

**H S E**  
**CREDIT UNION**

*... where membership matters*

Dear Member:

Thank you for your interest in our new "Tax Saver" loan. As with mortgage loans, the interest paid by homeowners on this type of automobile loan may be tax deductible. Please check with your tax advisor regarding your specific situation.

Once your loan request is approved, funds will be advanced for the vehicle you select, your loan will be entered into our data base as an auto loan until the following information is received:

1. \$26.50, which represents a \$10.00 lien filing fee with your county of residence, \$10.00 filing fee to release the lien when the loan is paid out, and \$6.50 Georgia mortgage fee. We can transfer this from your checking or savings account if you so desire.
2. Security deed with legal description
  - Please include this with your application. From this we will prepare the forms necessary to file the lien. This paperwork must be signed, notarized and returned before we can process further.
3. The "Notice of Rescission" which cannot be returned until three (3) business days after receipt and must be signed and returned.

Once this process has been completed, we will convert the auto loan to a "Tax Saver" loan and interest from that day hence will be reported to the IRS as mortgage interest. For interest in excess of \$600, you will receive a separate statement of the amount during January following the tax year. For smaller amounts, see the interest reported on your year-end credit union statement.

Members wishing to convert an existing HSECU auto loan to a "Tax Saver" loan are assessed an additional \$10.00 conversion fee. The rate becomes the prevailing rate at the time of conversion.

Sincerely,

*HSE Loan Department*

## IMPORTANT NOTICE

Under certain circumstances, the interest paid on loans secured by your residence is fully deductible for federal income tax purposes. You should consult your tax advisor to determine if your interest on a home equity secured will be deductible for you. We cannot tell you if your financed charges will be deductible. This depends on many factors that are personal to you and subject to some IRS restrictions.

Also, by signing below you understand that for Tax Saver Automobile loans, HSE Credit Union will hold the title of your vehicle as collateral as well as place a lien against your property described in the Deed to Secure Debt.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Borrower

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

# NOTICE OF RESCISSION

## Notice to customer required by Federal Law:

You have entered into a transaction on \_\_\_\_\_ which may result in a lien, mortgage, or other security interest on your home. You have a legal right under Federal Law to cancel this transaction if you desire to do so, without any penalty or obligation within three business days from the above date or any later day on which all material disclosures required under the Truth in Lending Act have been given to you. If you so cancel the transaction, any lien, mortgage, or other security interest on your home arising from this transaction is automatically void. You are also entitled to receive a refund of any downpayment or other consideration if you cancel. If you decide to cancel this transaction, you may do so by notifying:

**HSE CREDIT UNION**  
55 MARIETTA STREET, N.W., SUITE 200  
ATLANTA, GEORGIA 30303

by mail or telegram sent not later than midnight of \_\_\_\_\_ Day of \_\_\_\_\_ 20 \_\_\_\_\_

You may also use any other form of written notice identifying the transaction if it is delivered to the above address not later than that time. This notice may be used for that purpose by dating and signing below.

**I hereby cancel this transaction.**

\_\_\_\_\_  
(Member Signature)

\_\_\_\_\_  
(Date)

**EFFECT OF RESCISSION.** When a customer exercises his right to rescind under the above paragraph, he is not liable for any finance or other charge, and any security interest becomes void upon such a rescission. Within 10 days after receipt of a notice of rescission, the creditor shall return to the customer any money or property given as earnest money, downpayment, or otherwise, and shall take any action necessary or appropriate to reflect the termination of any security interest created under the transaction. If the creditor has delivered any property to the customer, the customer may retain possession of it. Upon the performance of the creditor's obligations under this section, the customer shall tender the property to the creditor, except that if return of the property in kind would be impracticable or inequitable, the customer shall tender its reasonable value. Tender shall be made at the location of the property or at the residence of the customer, at the option of the customer. If the creditor does not take possession of the property within 10 days after the tender by the customer, ownership of the property vests in the customer without obligation on his part to pay for it.

**I, THE MEMBER, HEREBY ACKNOWLEDGE RECEIPT OF 2 COPIES OF THE AFORESAID NOTICE OF RIGHT OF RESCISSION WHICH HAVE BEEN GIVEN UNTO ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 20 \_\_\_\_\_.**

\_\_\_\_\_  
(Member Signature)

\_\_\_\_\_  
(Member Signature)

## CONFIRMATION

**MORE THAN 3 BUSINESS DAYS HAVE ELAPSED SINCE THE UNDERSIGNED RECEIVED THE FOREGOING NOTICE OF RIGHT OF RESCISSION AND OTHER TRUTH-IN-LENDING DISCLOSURES CONCERNING THE TRANSACTION IDENTIFIED ABOVE. THE UNDERSIGNED CERTIFIES THAT THE TRANSACTION HAS NOT BEEN RESCINDED.**

DATE \_\_\_\_\_

\_\_\_\_\_  
(Member Signature)

\_\_\_\_\_  
(Member Signature)

(Complete in triplicate and give borrower two copies while retaining one. Complete additional sets if more than one person has the right to cancel.)

Dear Member:

Enclosed is the Notice of Rescission which must be returned within three business days in order to complete the Tax Saver documentation portion of your car loan.

Note that the *first signature line* is to be used **ONLY IF YOU WANT TO CANCEL** the transaction. Signing in this location will void your request for a lien to be placed on your house and you will not be eligible to deduct car loan interest on your taxes.

The *second signature line* should be signed and dated with today's date, the date you received the Notice of Rescission.

The *third signature line* is for your **Confirmation**. It should be signed and dated more than three business days after you received and read the Notice of Rescission and returned to the credit union so that we can complete the filing. The pink copy is for your records.

*While most members will be able to deduct the interest paid on their Tax Saver Car Loan, we advise you to consult a tax advisor to determine allowable deductions on your individual return.*