

ScotiaLine Gold (Unsecured)

ScotiaLine Gold integrates the use of ScotiaLine Gold MasterCard® credit card of Scotiabank de Puerto Rico with a line of credit.

- 1) Definitions — The following words, when used in this agreement with an uppercase initial, shall have the meanings set forth below:
 - a) “You” means the person applying for this agreement;
 - b) “Authorized Person” means any person whom You authorize to access your ScotiaLine Gold account, as established further on in Section 5);
 - c) “We” means Scotiabank de Puerto Rico;
 - d) “Line of Credit” means the funds You and the Authorized Persons may access through the use of Checks and Cards;
 - e) “Check” means the instruments that We shall provide so that You and the Authorized Persons may access your ScotiaLine Gold account;
 - f) “Card” means one or more ScotiaLine Gold MasterCard credit cards that We shall provide so that You and the Authorized Persons may access your ScotiaLine Gold account;
 - g) “ScotiaLine Gold” means the product object of this agreement, which combines the Line of Credit and the Card; and
 - h) “Balance due” means any balance which payment has been required in a previous statement and has not been paid.
- 2) Agreement — Your ScotiaLine Gold account shall be subject to the terms, clauses and conditions set forth in this agreement and as amended from time to time. The fact that You or the co-borrower utilizes any service of this ScotiaLine Gold account shall constitute Your and your co-borrower’s acceptance of this agreement.
- 3) Agreement Cancellation
 - a) Cancellation by You: You may cancel this agreement within the first 15 days after receipt of this agreement if You notify Us of the cancellation in writing, neither You nor any Authorized Person have used a ScotiaLine Gold service, and You return to Us all Checks and Cards cut in half. Afterwards, You may cancel this agreement at any moment if:
 - i) You notify Us of the cancellation in writing, to the address included in paragraph 29)b) of this Agreement.
 - ii) Neither You nor any Authorized Person uses a ScotiaLine Gold service again, and
 - iii) You return to Us all Checks and Cards cut in half.

After cancellation, You may continue paying the balance due Us, as per the terms of this agreement.

 - b) Cancellation by Us. We shall have the right to cancel this agreement at any moment if We notify You in writing. In that case neither You nor any Authorized Person may continue using ScotiaLine Gold services, and You shall be bound to return to Us all Checks and Cards cut in half.

After the cancellation, You may continue paying the balance due Us, as per the terms of this agreement, unless the cancellation entails the immediate payment of the sum total of the balance due, as set forth further on in Section 27).
- 4) Use of ScotiaLine Gold
 - a) You and the Authorized Persons may use ScotiaLine Gold only for personal purposes, but not for business purposes.
 - b) The Line of Credit shall be of a revolving nature; i.e., that the amounts You pay may be borrowed again, up to the credit limit We set forth as per Section 8).

- c) You and the Authorized Persons may use the Checks and Cards to access the Line of Credit and thus: (i) acquire goods and services from those merchants who accept the Checks or the Card (whom You and the Authorized Persons authorize Us to pay the corresponding amount), and (ii) to receive cash advances from Us.

We shall not be able to certify Checks.

- 5) Authorized Persons — You may designate Authorized Persons with the right to use the services of your ScotiaLine Gold account.
- 6) Obligation to Pay — You shall owe Us the amounts charged to your ScotiaLine Gold account for (i) purchases of goods or services, (ii) cash advances, (iii) Finance Charges, and (iv) other applicable fees, all in legal tender of the United States of America, and shall be responsible to pay Us said amounts when You receive the statement of account described in Section 15).
- 7) Collateral — The Collateral guarantees the faithful service on Your behalf of all debts and other obligations under this agreement. We may grant extensions, take and accept additional or substitute securities, assign and pledge the Collateral, accept transactions and settlements, grant releases and discharges, and deal in any other way that We deem advisable in relation to the Collateral, without prejudice to our rights against You. We shall not be forced to foreclose the Collateral or otherwise exhaust our remedies regarding the same, before collecting on the debt and other obligations incurred on your behalf under this agreement. On the contrary, We may opt to use any remedy within our purview to collect on said debts and obtain compliance for said obligations, without prejudice to our later execution against the Collateral.
- 8) Credit Limit —
 - a) At the bottom of page six (6) is indicated the credit limit We have approved for your ScotiaLine Gold account. The total You owe Us shall not exceed the credit limit approved. We shall have the right (at our option) to do the following in case the credit limit is exceeded:
 - i) Cancel this Agreement and require to You immediate payment of any amount in excess of the limit, or
 - ii) demand from You the immediate payment of any amount owed Us in excess of the credit limit, without granting either party the right to exceed said limit in the future; or
 - iii) not demand payment of the over limit, without granting either party the right to exceed said limit in the future
 - b) We may reduce your credit limit, and We may also provisionally suspend access to your ScotiaLine Gold account, in any of the following instances:
 - i) if We reasonably believe that You may not be able to meet your payment obligations as per this agreement due to a material change in your financial situation;
 - ii) if You fail to fulfill a material obligation in this agreement;
 - iii) if the actions of a government agency forbid Us from levying upon You the Annual Percentage Rate set forth in this agreement;
 - iv) if one of our regulatory agencies notifies Us that to continue granting credit under this agreement constitutes a dangerous and unsafe practice.
 - c) The Bank is not responsible if a Purchase or Cash Advance on your Account is not approved either by the Bank or by a third party, even if you have sufficient credit available. The Bank may limit the number of Purchases or Cash Advances that may be approved in one day. If the Bank detects unusual activity in your Account, it may temporarily suspend your credit privileges until it can verify that the transaction is legitimate.
- 9) Return of Cards and Checks — Checks and Cards are our property and We may, at any time, request their return in case You or Us decide to cancel this agreement, or in case We decide to exchange them for others. In those cases You are responsible to return to Us the Checks and Cards cut in half.
- 10) Finance Charge — Your ScotiaLine Gold account shall accrue a Finance Charge. We shall determine the Finance Charge by multiplying the “Average Daily Balance” due during the billing period that We set forth as per Section 14), for the Periodic Rate. The Statement of Charges and Fees indicates the initial Periodic Rate and its corresponding Annual Percentage Rate. The Periodic Rate and the corresponding Annual Percentage Rate may fluctuate as set forth in Section 12).
- 11) Grace Period
 - a) Purchase of goods and services. In the case of purchases of goods and services We shall levy a Finance Charge from the date We pay the vendor of the goods or service provider. There shall be no grace period during which You may settle the balance without incurring a Finance Charge.
 - b) Cash Advances. In the case of cash advances We shall levy a Finance Charge from the date You or an Authorized Person receive the cash advance. There shall be no grace period during which You may settle the balance without incurring a Finance Charge.

- 12) **Variable Interest** — The interest rate We shall use to calculate the Periodic Rate and the corresponding Average Daily Balance may change the first day of each billing period, and shall be effective for that billing period. The applicable interest rate shall be equal to the prevailing “Prime Rate” on the first day of the billing period, plus the number of percentage points set as a margin in the Statement of Charges and Fees. “Prime Rate” shall be the base rate for commercial loans announced by no less than 75% of the 30 largest banks in the United States, as published in The Wall Street Journal newspaper under that name (“Prime Rate”). We shall inform You of the resulting Periodic Rate and the corresponding Annual Percentage Rate in your account statements. The Annual Percentage Rate may change monthly. The maximum Annual Percentage Rate that will apply to your account is 19% and the minimum is 8%. There is no limit to the number of times that the rate may change.
- 13) **Special Rate for applicants covered by the Military Lending Act (MLA)** – Those applicants who, at the time of applying for an applicable credit product, are identified as an active member of the Armed Forces or a covered dependent, as established by the Military Lending Act (MLA), will be granted a special annual percentage rate (APR) of 6.00%. This special rate will be considered as part of the military annual percentage rate (MAPR), which, as established by the Military Lending Act, will not exceed a 36.00% (MAPR). This special rate will be provided to the customer and covered dependents for as long as he/she remains in active military service. Once the member of the Armed Forces ceases to be in active military service, the special rate will be changed to the current applicable Annual Percentage Rate (APR).
- 14) **Average Daily Balance** — We shall calculate the Finance Charge using the method known as “Average Daily Balance,” which We shall obtain by adding the balances due at the end of each day of the billing period, and dividing the product into the number of days within said period. We shall determine the balances due at the end of each day by adding: (i) the previous day’s Final Balance, (ii) purchases of goods and services, and (iii) cash advances; and subtracting payments and other credits paid during the day. We shall add and subtract these items before computing the Finance Charge.
- 15) **Account Statement** — We shall divide the calendar year into 12 billing periods of approximately 30 days each. We shall mail You an account statement for each billing period in which You owe a balance. In each statement We shall indicate, among other things: (i) the Previous Balance, (ii) an itemization of payments and credits, debits, purchases of goods and services, and cash advances that took place during said period, (iii) the Finance Charge, (iv) the Periodic Rate, (v) the Annual Percentage Rate, (vi) the balance on which the Finance Charge was based, (vii) the New Balance, (viii) the Minimum Payment, (ix) the date in which the Minimum Payment is due, (x) the account closing date, (xi) the notice of billing errors and other required notices.
- 16) **Minimum Payment** – You may pay the full amount or a part of the new balance shown on your monthly statement, but must pay at least the minimum monthly payment, calculated as follows: 2% of the new balance, plus any balance due and/or amount over the approved limit or \$50, whichever is greater.
- Under certain circumstances the Minimum payments could not cover the finance charges and negative amortization may occur, for which the amount owed may increase.
- 17) **Application of payments** – The Bank will credit the payment the same day is received when it is made: (a) in cash or in check through one of the Bank branch offices, prior to the closing time; (b) electronically before 5:00 p.m. from Monday to Saturday; or (c) by mail together with the payment coupon to the address listed on the account statement of the customer, as long as the payment is received before 5:00 p.m. from Monday through Friday.
- 18) **Credit line availability** – If the payment is not made in cash the Bank will defer the availability of funds equivalent to the amount of the payment, for a period of up to five (5) business days. This means that although your payment will be credited, your available balance will not reflect the payment amount until the five days period has elapsed. This will not entail additional charges to your account for Interest Charges.
- 19) **Late Charge** — If We do not receive at least the required total minimum payment the date We set in the monthly account statement, We may charge the ScotiaLine Gold account a late payment fee in the amount of \$25. Any subsequent violations that occur after the first offense, over the next six months, may be subject to a \$30 late payment fee. After the six-month period has elapsed, the next late payment violation will be subject to a \$25 fee and another six-month period will commence where late payment violations may be subject to a \$30 fee, and so on. We shall only levy the late charge once per each minimum payment not paid on time.
- 20) **Returned Check Charge** — For each Check You send Us, which is returned to Us without payment, We shall charge your ScotiaLine Gold account the returned check charge set forth in the Statement of Charges and Fees.
- 21) **One Fee for Violations Resulting From Single Event or Transaction** – We will not impose more than one penalty fee for violating the terms of your account based on a single event or transaction. For example, if your payment is returned after the date it was due as shown on your billing statement as a result of a returned check or other reason, we will impose a late payment fee or a returned check fee but not both of them because the fees have resulted from the same event or transaction.
- 22) **Foreign Transaction Fee** — For each transaction in a foreign currency, a 1% transaction fee of the amount in USD will apply, and is additional to any other applicable fee.

23) Annual Fees and Additional Cards

- a) You shall be responsible to pay Us the annual fee set forth in the Statement of Charges and Fees. This fee shall give You the right to have Us issue a single Card, which shall be in your name.
- b) You may request additional Cards for use by Authorized Persons, and in this case shall be responsible to pay Us the supplementary annual fee set forth in the Statement of Charges and Fees for each additional Card issued.
- c) The annual fee will be charged on your next monthly statement, and subsequently on the anniversary of this agreement.

24) Other charges – Any other charges you are required to pay as per the Statement of Charges and fees included herein will be itemized in your monthly statement.

25) Lost or Stolen Cards — You are obliged to notify Us immediately in case a Card is lost, stolen or used without your permission, by calling the telephone number appearing in your account statement, and completing and sending whichever forms and reports We may request from You.

You may be liable for the unauthorized use of any Card, You shall not be liable for unauthorized use that occurs after notifying Us, verbally or in writing, of the loss, theft or possible unauthorized use of a Card. Your liability in any case shall not exceed \$50.00.

26) Checks

- a) We may refuse to pay a Check after six months from its issue date. Payment by Us of one or more Checks after said period has elapsed shall not oblige Us to pay other Checks presented outside the term.
- b) You may stop payment of a Check. We shall not be liable if We pay a Check in any of the following cases:
 - i) if We receive the stop pay order after the Check has been charged to your account;
 - ii) if You do not notify Us of the stop pay order in writing, in the form that We furnish You for this purpose;
 - iii) if the stop pay order is not signed by the person that signed the Check;
 - iv) if the person receiving the payment in fact has a right to receive it, or would have had the right to recover from You if We had not paid the Check;
 - v) if You do not exercise any right You might have to recover the funds, be it against the person receiving the payment or against any other person;
 - vi) if You are otherwise constrained from placing the stop pay order or from placing a claim against Us.
- c) The duration of a stop pay order shall be six months from the Check issue date, unless You cancelled it previously in writing, using the form that We provide to You for that purpose.
- d) For each stop pay order We may impose the charge set forth in the Statement of Charges and Fees, and charge it to your ScotiaLine Gold account.
- e) If We reimburse You for the amount of a Check that was paid inappropriately, We shall acquire all of your rights to collect from the person receiving the payment, and from any other liable person.

27) Immediate Payment of the Totality of the Balance Owed — We may demand the immediate payment of any amount that You owe Us under this agreement, if You do not comply with the terms set forth in this agreement.

28) Amendments to this Agreement — We may amend the terms and conditions of this agreement in writing at any time by giving written notice to You prior to the effective date of the amendment as required by applicable regulation. We shall also notify You of any changes to the Finance Charge, Periodic Rate, Annual Percentage Rate and other applicable charges.

- a) If You disagree with the amendments or changes notified You shall do the following within the next billing cycle:
 - i) You notify Us of the cancellation in writing, prior to the date the changes become effective to the address provided in paragraph 29)b) and
 - ii) You return to Us all Checks and Cards cut in half.

You may continue paying the balance due to Us, as per the terms of this agreement while there is an unpaid balance but neither You or any Authorized Persons shall continue using the ScotiaLine Gold.

- b) It will be understood that you have agreed and accepted the notified amendment or charge if You or any Authorized Person use or benefit from any of the services available through the use of the ScotiaLine during the following billing cycle.

29) Billing Rights (Error Resolution)

What to do if you think you find a mistake on your statement?

If you think there is an error on your statement, you can call us to 787-766-4999 or 1-877-766-4999 or write to us at:

Scotiabank de Puerto Rico
PO Box 362230
San Juan, PR 00936-2230

You may also contact us on the Web: www.scotiabankpr.com

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 error: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us within 60 days after the error appeared on your statement.

You must notify us of any potential errors in writing [or electronically]. 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.

While we investigate whether or not there has been an error, the following are true:

- a) We cannot try to collect the amount in question, or report you as delinquent on that amount.
- b) The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake, you will not have to pay the amount in question or any interest or other fees related to that amount.
- c) While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- d) We can apply any unpaid amount against your credit limit.

Your Rights If You Are Dissatisfied With Your Credit Card Purchases

If you are dissatisfied with the goods or services that you have purchased with your credit card and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.

To use this right, all of the following must be true:

- a) The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
- b) You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
- c) You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at:

Scotiabank de Puerto Rico
PO Box 362230
San Juan, PR 00936-2230

You may also contact us on the Web: www.scotiabankpr.com

While we investigate, the same rules apply to the disputed amount as discussed above you owe an amount and you do not pay we may report you as delinquent.

30) Miscellaneous Provisions

- a) Credit References. You authorize Us to investigate your credit references. We reserve the right to issue or not to issue Checks and Cards, to renew or not to renew Cards, and to continue or to cancel this agreement, pursuant to our best credit policy.
- b) Notifications. We shall mail You all communications to the most recent address You have provided Us and which is recorded in our files. You must notify Us in writing of any change in your mailing address. You must send any correspondence addressed to Us to the address: Scotiabank of Puerto Rico, PO Box 362230, San Juan, PR 00936-2230. You may also contact us on the Web: www.scotiabankpr.com.

- c) Non-Waiver of Rights. Our failure to exercise any right under this agreement or under applicable law shall not constitute a waiver of said right.
- d) Null Clauses. The fact that any clause in this agreement, or a part of it, may have been declared null by a court or government agency, or should be left without effect by a legal or regulatory decree, shall not affect the remaining provisions in this contract, which shall remain in force.
- e) Totality of the Agreement. This agreement and the Statement of Charges and Fees include the totality of the agreements between You and Us regarding your ScotiaLine Gold account.
- f) Applicable Law. This agreement shall be interpreted in accordance with the laws of the Commonwealth of Puerto Rico and of the United States of America.

I accept the Terms and Conditions of this Agreement.

Account Number:		Initial Annual Percentage Rate:	9.00%
Credit Limit:		Initial Daily Periodic Rate:	0.02466%
Borrower's Name:		Borrower's Signature:	
Co-borrower's Name:		Co-borrower's Signature:	
Collateral Description (if apply)		Date:	

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Disclosure of Rates and Fees for ScotiaLine Gold

Interest Rates and Fees	
Line of Credit	ScotiaLine Gold Unsecured
Annual Percentage Rate (APR) for Purchases, Cash Advances and Balance Transfers	Prime Rate + 4.00%
Information Regarding Your Annual Percentage Rate (APR)	The Annual Percentage Rate (APR) is variable and is based on the value of an index, known as the Prime Rate, plus a margin. This index is the base rate for commercial loans announced by no less than 75% of the 30 largest banks in the United States, as published in <i>The Wall Street Journal</i> . To this "Prime Rate" we will add a margin of 4.00% with a minimum APR of 8.00% and a maximum of 19.00% for ScotiaLine Gold unsecured. Those applicants who, at the time of application are identified as active members of the Armed Forces as established by the Military Lending Act (MLA) or a covered dependent, will be granted a 6.00% annual percentage rate (APR), for as long as he/she remains on active duty. Once the member of the Armed Forces ceases to be in active military service, the special rate granted will be changed to the current applicable Annual Percentage Rate (APR).
Introductory Annual Percentage Rate (APR) for Balance Transfers	1.99% Introductory APR Only for new accounts Introductory APR for balance transfers will available from June 1 to October 31, 2019. This special rate will be in effect for a 6 month period from the date the balance transfer is made. After this date, the applicable standard APR will be in effect, as identified under Annual Percentage Rate (APR) for Purchases, Cash Advances and Balance Transfers. For the introductory APR to apply, the transaction needs to be conducted at a Scotiabank de Puerto Rico Branch.
Paying Interest	Your due date is at least 25 days after the close of each billing cycle. Finance charges for purchases, cash advances and balance transfers will be calculated from the transaction date until the balance paid in full.
For Credit Card Tips from the Consumer Financial Protection Bureau	To learn more about factors to consider when applying for or using a credit card, visit http://www.consumerfinance.gov/learnmore/ .
Fees	
Annual Fee	\$75 (after the 1st year)
○ For each additional card	\$0
○ Customers covered by the Military Lending Act (MLA)	\$0
Cash Advances and Balance Transfers	\$0
Foreign Transaction (Currency Exchange)	A 1% transaction fee of the amount in USD will apply to each foreign currency transaction, in addition to any other applicable fee.
Returned Payment	\$10
Late Payment	Up to \$30
Stop Payment	\$15

How We Will Calculate Your Balance: We use the average daily balance method, including purchases and new transactions. Please refer to your agreement for details.

Billing rights: Your agreement includes information related to your rights to dispute transactions and how to exercise these rights.

For more information please call our Contact Center at 787-766-4999 or 1-877-766-4999. You may also write to us at PO Box 362230, San Juan Puerto Rico 00936-2230.

Borrower's Name: _____

Borrower's Signature: _____ Date: _____

Co-Borrower's Name: _____

Co-Borrower's Signature: _____ Date: _____

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