



Supplemental Loan Agreement Provisions

NOTICE: 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 your 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.

I understand that the terms of my loan agreement and/or note require that:

A. I obtain property insurance against loss or damage (subject to a maximum deductible of \$500.00) on the motor vehicle securing my loan in an amount sufficient to cover your interest in the motor vehicle. This coverage is commonly referred to as comprehensive and collision insurance.

B. The insurance policy obtained must contain a loss payable clause endorsement naming you as an additional insured.

I understand that I may obtain the insurance from any agent or company of my choice. I will instruct my insurance agent to send a copy of the insurance policy, including an appropriate loss payable clause endorsement, to:

First Northern Credit Union
230 W. Monroe Street, Suite 2850
Chicago, IL 60606-4902

I hereby agree that if I fail to provide you with acceptable evidence of the required insurance coverage at all times during the term of my loan, I will be in default under the terms of my loan agreement and/or note and as a result I will represent a greater risk to you. In this event, you may, at your option, purchase insurance for your protection only. I authorize you to add such insurance premiums, and finance charges thereon at the interest rate set forth in my loan agreement and/or note, to my loan balance prorated either, at your election, over the remaining term of the loan or over the term of the policy. This option may result in an increase in the amount of my periodic payments and/or in the number of periodic payments required. I understand that you will retain a security interest in the vehicle securing my loan until the entire balance, including any premiums and finance charges, is paid.

Because I will represent an increased risk, I understand and agree that any insurance purchased by you following my failure to provide evidence of the required insurance:

- 1. May contain coverages exceeding the physical damage insurance requirements of my loan agreement, and/or note, including, for example, creditor physical damage coverage (providing reimbursement for expenses incurred by us after repossession of the vehicle to repair physical damage to the vehicle that occurred prior to repossession), mechanics lien coverage (allowing reimbursement for mechanics liens arising from damage to the vehicle and satisfied to effect our repossession of the vehicle), skip, concealment or secretion, conversion, and embezzlement coverages, (providing payment in the event of our inability to locate the vehicle), confiscation coverage (providing payment in the event we are unable to recover the vehicle because it has been confiscated by a governmental agency or body).
- 2. May provide a form of limited comprehensive and collision coverage which is primarily designed to protect only your interest in the vehicle and which will be subject to a \$500.00 deductible and will never exceed the least of (a) the net amount I owe on this loan, (b) the actual cash value of the vehicle at the time of any loss, or (c) the cost of repair or replacement of the vehicle;
- 3. Will not provide bodily injury or property damage liability coverage and will not fulfill the requirements of any financial responsibility law or any statutory requirement for no-fault coverages;
- 4. Will be rated according to high risk criteria and your business address rather than my residence; and
- 5. Will be effective and billed retroactively to the earliest date on which, to your knowledge, I was without the requisite insurance, regardless of when you actually put such insurance in place.

The terms of these Supplemental Loan Agreement Provisions are hereby made a part of my loan agreement and/or note, a copy of which is attached hereto, and are binding upon me with the same effect as if they were set forth in such loan agreement and/or note.

Borrower

Date

Co-Borrower

Date