign any rights we have under this Contract without obtaining your consent.

**Governing Law.** You understand and agree that this Contract will be governed by the laws of the State of Illinois, except to the extent that federal law controls.

### SIGNATURES

#### Notice to the Buyer.

1. Do not sign this agreement before you read it or if it contains any blank spaces.
2. You are entitled to an exact copy of the agreement you sign.
3. Under the law you have the right, among others, to pay in advance the full amount due and to obtain under certain conditions a partial refund of the finance charge.

#### BUYER

By signing below, you acknowledge that you have read this Contract, that you understand it, that you agree to its terms, and that you have received a completed copy of it.

### RETAIL INSTALLMENT CONTRACT

**X**      {{t:s;r;y;o:"Signer 1";w:100;h:15;}}  
Buyer's Signature

{{t:t;r;y;o:"Signer 1";l:"Date";}}  
Date

**X**      {{t:s;r;y;o:"Signer 2";w:100;h:15;}}  
Buyer's Signature

{{t:t;r;y;o:"Signer 2";l:"Date";}}  
Date

#### SELLER

By \_\_\_\_\_ Its \_\_\_\_\_

### SELLER WARRANTY AND ASSIGNMENT

For value received, Seller hereby sells, assigns and transfers to **VERITY CREDIT UNION** ("Assignee") all rights, title, and interest Seller has which is related to Seller's financial interest in this Contract, provided, however, that none of Seller's obligations are conveyed to Assignee, all of which Seller retains. To induce Assignee to purchase this Contract, Seller represents and warrants to Assignee as follows:

1. This Contract is and will remain valid, binding and enforceable.
2. The Signature of any Buyer is genuine.
3. The subject goods have been delivered to the Buyer, and Buyer has purchased the same for the Buyer's own use and benefit.
4. All facts set forth in this Contract are true.
5. All statements of Buyer made on any forms related to this Contract are true to the best of Seller's knowledge, information and belief.
6. In relation to the transaction to which this Contract relates, Seller has complied with all applicable federal and state laws and regulations, including without limitation, the federal Truth-In-Lending Act and Equal Credit Opportunity Act.
7. If this Contract is made in connection with a transaction conducted in person at the Buyer's residence, Seller has furnished all required notices and has complied with all applicable documentation and timing requirements imposed by Illinois law (815 ILCS 505/2B).

All representations and warranties of Seller state herein are made to induce Assignee to purchase this Contract; and, in the event of a breach, without regard to Seller's or Assignee's knowledge or lack of knowledge with respect thereto at the time of occurrence or otherwise, Seller will, upon the demand of Assignee, repurchase this Contract from Assignee for the entire balance then remaining unpaid. Seller waives all demands and notices of default and consents that, without notice to Seller, Assignee may extend time to or compromise or release, by operation of law or otherwise, any right against Buyer or other obligated party.

**Seller agrees that this Contract is sold, assigned and transferred to Assignee with full recourse to Seller and subject to Seller's unconditional guarantee.**

**Assignment:** Seller does hereby assign this Contract to **Verity Credit Union, P.O. Box 75974, Seattle, WA 98175-0974**, under the terms of Seller's Warranty and Assignment.

#### SELLER

By \_\_\_\_\_ Its \_\_\_\_\_ Date \_\_\_\_\_

**NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.**