

Classic Reserve Line Credit Application



Heritage
BANK

Important information about procedure for opening a new account—To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

*FOR INTERNAL USE ONLY
Date Received: ____ / ____ / 20____

New Account Update/Limit Increase Limit Desired: \$ _____ Heritage Bank Checking Account # : _____

Type of Account	<input type="checkbox"/> Individual	<input type="checkbox"/> We intend to apply for joint credit:		<input type="checkbox"/> Joint with Spouse	<input type="checkbox"/> Joint with Non-Spousal Co-Applicant
	<input type="checkbox"/> Joint	Applicant Initials _____	Date _____	Co-Applicant Initials _____	Date _____

JOINT CREDIT: If you are applying for joint credit with another person, please check and initial above and complete the sections below regarding the "Co-Applicant". If the Applicant is married, he or she may apply for Individual Credit.

Applicant Information				Co-Applicant Information			
Name (First, Initial, Last)		Home Phone		Name (First, Initial, Last)		Home Phone	
Date of Birth	Social Security Number	Day Phone		Date of Birth	Social Security Number	Day Phone	
Dependents #	Driver License #	State	Issue Date ____/____/____ Exp. Date ____/____/____	Dependents #	Driver License #	State	Issue Date ____/____/____ Exp. Date ____/____/____
Citizenship <input type="radio"/> U.S.Citizen <input type="radio"/> Permanent Resident Alien <input type="radio"/> Non-Permanent Resident Alien				Citizenship <input type="radio"/> U.S.Citizen <input type="radio"/> Permanent Resident Alien <input type="radio"/> Non-Permanent Resident Alien			
Email Address				Email Address			
Current or Residence Address		<input type="checkbox"/> Own <input type="checkbox"/> Rent <input type="checkbox"/> Other _____		Current or Residence Address		<input type="checkbox"/> Own <input type="checkbox"/> Rent <input type="checkbox"/> Other _____	
Mailing Address (IF DIFFERENT)				Mailing Address (IF DIFFERENT)			
City, State Zip		How Long There? Years ____ Months ____		City, State Zip		How Long There? Years ____ Months ____	
Previous Address				Previous Address			
City, State Zip		How Long There? Years ____ Months ____		City, State Zip		How Long There? Years ____ Months ____	
Nearest Relative Not Living With You		Relationship		Nearest Relative Not Living With You		Relationship	
Residence Address		Phone		Residence Address		Phone	
Current Employer		<input type="checkbox"/> Self Employed <input type="checkbox"/> Retired		Current Employer		<input type="checkbox"/> Self Employed <input type="checkbox"/> Retired	
Position		Gross Monthly Income \$		Position		Gross Monthly Income \$	
Address		Telephone		Address		Telephone	
City, State Zip		How Long There? Years ____ Months ____		City, State Zip		How Long There? Years ____ Months ____	
Previous Employer		How Long There? Years ____ Months ____		Previous Employer		How Long There? Years ____ Months ____	
Other Monthly Income \$				Other Monthly Income \$			
Source of Other Income (child support, separate maintenance or alimony need not be disclosed unless you want us to rely on it for repayment of this debt)				Source of Other Income (child support, separate maintenance or alimony need not be disclosed unless you want us to rely on it for repayment of this debt)			

General Credit Information

A: Applicant **C:** Co-Applicant Include Co-Applicant if any. Check both boxes for joint accounts. Include an additional sheet if necessary.

A	C	Description	Present Value	A	C	Description	Payment Amount	Balance
<input type="checkbox"/>	<input type="checkbox"/>	On deposit at Heritage Bank Account Number _____	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Mortgage <input type="checkbox"/> Rent Owed To/Account number _____	\$ _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	Cash on hand or on deposit at other financial institutions Bank Name: _____	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>	Monthly HOA Dues	\$ _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	Automobile: Year, Make & Model _____	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>	Heritage Bank Loans	\$ _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	Automobile: Year, Make & Model _____	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>	Auto Loans	\$ _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	Personal Residence	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>	Auto Loans	\$ _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	Other Real Estate	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>	List all other creditors	\$ _____	\$ _____
<input type="checkbox"/>	<input type="checkbox"/>	Personal Property	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>		\$ _____	\$ _____
TOTAL			\$ _____	TOTAL			\$ _____	\$ _____



Classic Reserve Line Credit Agreement

Interest Rate and Interest Charges	
Minimum Annual Percentage Rate (APR)	9.99%
Maximum Annual Percentage Rate (APR)	18.00%
Variable Annual Percentage Rate (APR) subject to minimum and maximum APRs	Wall Street Journal Prime Rate +5.99%. See section 4 for details.
No Grace Period / Paying Interest	You will be charged interest on all Advances from the Advance transaction date. There is no Grace Period. See Section 3 for details.
Balance Computation Method	We use a method called "Average Daily Balance." See Section 3 for details.
Billing Error Rights	Information on your rights to dispute transactions and how to exercise those rights is attached to this Agreement.
Minimum Payment Amount	The minimum monthly payment will be an amount equal to 2.50% of the outstanding principal balance on your Line or \$50, whichever is greater. See Section 5 for details.
Paying Interest	You will be charged interest from the transaction date.
Fees	
Annual Fee	\$24.00 at account setup and annually thereafter.
Penalty Fees · Late Payment Fee	5.00% of the payment due, or \$5.00, whichever is <u>greater</u> .
Transaction Fees	We do not charge any transaction fees for any type of Advance on your Line.
Credit Insurance Not Available	We do not offer any type of Credit Insurance for this account.
Security Interest in Your Deposit Accounts	You are granting us a Security Interest in all of your deposit accounts with us. See Section 10.

Daily Balance" method. To get the "Average Daily Balance", we take the beginning balance of your Line each day, add any new advances and subtract any payments or credits. 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". Your Finance Charge is calculated by multiplying the Average Daily Balance times the Daily Periodic Rate times the number of days in the billing cycle.

4. **VARIABLE RATE FEATURE** Your Line has a variable rate feature. The Annual Percentage Rate (APR) and the corresponding Daily Periodic Rate on your Line are subject to change from time to time based on changes in an independent index which is the Prime Rate published in the Wall Street Journal (the "Index"). If the Index becomes unavailable during the term of this Agreement, we may designate a substitute Index after notice to you. The APR and the Daily Periodic Rate will increase or decrease as the Index changes from time to time. The APR is the Index plus a Margin of 5.99%, subject to the Minimum APR of 9.99% and the Maximum APR of 18.00%. The Daily Periodic Rate is the APR, divided by the number of days in the year. Adjustments to the APR and the Daily Periodic Rate will take effect quarterly. Notification of your initial APR and Daily Periodic Rate will be provided to you on your monthly statements.

5. **MONTHLY STATEMENTS AND LOAN PAYMENTS** We will send you a monthly statement as part of your Checking Account statement which will show each Advance made, the minimum payment due and the date your payment is due. The minimum monthly payment will be an amount equal to 2.50% of the outstanding principal balance on your Line or \$50 whichever is greater. The minimum payment will also include any past due amounts, fees and any amount outstanding under this Agreement in excess of your Credit Limit. You authorize us to debit your Checking Account on the payment due date shown on your monthly statement for the minimum payment due on your Line on that date. You can pay the outstanding balance on your Line in full at any time.

6. **APPLICATION OF PAYMENTS** All payments accepted by us will be applied to interest, fees and principle in the order that we determine is appropriate.

7. **LATE CHARGE** Your payment will be late if it is not received by us within 1 day of the "Payment Due Date" shown on your periodic statement. If your payment is late, we may charge you 5.00% of the payment due, or \$5.00, whichever is greater.

8. **ANNUAL FEE** We charge a non-refundable annual fee assessed on the Line. The fee will be automatically charged to your checking account at set-up, and annually thereafter. This fee will be charged on inactive and active accounts. This fee will be \$24.00.

9. **DEFAULT/ACCELERATION** At our option, we can declare the full outstanding balance on your Line immediately due and payable without notice (except notices required by applicable law), if you fail to make payments due on your Line or you otherwise breach the terms of this Agreement. If permitted by applicable law, we may also increase the rate of interest on your Classic Reserve Line up to the maximum rate permitted. We may also take any other collection action allowed by applicable law. If we need to hire an attorney to collect any part of your Line and applicable law permits us to charge you for attorney fees, you agree to pay us our reasonable attorney's fees, subject to any limits under applicable law, incurred in collecting your Line. **If this is a joint account, each of you is jointly and severally liable for the entire balance.**

10. **SECURITY INTEREST IN DEPOSIT ACCOUNTS** As a condition of granting you credit under this Credit Line, you agree to give us a security interest in, and pledge us security for your obligations under this Credit Line, all funds, including interest, now on deposit or which may hereafter be placed on deposit with us (excluding deposits that if pledged are subject to penalties or restrictions under federal laws or regulations). Upon default we may apply such funds to your obligations under this Credit Line.

11. **CANCELLATION** You may close your Line to future transactions at any time by giving us written notice at the address printed on your monthly statement. We may cancel your Line at any time. The closing or cancellation of your Line for whatever reason will not affect obligations arising prior to such closing or cancellation and the terms of this Agreement will continue to apply until the outstanding balance due under this Agreement is paid in full. If you, or we, close the Checking Account, then the full outstanding balance on your line will be immediately due and payable.

12. **AMENDMENTS; APPLICABLE LAW** We may change the terms of this Agreement from time to time. If we do, we will give you prior notice or such other notice of a change as may be required under applicable law. Your continued use of this Credit Line constitutes acceptance of those changes. This Agreement is governed by federal law and the laws of the State where we maintain our main office.

1. **ADVANCES Automatic Advance:** Subject to the terms of this Agreement, we will make an Advance to you when the total amount of withdrawals from your Checking Account (including checks, automatic transfers, preauthorized charges or other written, electronic or telephonic withdrawals, and ATM and debit card transactions) and service charges we post to your Checking Account exceeds what is available for withdrawal. You request that these Advances be made and agree that the amount of these advances be added to your Classic Reserve Line. The Advance will equal the amount needed to cover the unpaid amount of withdrawals. All advances are in increments of \$100. We will deposit the Advance in your Checking Account. **Other Advances:** You may also obtain Advances by contacting the bank and signing a request for the amount of your Advance. You can request these types of Advances even if you have funds available in your Checking Account at that time. Advances may be requested by any one signer on this Line. If this is a joint Classic Reserve account, you all agree not to give us conflicting Advance requests or instructions.

2. **YOUR CREDIT LIMIT** Your Credit Limit is the maximum amount that may be outstanding on your Line at any time. The amount available to you as Advances will generally equal your Credit Limit minus the amount outstanding on your Line. We will notify you of your Credit Limit. We may change (decrease or increase) your Credit Limit at any time. You agree not to exceed your Credit Limit. The Bank is not required to make any Advances that would cause the outstanding balance on your Account to exceed your Credit Limit. If the outstanding balance of your Line ever exceeds your Credit Limit, we will include the excess in the monthly payment due under this Agreement.

3. **FIGURING THE FINANCE CHARGE** There is no "free ride or grace period" which would allow you to avoid a Finance Charge on your credit line advances. A daily Finance Charge will be imposed on all Credit Advances made under your Line from the date of each Advance based on the "Average

PLEASE READ THE FOLLOWING CAREFULLY BEFORE SIGNING

I/We hereby authorize anyone to release credit information concerning myself/ourselves to Heritage Bank. This statement is submitted to obtain credit and I/We certify that all information herein is true and complete. I/We agree that inquiries may be made to verify information and that credit references or verification may be given based on inquiries from other parties. This application is subject to the credit policies of Heritage Bank. Additional financial information may be required by Heritage Bank. I/We agree to be bound by the terms and conditions of the **Classic Reserve Line Credit Agreement**, attached to this application, receipt of such agreement and acceptance of such terms to be conclusively presumed by the applicant's use. If this is a joint application, the undersigned shall be jointly and severally liable for any and all credit extended from time to time. I/We acknowledge receipt of the Classic Reserve Line Credit Agreements.

CAUTION! ANY WILLFUL MISREPRESENTATION on this statement could result in a fine and/or imprisonment under provisions of the U.S. Criminal Code.

Applicant Signature _____

Date _____

Co-Applicant Signature _____

Date _____

NOTICE: Your Billing Rights

Keep this Document for Future Use

This Notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

What To Do If You Find a Mistake on Your Statement:

If you think there is an error on your statement, write to us at the address listed on your bill. In your letter, give us the following information:

- Account information: Your name and account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

Send the letter to: Heritage Bank
ATTN: Loan Servicing
P.O. Box 1578
Olympia, WA 98507

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question

What Will Happen After We Receive Your Letter

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

1. If we made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
2. If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.