

189—5.9(533) Short-form disclosure. The short-form disclosure must state:

5.9(1) *The product is optional.* “Your purchase of [debt cancellation product name] is optional. Whether or not you purchase [debt cancellation product name] will not affect your application for credit or the terms of any credit agreement you have with the credit union.”

5.9(2) *Financing the payment of the fee.* “Adding the fee to the amount you borrow will increase the cost of [product name].”

NOTE: This provision is applicable if the credit union offers to the borrower the option to pay the fee in a single payment. This provision is prohibited where the debt subject to the contract or agreement is a residential mortgage loan.

5.9(3) *Refund of fee.* “You may choose [product name] with a refund provision or without a refund provision. Prices of refund and no-refund products are likely to differ.” And either: “If you pay the fee in a single payment, you may cancel [product name] within 30 days and receive a full refund.” or “If you finance the payment of the fee as part of your loan and you pay off your loan early, you will receive a refund of any unearned fee calculated by the actuarial method.” or “If you cancel [product name] after the first 30 days of your loan, you will not receive a refund.”

NOTE: This provision is prohibited where the debt subject to the contract or agreement is a residential mortgage loan.

5.9(4) *Additional disclosures.* “We will give you additional information before you are required to pay for [product name].” And, if applicable: “This information will include a copy of the contract containing the terms of [product name].”

5.9(5) *Eligibility requirements, conditions, and exclusions.* “There are certain eligibility requirements, conditions, and exclusions that could prevent you from receiving benefits under [product name].” And either: “You should carefully read our additional information for a full explanation of the terms of [product name].” or “You should carefully read the contract for a full explanation of the terms of [product name].”