



AUTOMATIC FLEXIBLE DRAFTING PROGRAM

Mortgage Loan Number: _____

Date: _____

DEPOSITORY INSTITUTION INFORMATION

Authorized Account Number: _____

Second Authorized Account Number: _____

(Optional)

ABA Routing Number:

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ABA Routing Number:

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Account Type: Checking: or Savings:

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You may elect to utilize two bank accounts per draft. All amounts drafted will be split evenly between accounts.

AMOUNT OF WITHDRAWAL – CHOOSE ONE

ONLY Total Monthly Payment

Payment + Additional Principal

(Enter additional principal amount **ONLY**)

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*If two bank accounts are utilized, all amounts drafted, including additional principal, will be split evenly between accounts per draft.

AUTOMATIC PAYMENT OPTION – ONLY COMPLETE OPTION 1 OR 2

1. SEMI-MONTHLY DRAFT: Two ½ payment drafts on or before the 15th of each month.

Choose the dates of withdrawal:

First draft of each month (Choose One): 1st or 5th

Second draft of each month (Choose One): 10th or 15th

*When choosing the draft dates, please take into account your grace days to avoid any late charges

* If no dates are chosen, draft dates will be the 1st and the 10th of each month. Funds will be held in a suspense account until a full monthly payment is received.

2. BI-WEEKLY DRAFT: One ½ payment draft every 14 days. Loan must be pre-paid by 1 month a minimum of 14 days prior to the Starting Day of the first draft.

Starting Month: _____ Starting Day: _____ (1st through 10th) *Draft will occur every 14 days after start date.*

* A full year of drafts will result in 26 or 27 drafts each year. Funds will be held in a suspense account until a full monthly payment is received. All drafts made in excess of 24 per year will be applied to the outstanding principal balance of the Mortgage Loan in the month that they are received.

I (we) hereby, in addition to my (our) agreement to the FLEX program Terms of Service attached hereto and made a part hereof, authorize Monterra Credit Union, and its successors, assigns, authorized agents or any entity servicing my loan on their behalf (hereinafter called THE LENDER) to initiate mortgage payment debit entries (which may vary from the amount indicated above with future changes in escrow, principal and interest components, as applicable) to my (our) Authorized Account indicated above and the depository identified above to debit the same to such Authorized Account in accordance with the terms of the FLEX program Terms of Service. I (we) understand that if any debit entries under this FLEX agreement are returned for insufficient funds or otherwise dishonored, I (we) will promptly send the Lender the total monthly payment due, plus any late charge(s) or other fees due under my Mortgage Loan. I (we) authorize the Lender to electronically credit my (our) Authorized Account if necessary, to correct erroneous debits. I (we) agree that ACH transactions I (we) authorize comply with federal law. This FLEX agreement is to remain in full force and effect until the Lender has received written notification from me (us) of its termination in such time and in such manner as to afford THE LENDER a reasonable opportunity to act upon it. The Lender may terminate this agreement at any time, with written notice sent to me.

If the borrower is the primary Authorized Account holder, only one signature of borrower is needed

Sign only if you agree with the Terms of Service

BORROWER'S NAME (please print)

BORROWER'S SIGNATURE

Borrower Phone Number

***PRIMARY BANK ACCOUNT HOLDER'S NAME** (please print)

***PRIMARY BANK ACCOUNT HOLDER'S SIGNATURE**

Bank Account Holder's Phone Number

SECOND BANK ACCOUNT HOLDER'S NAME (please print)

SECOND BANK ACCOUNT HOLDER'S SIGNATURE

Bank Account Holder's Phone Number

PLEASE RETURN THIS FORM TO:

MAIL

MONTERRA CREDIT UNION
ATTENTION: FLEX DRAFTING- MS1270
1 CORPORATE DRIVE, SUITE 360
LAKE ZURICH, IL 60047-8945

FAX NUMBER

(847) 550-7425

EMAIL FORM TO:

FlexDraftACH@yourmortgageonline.com

[PLEASE ATTACH PRE-PRINTED VOIDED CHECK OR DEPOSIT SLIP HERE]

Please enclose a pre-printed voided check, savings account deposit slip or bank confirmation letter with the FLEX agreement. Simply write "void" across the front of your check or across your savings deposit slip.

Please ensure a valid routing number is provided. The routing number can only begin with a 0, 1, 2 or 3.

PLEASE CONTINUE TO MAIL YOUR PAYMENTS UNTIL WE NOTIFY YOU OF YOUR DRAFT DATE

Monterra Credit Union (“Lender”)

AUTOMATIC FLEXIBLE DRAFTING PROGRAM (“FLEX”)

TERMS OF SERVICE

Flexible Drafting Advantages: Enrollment in the FLEX program allows you to make two semi-monthly half payments each month instead of one full payment. Each half payment may be drafted from the same bank account or each half payment can be taken from two different bank accounts. The first half payment can be drafted on the 1st or 5th calendar day and the second half payment can be drafted on the 10th or 15th calendar day. The FLEX program also allows bi-weekly drafting of half payments for pre-paid Mortgage Loans (as described herein), which can coincide with your payroll cycle.

DEFINED TERMS:

Authorized Account(s) are the checking or savings account(s) selected by you for purposes of drafting funds in lieu of the current payment method used to pay your Mortgage Loan, and which will be identified by you in this FLEX agreement and in a voided blank check or deposit slip submitted by you with this FLEX agreement.

Loan Documents are the documents that control the terms of repayment of your Mortgage Loan, and which include the promissory note, the security instrument (whether called a mortgage, deed of trust, deed to secure debt, or otherwise), and any modifications or amendments to these documents.

Mortgage Loan is the debt obligation owed to Lender by you which is secured by a lien on real property.

1. HOW DOES THE FLEX PROGRAM WORK?

Once you enroll in the FLEX program, the Lender will automatically deduct your Mortgage Loan payment from your Authorized Account(s). The Lender will send notification to your financial institution where you maintain your Authorized Account(s) to transfer the designated portion of your Mortgage Loan payment from your Authorized Account(s) on the date(s) chosen by you in this FLEX agreement to pay your Mortgage Loan. Information about each month’s transactions may be requested from the financial institution which maintains your Authorized Account(s).

If the selected draft date falls on a weekend or a legal or banking holiday, then the draft will be accomplished on the next business day. This will not change the draft date of any subsequent draft.

The FLEX program does not modify the terms of your Mortgage Loan and Loan Documents, which will continue to apply and be fully enforceable.

2. HOW CAN YOU BEGIN USING THE FLEX PROGRAM?

If you agree with the terms of the FLEX program as described in this FLEX agreement, simply sign and return this completed FLEX agreement to the Lender. To select an Authorized Account(s), please enclose a pre-printed voided blank check or savings account deposit slip with this completed FLEX agreement (simply write “void” across the face of your check or a

savings deposit slip from your current savings account). This FLEX agreement and your voided check or savings account deposit slip will give us the accurate information we need to begin your enrollment in the FLEX program.

We will notify you in writing which month’s payment will begin your enrollment in the FLEX program. Usually, processing takes about 45 days.

If you select the bi-weekly draft payment option, 14 days prior to the first draft your Mortgage Loan must be pre-paid by 1 month.

PLEASE CONTINUE TO MAKE YOUR NORMAL MORTGAGE LOAN PAYMENTS UNTIL YOU ARE NOTIFIED BY THE LENDER WITH A CONFIRMATION LETTER THAT THE FLEX PROGRAM IS IN EFFECT.

If you do not include as part of this FLEX agreement a voided check or savings account deposit slip indicating the account information you wish to select as your Authorized Account(s), then we will not be able to enroll you in the FLEX program.

If you have any questions, please call the Lender toll free at 1-877-210-8647. A customer service representative will be happy to answer your questions or provide you with more information.

3. WHAT HAPPENS TO DRAFTED FUNDS?

Funds drafted from your Authorized Account(s) will be held by the Lender in suspense in a non-interest bearing account until a full monthly payment is collected.

4. CAN ADDITIONAL PRINCIPAL PAYMENTS OR ESCROW DEPOSITS BE MADE UNDER THE FLEX PROGRAM?

If you want to make additional principal payments, either designate in this FLEX agreement the amount of the principal curtailment to be drafted in addition to your monthly payment, or simply mail a check for the desired amount the first week of each month. Additional escrow deposits can be mailed any time. Please include your Mortgage Loan account number and the words "additional principal" or "escrow deposit" on the face of your check. Additional funds received via mail will be applied to principal or escrow, whichever is requested, and will not be combined with unapplied funds held in suspense, so long as no late charges are due, and so long as the Mortgage Loan is otherwise current and in good standing according to the terms of the FLEX program and your Loan Documents.

5. CAN ADDITIONAL MONTHLY PAYMENTS BE SUBMITTED MANUALLY TO PAY FURTHER AHEAD?

No, if you submit monthly payments that are not designated as either principal reduction or as additional escrow deposits, then drafting may be suspended under the FLEX program. If an additional monthly payment is submitted manually and the program is suspended, in order to restart drafting, you will need to call the Customer Service Department toll free at 1-877-210-8647. Resumption of drafting after suspension will require payment of all amounts owed and not successfully drafted no less than five business days prior to the date of the next scheduled draft.

6. CAN THE MORTGAGE LOAN'S MONTHLY PAYMENT CHANGE?

For many loans the amount of your monthly payments, and consequently the amount of each draft, can change over time in accordance with the terms of your Loan Documents. If there is any change in your monthly payment while using the FLEX program, such as a change in the amounts collected for escrow pursuant to an escrow analysis, then the amount drafted under the FLEX program will change. Any change related to an escrow analysis which affects the amount of your monthly payments may take effect in less than 30 calendar days from the date of the analysis.

7. WHAT HAPPENS IF YOUR FINANCIAL INSTITUTION CHANGES?

If you move the checking or savings account(s) which you selected as your Authorized Account(s) from your

current financial institution to another one, you must complete a new FLEX agreement and mail it to the Lender along with a pre-printed voided blank check or savings account deposit slip associated with your Authorized Account(s), prior to the 15th of the month. You can request a new FLEX agreement by calling the Customer Service Department toll free at 1-877-210-8647.

Upon receipt of the new FLEX agreement and your voided check or savings account deposit slip, please allow 2 to 3 weeks for the change to take place. The Lender will notify you when the FLEX program will begin on your new Authorized Account(s).

PLEASE CONTINUE TO MAKE YOUR NORMAL MORTGAGE LOAN PAYMENTS UNTIL YOU ARE NOTIFIED BY THE LENDER WITH A CONFIRMATION LETTER THAT THE FLEX PROGRAM IS IN EFFECT.

8. WHAT HAPPENS IF YOUR AUTHORIZED ACCOUNT CHANGES?

You must promptly inform the Lender of any changes related to your Authorized Account(s) that might affect drafting from your Authorized Account(s). Failure to notify the Lender of changes to your Authorized Account(s) could result in returned drafts, or termination of the FLEX program.

9. WHAT HAPPENS IF A DRAFT IS RETURNED BY MY FINANCIAL INSTITUTION?

If your financial institution returns a draft request made under the FLEX program for any reason (for example, there are insufficient funds in your Authorized Account(s)), then the Lender may charge you a fee in an amount permitted under law, unless otherwise prohibited by law. Returned draft requests may cause drafting under the FLEX program to be suspended, and resumption of drafting will require payment of all amounts owed and not successfully drafted no less than five business days prior to the date of the next scheduled draft.

10. WHEN AND HOW CAN YOU CANCEL THE FLEX PROGRAM?

The FLEX program may be canceled by sending the Lender a written notice 30 calendar days prior to your Mortgage Loan's next contractual monthly payment due date. If you do not provide timely, written notice, the FLEX program may initiate an additional draft. In the event of loan maturity or payment in full of all amounts due on the Mortgage Loan, if written notice is not received 30 calendar days prior to your last draft date, then an additional draft may occur, and such payment will be returned after the tenth business day following the draft.

11. WHEN CAN THE LENDER TERMINATE PARTICIPATION IN THE FLEX PROGRAM?

Lender may terminate for convenience your participation in the FLEX program at any time by giving written notice thereof.

Lender may terminate participation in the FLEX program at any time by giving written notice if you do not comply with any of the Terms of Service contained in this FLEX agreement.

Your participation in the FLEX program will immediately terminate and the Lender will provide you with written notice thereof if (i) two or more drafts are returned within any 12 month period for any reason, or (ii) if, after drafting begins, no drafts occur for 2 months for whatever reason and the Lender provides you with 60 days' prior written notice of termination, or (iii) if the Lender provides you with written notice of termination, which is permitted to be given for any or no reason, including if your Mortgage Loan is sold to a third party.

Additionally, your participation in the FLEX program will terminate if the next payment due is greater than or equal to the outstanding principal balance of the Mortgage Loan. In this circumstance, the FLEX program will be terminated and the Lender will provide you with written notice thereof along with a payoff statement within five business days of such termination.

12. DOES SIGNING UP FOR THE FLEX PROGRAM AUTOMATICALLY CANCEL OTHER AUTOMATIC PAYMENT PROGRAMS?

No, it is your responsibility to cancel any other electronic or automatic payment program(s) through which you make regular monthly Mortgage Loan payments, and the Lender is not responsible for any double payment(s) that might occur because of failure to cancel other such arrangements.

13. WHAT HAPPENS IF PARTICIPATION IN THE FLEX PROGRAM IS TERMINATED?

Upon cancellation of the FLEX program by either you or the Lender, you will be required to make all future monthly Mortgage Loan payments due in accordance with the terms of your Loan Documents. Following cancellation of your participation in the FLEX program, you will not be permitted to re-apply in the FLEX program for one calendar year.

14. WHAT LAW GOVERNS THE TERMS OF YOUR AGREEMENT TO ENROLL IN THE FLEX PROGRAM?

This FLEX agreement will be governed in all respects by the laws of the state of Illinois.

15. CAN THE TERMS OF SERVICE OF THE FLEX PROGRAM BE CHANGED?

The terms contained in this FLEX agreement constitute the complete understanding of both you and the Lender with respect to the subject matter herein, and cannot be modified except by a writing that is signed by an authorized representative of both you and Lender.

The FLEX program does not modify the terms of your Mortgage Loan and Loan Documents, which will continue to apply and be fully enforceable.

PLEASE NOTE

This Automatic Flexible Drafting Program is offered as a convenience for borrowers. You can achieve cost savings through other means, without enrolling in this program, such as by adding an extra principal curtailment to your full monthly payment. You should consult your financial advisor if you have any questions.

BY SIGNING FOR ENROLLMENT IN THE FLEX PROGRAM, YOU CERTIFY THAT YOU HAVE READ THE IMPORTANT INFORMATION ABOVE, THAT YOU UNDERSTAND THE MEANING OF THE TERMS OF THE FLEX PROGRAM, AND THAT YOU ARE ENTERING THIS FLEX AGREEMENT KNOWINGLY AND VOLUNTARILY