

KUE Federal Credit Union

Credit Card Agreement And Truth In Lending Disclosure

In this agreement the words "you" and "your" mean each and all of those who apply for the card or who sign this agreement. "Card" means the VISA Credit Card and any duplicates and renewals we issue. Everyone who receives, signs or uses a card issued under this Agreement must be a member of KUE Federal Credit Union. "Account" means your VISA Credit Card Line of Credit with us. "We," "us" and "ours" refer to KUE FCU

1. Responsibility. If we issue you a card, you agree to repay all debts and the FINANCE CHARGE arising from the use of the card and the card account. For example, you are responsible for charges made by yourself, your spouse and minor children. You are also responsible for charges made by anyone else to whom you give the card, and this responsibility continues until the card is recovered. You cannot disclaim responsibility by notifying us, but we will close the account for

new transactions if you so request and return all cards. Your obligation to pay the account balance continues even though an agreement, divorce decree or other court judgment to which we are not a party may direct you or one of the other persons responsible to pay the account. Any person using the card is jointly responsible with you for charges he or she makes, but if that person signs the card he or she becomes a party to this agreement and is also jointly responsible for all charges on the account, including yours.

2. Credit Line. If we approve your application, we will establish a self-replenishing Line of Credit for you and notify you of its amount when we issue the card. You agree not to let the account balance exceed this approved Credit Line. Each payment you make on the account will restore your credit line by the amount of the payment which is applied to principal. You may request an increase in your Credit Line only by written application to us, which must be approved by our Credit Committee or loan officer. By giving you written notice our Credit Committee may, with or without cause, reduce your Credit Line from time to time, or revoke your card and terminate this Agreement. You may also terminate this Agreement at any time, but termination by either of us does not affect your obligation to pay the account balance. The cards remain our property and you must recover and surrender to us all cards upon our request and upon termination of this Agreement.

3. Using The Card. To make a purchase or cash advance, present the card to the participating Visa plan merchant, to us or to another financial institution, and sign the sales or cash advance draft which will be imprinted with your card. You will receive a copy of the draft which you should retain to verify your monthly statement.

4. Monthly Payment. We will mail you a statement every month showing your Previous Balances of purchases and cash advances, the current transactions on your account, the remaining credit available under your Credit Line, the New Balances of purchases and cash advances, the Total New Balance, the FINANCE CHARGE due to date, and the Minimum Payment required. Every month you must pay at least the Minimum Payment within 25 days of your statement closing date. You may, of course, pay more frequently, pay more than the Minimum Payment, or pay the Total New Balance in full, and you will reduce the FINANCE CHARGE by doing so. The Minimum Payment will be any portion of the Minimum Payment(s) shown on prior statements that remain unpaid, plus either (a) 3% of your Total New Balance or \$50 whichever is greater for Visa Gold and 4% of your Total New Balance or \$20 whichever is greater for Visa Classic, or (b) your Total New Balance, if it is less than \$50 for Visa Gold, or your Total New Balance, if it is less than \$20 for Visa Classic. In addition, at any time your Total New Balance exceeds your Credit Line, you must immediately pay the excess upon our demand. Failure to do so may result in the revocation of your Card and the termination of this agreement. We will generally apply your payments first to previously billed and unpaid FINANCE CHARGE; then to

previously billed and unpaid purchases; then to cash advances on the current statement; and then to purchases on the current statement. Overpayments are credited to the account and, if it is \$1 or more, will be refunded at the cardholder's request. Purchases and cash advances will be paid off in the order they are posted to your account. If two or more purchases were posted on the same day your payment will be applied to the smallest first. We reserve the right to apply payments in any manner we choose. For prompt crediting of payments, direct payment to the address shown on monthly statement. Payments sent or received at other locations may be delayed up to 5 days.

5. Finance Charges. You can avoid a FINANCE CHARGE on purchases by paying the full amount of the New Balance of Purchases each month within 25 days of your statement closing date. Otherwise, the New Balance of Purchases, and subsequent purchases from the date they are posted to your account, will be subject to FINANCE CHARGE. Cash advances are always subject to FINANCE CHARGE from the date they are posted to your account. FINANCE CHARGE (interest) is calculated at the MONTHLY PERIODIC RATE OF 0.825% (ANNUAL PERCENTAGE RATE OF 9.90%), for Visa Gold or the monthly periodic rate of 1.00% (ANNUAL PERCENTAGE RATE OF 12.00%) for Visa Classic, on the average daily principal balance of purchases and cash advances you make and debit adjustments we make during the statement period. The daily principal balances are totaled, and divided by the number of days in the statement period to produce separate average daily principal balances for purchases and cash advances to which the periodic rate is then applied.

6. Credits. If merchants who honor your card give you credit for returns or adjustments they will do so by sending us a credit slip which we will post to your account. If your credits and payments exceed what you owe us, we will hold and apply this credit balance against future purchases and cash advances, or refund it on your written request if it is \$1 or more.

7. Foreign Transactions. Purchases and cash advances you make in foreign countries and foreign currencies will be billed to you in U.S. dollars. The conversion to dollars will be made in accordance with the VISA operating regulations for international transactions.

8. Plan Merchant Disputes. We are not responsible for the refusal of any plan merchant or financial institution to honor your card. We are subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the card only if you have made a good faith attempt, but have been unable to obtain satisfaction from the plan merchant, and: (a) your purchase was made in response to an advertisement we sent or participated in sending you; or (b) your purchase cost more than \$50 and was made from a plan merchant in your state or within 100 miles of your home. Any other disputes must be resolved directly with the plan merchant.

9. Default. You will be in default if you fail to make any Minimum Payment within 25 days after your monthly statement closing date. You will also be in default if your ability to repay us is materially reduced by a change in your employment, an increase in your obligations, bankruptcy or insolvency proceedings involving you, your death or your failure to abide by this Agreement, or if the value of our security interest materially declines. We have the right to demand immediate payment of your full account balance if you default, subject to our giving you any notice required by law. To the extent permitted by law, you will also be required to pay our collection expense, including court costs and reasonable attorneys' fees. Default is good cause to revoke your Card and terminate this Agreement.

10. Credit Information. You authorize us to investigate your credit standing when opening, renewing or reviewing your account and you authorize us to disclose information regarding inquiries of us about your credit standing, to the extent permitted by law.

11. Effect of Agreement. This agreement is the contract which applies to all transactions on your account even though the sales, cash advances or credit slips you sign may contain different terms.

12. Loss or Theft of Card. You agree to notify us immediately upon discovering that your Card has been lost or stolen.

13. Amendment of Agreement. From time to time, we may amend this Agreement upon written notice to you by mailing you a copy of the proposed amendment at least 15 days prior to the statement period during which the amendment is to become effective. The notice will be sent to your last known address appearing in our records when it is sent, and will state the date upon which the amendment will become effective.

14. Cash Advance by Machine. If automated teller machines or other electronic devices are available while this Agreement remains in effect which make it possible for you to obtain a cash advance by use of your Card in such a machine, we will furnish you with a secret personal identification number. Your use of that number, together with our Card, in getting a cash advance from such a machine is agreed to constitute your signature for purposes of such cash advance.

15. Record Keeping. You hereby agree that we may keep the portion of this Agreement relating to loan documents we are required to keep in our file.

16. Severability Aspects. It is understood and agreed hereto that if any part, term or provision of this Agreement is found by the courts to be illegal, or in conflict with the law of the state where made, the validity of the remaining portions of provisions shall not be affected, and the rights and obligation of the parties shall be construed and enforced as if the contract did not contain the particular part, or provision held to be invalid.

17. Liability for Unauthorized Use. You may be liable for the unauthorized use of your card. You will not be liable for unauthorized use that occurs after you notify

Credit Card Security Department, P.O. Box 30035, Tampa, Florida 33630, phone 1-800-325-3678 (7 days a week, 24 hours a day), orally or in writing of the loss, theft, or possible unauthorized use. We reserve the right to charge up to \$25 to replace a lost or damaged card.

18. Fees. The following fees may be charged.

Late Payment Charge. If your minimum payment is not received within 25 days after the statement closing date, you may be charged a *1510.00* late charge.

Return Check Charge. If any check used to make a payment on your account is returned to us unpaid for whatever reason, we may charge a Return Check Charge of *1515.00* for each occurrence.

Overline Charge. If at any time during a billing cycle, your outstanding account balance exceeds your authorized credit limit; you may be charged an overline charge of *1520.00*.

Replacement Fee. You may be charged a fee of *1510.00* should your credit card need to be replaced.

Copy Fee. You may request photostatic copies of sales or cash advance drafts at a fee of *152.00* each.

Lost Card. We reserve the right to charge up to *1525.00* to replace a lost or damaged card.

19. Terminations. We may terminate the agreement under the following conditions: (1) Upon Adverse re-evaluation of your credit worthiness. (2) Upon your failure to satisfy the terms of this agreement. (3) At our option with or without cause.

20. Credit Protection Insurance. Credit Protection Insurance is available for you to purchase.

- The insurance product is not insured by The Government or NCUSIF
- The insurance product is not guaranteed by KUE Federal Credit Union
- The extension of credit is not conditioned on the purchase of an insurance product.

Your Billing Rights KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify Us In Case Of Errors Or Questions About Your Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write to us on a separate sheet at the address listed on your bill. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error.

If you need more information, describe the item you are not sure about.

- Draft copy.

Your Rights And Our Responsibilities After We Receive Your Written Notice

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance

charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And we must tell you the name of anyone we reported you to. We must tell anyone we report to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first *1550* of the questioned amount, even if your bill was correct.

Special Rule For Credit Card Purchases

If you have a problem with the quality of property or services that you purchased with a 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 property or services. There are two limitations on this right:

(a) You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address and

(b) The purchase price must have been more than *1550*. These limitations do not apply if we own or operate as the merchant, or if we mailed you the advertisement for the property or services.