



CREDIT POLICY

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Dear Patron,

On February 22, 2017, United Quality Cooperative amended our credit policy. We want to inform all patrons of your cooperative's amended credit policy. To keep our company strong and in good financial shape, we must uniformly apply our Credit Policy and rules consistently to all patrons.

We hope this Credit Policy will not inconvenience our patrons who have been paying their bills. It is our intent to further protect your equity in this cooperative from undue credit risks. Your continued support will further strengthen the financial condition of YOUR cooperative. As always, please feel free to contact either the management or the Board of Directors concerning questions about the Credit Policy.

It is our intent that this credit policy will provide a convenient source of credit for you to use in making your everyday purchases with payment due by the 20th of the following month. For your credit needs over thirty (30) days we recommend that you use your lending institution. Our rate for an account over thirty (30) days past due is twenty one percent (21%), or the highest rate allowable by law.

CREDIT POLICY (AS ADOPTED BY THE BOARD OF DIRECTORS):

1. Credit will be allowed to those accounts who have a good prior credit record with this Company and to new accounts with an approved credit application.
2. Management will establish the dollar amount of credit given to any individual, whereas the credit committee will establish the credit limits for commercial accounts. All credit decisions are FINAL.
3. When applying for a business credit account, some applications may require either a letter of credit or earnest money/down payment. The amount required for the letter of credit or earnest money/down payment will be based on the amount of credit requested and approved. Exceptions to this policy must be approved by the credit committee.
4. The closing date of the billing cycle will be after the last day's business each month. Statements will be sent.
5. All accounts MUST BE PAID IN FULL by the 20th of each month following purchases. EXAMPLE: Your credit limit is \$100.00 - you make purchase of \$42.50 during the month of January. It does not matter if the purchase was on the 2nd or the 31st of the month, the TOTAL MUST BE PAID IN FULL on or before the 20th of February. We would appreciate the payment sooner, if possible.
6. A monthly finance charge of one and three-fourths percent (1 3/4%) – twenty one percent (21%) ANNUAL PERCENTAGE RATE (or highest amounts allowable by law) – will be imposed on all delinquent accounts. Minimum service charge is \$10.00 per month.
7. CASH DISCOUNTS are available on various products in different departments. You are ineligible to receive cash discounts if you have an outstanding charge that is sixty (60) days old or older; and you will not receive a cash discount if you do not pay for these products within the applicable time period.

