



Skip-A-Pay For the Holidays!!

What is the Skip-A-Pay Plan for the Holidays?

The Skip-A-Pay Plan for the Holidays is a special loan option that permits you to defer your regular loan payment for the month of November 2017, December 2017, or January 2018, and instead, pay a skip processing fee. The Skip-A-Pay Plan is available on eligible loans with balances of \$500.00 or greater, and with an Annual Percentage Rate of 16.50% or lower at the time of the deferral. The plan is not available for certain types of credit union loans. Read the plan provisions for more details.

What is the Purpose of the Skip-A-Payment for the Holidays Plan?

The purpose of the Skip-A-Payment Plan is to permit you to have access to additional funds when they are needed around this coming holiday season. This plan is designed to assist you by permitting you to defer a loan payment at such times.

Who Can Participate in the Skip-A-Pay Plan for the Holidays?

Any member whose Alabama Rural Electric Credit Union (ARECU) loan qualifies for the plan may apply for Skip-A-Pay for the Holidays participation. All of your loans and Visa credit card payments must be current. ARECU has the right to deny your participation request in the plan based on reason(s) stated to you. Please complete the attached authorization form to apply for the Skip-A-Pay for the Holiday Plan.

Will I Incur Additional Interest Charges by Choosing This Option?

Yes. ARECU charges interest at a daily periodic rate on the unpaid principal balance as stated on your loan contract. The longer the loan is outstanding the more interest you will have to pay. The total Finance Charge that you pay on your loan will be greater than what was stated on your loan contract since you have elected to defer your loan payment.

How Do I Apply For the Skip-A-Pay for the Holidays Plan?

Complete the attached authorization form and return it to the ARECU office. Make certain you read the Plan Provisions carefully.

Is There Anything Else I Should Know About the Skip-A-Pay for the Holidays Plan?

If you elected to have credit disability or life insurance coverage on your loan and then elect to defer payments using the Skip-A-Pay for the Holidays Plan, your coverage will not cover the entire term of the loan. For example, a 48 month loan with 1 Skip-A-Pay Holiday Payment period becomes a 49 month loan. Your credit insurance coverage is only for the original 48 month loan term.

What if I elected to have Guaranteed Asset Protection (GAP) on the loan?

Skipping a loan payment does not change the terms and condition of the original GAP Waiver. Under the terms and conditions of the GAP Waiver, a skipped payment is a payment that is not made in accordance with the terms of the original loan agreement. GAP does not cover the amount of the payment(s) skipped during the life of the loan skipped. In the event of a GAP claim the skipped payment(s) may be deducted from any payable GAP benefit.

Should I Skip a Loan Payment?

It is definitely to your advantage to make your loan payments when they are due. The Skip-A-Pay Holidays Plan is provided to help you meet your unexpected needs during the holiday season.

How Will Automatic Payments be Treated?

Members with automatic scheduled payment transfers from an ARECU account will be suspended for the month requested to be skipped. Automatic payments will resume the following month after the skipped scheduled payment. If your transfer payment comes from another financial institution, you will need to contact the other financial institution to suspend the payment.

Skip-A-Payment for the Holidays Provisions

1. You may defer your regularly scheduled loan payment for the month of November 2017, December 2017 or for the month of January 2018. A skip processing fee will be charged based on your loan balance.
2. The Skip-A-Payment for the Holidays Plan is available on eligible loans with balances of \$500.00 and greater, and with an Annual Percentage Rate of 16.50% or lower at the time of the deferral.
3. Your loan will incur additional interest charges because you are not paying interest or principal for the month you defer. Interest charges will accrue at a daily rate on the outstanding principal balance.
4. This offer does not guarantee eligibility. Rates, terms, conditions and loan eligibility may change at any time.
5. Certain credit union loans do not qualify for the Skip-A-Pay for the Holidays Plan. These include but not limited to:
 - Any loan that has had less than 6 payments made
 - Any loan or Visa credit card that is more than 30 days past due
 - Any loan with a term of 84 months or more
 - Home Equity Loans
 - Unimproved Property loans
 - Visa Credit Cards
 - Business Loans
 - Certificate Secured Loans
 - Two (2) loan extensions within the current year
 - Four (4) loan extensions over the life of the loan

Name _____ Date _____

Phone# _____ Account# _____ Note# _____

I hereby request to defer principal and interest payments on my loan identified above. I have read and fully understand all of the provisions for the Skip-A-Pay for the Holidays Plan. I understand the necessary processing fee and paperwork must be completed and received no later than 10 days prior to my loan due date for this to be set up. I acknowledge understanding the above Plan Provisions.

Loan Payment Month to be skipped: _____ November 2017, _____ December 2017 **OR** _____ January 2018

| | |
|-----------------------------|---------------------|
| My Current Loan Balance is: | Skip Processing Fee |
| \$0.00 - \$499.99 | Does Not Qualify |
| \$500.00 - \$7,499.99 | \$30 |
| \$7,500.00 - \$19,999.99 | \$40 |
| \$20,000.00 and greater | \$50 |

Take my skip processing fee from my _____ shares account **OR** _____ shares draft account

Borrower's Signature _____ Co-borrower's Signature _____