



## CREDIT POLICY

REVISED JUNE 1, 2011

It is the duty of your elected board of directors and your general manager to periodically evaluate and recommend credit policies, and enforce them. Credit will be extended only to patrons who have established credit worthiness and are approved by the Cooperative. "Credit is a privilege and may be revoked at any time."

Federal and state laws require all businesses, including your local cooperative to disclose credit terms to its customers.

1. The billing cycle will be from the 1<sup>st</sup> of the month to the last day of the month. Statements will be mailed no later than the 5<sup>th</sup> of the following month. We do have the capability to email statements. Contact the main office for more information regarding how to sign-up.
2. All purchases charged during any billing cycle will be due in full by the last day of the following month. Any account not paid in full at that time is past due and can be placed on CASH ONLY or C.O.D. basis until it is brought to a current status. Patrons on C.O.D. will not be eligible for a cash discount when required to pay cash for purchases. The Cooperative reserves the right to demand payment on C.O.D. accounts in our office 3 business days prior to delivery.
3. If the amount for which credit is extended is not received by the last day of the following month, a **FINANCE CHARGE** will be assessed on the unpaid balance. The unpaid balance is computed by deducting all current payments and credits from the previous balance. The **finance charge** will be computed by applying a periodic rate of 1.5% per month, which is equivalent to an Annual Percentage Rate of 18%.
4. Each payment shall be applied first to unpaid **finance charges**, then, as to merchandise and services purchased on different dates; the first purchases shall be deemed the first paid. If the amount for which credit is extended is received by the next closing date, no additional **finance charge** will be assessed.
5. **Home Heating:** Each fill of bulk home heating fuel or propane must be paid for prior to the next delivery. Scheduled delivery customers must be aware of this to continue automatic deliveries. Budget customers must be current on required payments.
6. Management reserves the right to put limits on the amount a patron can charge, even if the account is not past due.
7. Legal collection may begin on accounts not paid within 30 days after restriction of credit. All collection expenses will be paid by the patron.
8. It is the OBLIGATION of the PATRON to contact management for payment arrangements of past due balances. Failure to comply with prior arrangements will result in IMMEDIATE legal collection action. No further arrangements can be made until the FULL account balance is PAID.

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*"Progress for Rural America"*

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