



**HIGH POINT BANK**  
**Cash Reserve**  
**Account Agreement**

Your Cash Reserve Account is a line of credit linked to your checking at High Point Bank and Trust Company. This Agreement governs the use of your High Point Bank and Trust Cash Reserve Account.

**GENERALLY:**

When we use the term “Cash Reserve account balance” in this agreement, we mean the sum of the unpaid principal of loans made under this plan, plus unpaid finance charges which have accrued. The term “checking account” means the account you have with us, the account number of which is listed on the Credit Application on the line labeled “Checking Account Number.” The term “line of Credit” means the maximum amount we will ordinarily allow the unpaid principal of your Cash Reserve account balance to be at any one time.

If any term in this agreement violates any law or for some other reason is not enforceable, that term will not be a part of this agreement. However, the other terms in this agreement will remain effective. This agreement is subject to the laws of North Carolina. This agreement constitutes the entire agreement between us.

**REQUESTING A LOAN:**

You request a loan under this plan whenever you:

Write a check that brings your checking account balance below zero or by making a withdrawal by other means provided by the bank.

**HOW THE LOAN IS ADVANCED**

When you request a loan, we will, subject to any limitations contained in this agreement, advance either the minimum advance of \$100.00 or the amount available in your Cash Reserve Account, whichever is less, or, if more is requested, the smallest multiple of \$100.00 necessary to cover your request. We will make the advance by depositing the amount in your checking account, by advancing the money directly to you, or by paying the designated third person or account, depending on how we agree to make the advance. We will record the amount as a loan in your Cash Reserve Account.

However, we will not ordinarily grant any request for a loan that would cause the unpaid principal of your loan account balance to be greater than your approved Cash Reserve account line amount. (If your approved Cash Reserve Line is NOT the line amount you requested, we will notify you of your approved Cash Reserve Account Line in writing.) We may, at our option grant such a request without obligating ourselves to do so in the future.

**HOW FINANCE CHARGES ARE COMPUTED:**

Finance charges begin to accrue immediately when we make a loan to you. To figure the finance charge, we will apply a monthly periodic rate of finance charge each billing cycle to the “average daily balance” of your loan account for the billing cycle. The “average daily balance” is computed as follows: First, we take your loan accounts balance at the beginning of the day and subtract any unpaid finance charges that are due. Next, we subtract the portion of any payments or credits received that day which applies to the repayment of your loan. (A portion of each payment you make is applied to finance charges.) Then we add any new loans made that day. This gives us the 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.”

*If your Cash Reserve Account is linked to an **INSIGNIA CHECKING ACCOUNT...***  
The monthly periodic rate of the **FINANCE CHARGE** is 1.0% that is equal to an **ANNUAL PERCENTAGE RATE** of 12%.  
The **ANNUAL PERCENTAGE RATE** includes interest and not other costs.

*If your Cash Reserve Account is linked to any other type of checking account held at High Point Bank and Trust Company...*  
The monthly periodic rate of the **FINANCE CHARGE** is 1.5% that is equal to an **ANNUAL PERCENTAGE RATE** of 18%.  
The **ANNUAL PERCENTAGE RATE** includes interest and not other costs

**HOW YOU REPAY YOUR LOANS:**

On or before the 10<sup>th</sup> of each month or the next business day if the 10<sup>th</sup> falls on a day the bank is closed, you agree to make a minimum payment to reduce your debt. The minimum payment is 5% or your Cash Reserve account balance on the last day of the billing cycle or \$25, whichever is greater.

**LATE CHARGES:**

If your Cash Reserve Account is more than 30 days past due, there will be a Late Charge of \$5.00 assessed to that payment.

**ADDITIONAL REPAYMENT TERMS:**

If your Cash Reserve account balance on a payment date is less than the minimum payment amount, you must pay the Cash Reserve account balance.

If you fail to make a payment, we may, but are not required to, advance money to you to make the payment. All the terms of this agreement would apply to such a loan.

You can pay off all or part of what you owe at any time. However, so long as you owe any amount you must continue to make your periodic minimum payment.

The amounts you pay will first reduce finance charges; and then will reduce the amount of unpaid loans and other charges.

**AUTOMATIC WITHDRAWAL:**

You authorize us to automatically withdraw your payment from your checking account on the 10<sup>th</sup> of each month or the next business day if the 10<sup>th</sup> falls on a day the bank is closed. If your checking account does not have enough money in it to make the minimum payment, we may, but are not required to, lend you money to make the payment. All terms of this agreement will apply to such a loan. If your Cash Reserve account balance is less than the minimum payment amount, we will withdraw only the amount necessary to reduce your Cash Reserve account balance to zero.

**CHANGING THE TERMS OF THIS AGREEMENT:**

We reserve the right to change any term in this agreement. However, no such change will be effective until at least 15 days after we send written notice to your address listed on the Cash Reserve Credit Application. (You should inform us of any change in address.)

**TERMINATION**

You or we can cancel this agreement at any time, upon giving notice. However, you must still pay all you owe under this agreement even if it is cancelled. If the checking account linked to this line of credit is closed, this Cash Reserve Account will automatically be terminated and you must pay us the amount you owe on this line of credit at this time.

**ATTORNEY'S FEES:**

You agree to pay all our costs, including reasonable attorney's fees, which we incur in legal proceedings to collect or enforce this debt should you be in default.

**ADDITIONAL TERMS****DEFAULT:**

You will be in default on this agreement if any of the following occur: (a) you fail to make a payment when due; (b) you don't comply with any duty you have under this agreement or any agreement securing this agreement; (c) you die; (d) we reasonably feel we will have difficulty collecting what you owe under this agreement or any other agreement you have with us.

**REMEDIES:**

We may do any or all of the following if you are in default: (a) we may require you to immediately pay all amounts you owe us under this agreement; (b) we may deny any request for credit which you have made but which we have not yet granted; (c) we may use our right of set-off unless prohibited; (d) we may use any remedy provided by state or federal law; and (e) we may use any remedy provided in any agreement which secures loans under this agreement. Even if we choose not to use one of our remedies when you default, we can still use that remedy if you default again. If we do not use a remedy when you default, we can still consider your action as a default in the future.

**CREDIT INFORMATION:**

You agree to supply us with whatever information we reasonably feel we need to decide whether to continue this plan. We agree to make requests for this information without undo frequency, and give you reasonable time in which to supply information. You authorize us to make or have made any credit inquiries we feel are necessary. You also authorize the persons of agencies to whom we make these inquiries to supply us information we request.

**NOTICE:**

Below is important information about your rights in the event of a billing error.

**YOUR BILLING RIGHTS  
KEEP THIS NOTICE FOR FUTURE USE**

This notice contains important information about our 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 at the address listed on your bill. Write to us as soon as possible. We must hear from you no later than 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, checking or other account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three 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 30 days, unless we have corrected the error by then. Within 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 did not make a mistake, you may have to pay finance charges related to any questioned amount. In either case, we will send you a statement of the amount you owe and the date that 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 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 report 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.

