

# VISA CREDIT CARD DISCLOSURE AND AGREEMENT

EFFECTIVE DATE  
May 1, 2014

This Disclosure Supersedes All  
Disclosures Prior to the Effective  
Date Shown Here

Important Document  
Please Read and Retain For Your Records



NOTICE: See reverse side for important information regarding your rights to dispute billing errors.  
**SEE ACCOUNT OPENING DISCLOSURE WHICH ACCOMPANIES THIS AGREEMENT**

In this Agreement, the words (“you”) and (“your”) mean: (a) the person or persons who use or authorize the use of, or (b) who sign an application for a LBS Financial Credit Union Visa Classic or Visa Gold Credit Card. (“Card”) means the LBS Financial Credit Union Visa Classic or Visa Gold Credit Card and any duplicates and renewals the Credit Union issues to you. (“Account”) means your Visa Classic or Visa Gold Credit Card line of credit account with the Credit Union. (“Credit Union”) means LBS Financial Credit Union.

**1. Using the Account.** If your application for a Visa Credit Card Account is approved, the Credit Union will establish a line of credit for you and notify you of its amount when the card is sent to you. You agree not to let your account balance exceed your approved credit limit. Each payment you make on the account will restore your credit limit by the amount of the payment which is applied to the principal amount of purchases and cash advances. You may request an increase in your credit limit only by written application submitted to the Credit Union. The Credit Union has the right to reduce or terminate your credit limit at any time.

**2. Using the Card.** You may use your card to purchase goods and services in person, online, and by mail or telephone from merchants and others who accept Visa credit cards. In addition, you may obtain overdraft and cash advances from the Credit Union and cash advances from other financial institutions or select merchants participating in the Visa program and from automated teller machines (ATMs), such as Visa ATM Network, that provide access to the Visa system. (Not all merchants or ATMs provide such access.) You will need to use your Personal Identification Number (PIN) to obtain a cash advance from an ATM. VISA.NET ATM transactions are limited to five (5) per day with a maximum cash withdrawal of \$500 per day or your available credit limit, whichever is less.

**3. Personal Identification Number.** We will issue a Personal Identification Number (PIN) to you. This PIN will allow you to make cash withdrawals at VISA.NET ATMs. Your PIN is your secret code. You agree not to disclose your PIN to anyone. If you forget your PIN, contact the Credit Union and we will issue you a new one.

**4. Illegal Use of Visa Credit Card.** You agree that your Visa Credit Card Account will not be used to make or facilitate any transaction(s) that are or might be construed to be illegal pursuant to applicable law, rule or ordinance, including but not limited to gambling. Said use, including any such authorized use, will constitute an event of default under this Agreement. You agree that the Credit Union has no liability, responsibility or culpability whatsoever for any such use by you or any authorized user(s). You agree that you are responsible for repayment of any and all debts incurred for these transactions. You further agree to indemnify and hold the Credit Union harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.

**5. Responsibility.** You agree to pay all charges (purchases, cash advances, and overdraft advances) to your account made by you or anyone who you authorize to use your account. You also agree to pay all other charges added to your account, pursuant to Paragraph 6 and 8. Your obligation to pay the amount owed on your account continues until paid in full even though an agreement, divorce decree or other court judgment to which the Credit Union is not a party may direct someone else to pay the account balance. Each of you who signs the application for a card, or who use the account is individually and jointly responsible for all amounts owed on the account even if the transaction results in exceeding your available credit limit. This means the Credit Union can enforce this Agreement against any of you individually or all of you collectively. You are responsible for all transactions conducted by any person you authorize to use your Visa Credit Card or PIN, even if the transaction amounts exceed what you authorized.

**6. Finance Charges.** In order to avoid a **FINANCE CHARGE** on purchases made since your last statement date, you must pay the Total New Balance within twenty-five (25) days of the Statement Date shown on your statement. Otherwise the **FINANCE CHARGE** on purchases is calculated from the beginning of the next statement period on previously billed but unpaid purchases and on new purchases from the date they are posted to your account until they have been paid. Cash advances and overdraft advances are always subject to a **FINANCE CHARGE** from the date they are posted to your account. You can avoid paying additional **FINANCE CHARGES** on purchases as long as you pay your entire new balance by the twenty-fifth (25th) of each month.

We figure the **FINANCE CHARGE** on your account by applying the periodic rate to the “average daily balance” of your account. To get the “average daily balance” we take the beginning balance of your account each day, add any new purchases, cash advances and overdraft advances, and any unpaid other finance charges and subtract any payments or credits. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the “average daily balance.”

We multiply the average daily balance by the daily periodic interest rate to get the daily **FINANCE CHARGE** and then multiply that amount by the number of days in the billing cycle to determine the total interest due amount for the statement period. The average daily balance is called the “Balance Subject to **FINANCE CHARGE**” on your statement.

## VISA CLASSIC ACCOUNT

Your **Visa Classic Account** will be subject to a **FINANCE CHARGE** (interest) at the **ANNUAL PERCENTAGE RATE** of **14.90%** for purchases, which is a corresponding Daily Periodic Rate of **0.0408%**. Your account will be subject to a **FINANCE CHARGE** (interest) at the **ANNUAL PERCENTAGE RATE** of **14.90%** for cash advances and overdraft advances, which is a corresponding Daily Periodic Rate of **0.0408%**.

## VISA GOLD ACCOUNT

Your **Visa Gold Account** will be subject to a **FINANCE CHARGE** (interest) at an **ANNUAL PERCENTAGE RATE** and a corresponding Daily Periodic Rate which will be a floating rate based upon an index as stated below. The **ANNUAL PERCENTAGE RATE** and the corresponding Daily Periodic Rate will apply to both purchases, cash advances and overdraft advances.

## Index

The index is Prime Rate (“Index”). Information about this index is published in the “Money Rates Table” of the *Wall Street Journal*.

## Rate Changes

The **ANNUAL PERCENTAGE RATE** may change on the first day of each month. These are known as Rate Change Dates. The Index value used for a given billing cycle will be the value published on the first business day of the month before the Rate Change Date. If more than one rate is published, the Index will be the highest of the rates published. If the Index ceases to be published, the Credit Union will choose a new Index and give you notice of its choice.

## Determination of Annual Percentage Rate

The Credit Union will add **6.90%** points to the Index value to get the **ANNUAL PERCENTAGE RATE** applicable to your Account for the billing cycle. **ANNUAL PERCENTAGE RATE** for the billing cycle will be divided by 365 to get the corresponding Daily Periodic Rate for the billing cycle. An increase or decrease in the Index will lead to an increase or decrease in your **ANNUAL PERCENTAGE RATE** and the corresponding Daily Periodic Rate applicable to your Account.

## Limitations on Changes

There is no limit on the amount by which the rate may change in any one-year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply is **14.90%**

## Annual Percentage Example

Based upon an Index value of **3.25%**, (which was the value of the Index on **May 1, 2014**), your Account would be subject to a **FINANCE CHARGE** (interest) at an **ANNUAL PERCENTAGE RATE** of **10.15%** which is a corresponding Daily Periodic Rate of **0.02780%**.

On the first day of each calendar month and on each subsequent Rate Change Date, the **ANNUAL PERCENTAGE RATE** and the corresponding Daily Periodic Rate will be calculated according to the formula described above.

**7. Change in Terms; Changing or Terminating Your Account.** The Credit Union may change the terms of this Agreement, including your **ANNUAL PERCENTAGE RATE**, from time to time for any reason not inconsistent with applicable law after giving you any advance notice required by law. Your failure to exercise any right you may have to reject the change in terms in a timely manner will indicate your agreement to the change. Except as restricted or prohibited by law, any change in terms will apply to your existing account balance as well as to future transactions. Either the Credit Union or any one of you may terminate this Agreement at any time, but termination by you or the Credit Union will not affect your obligation to pay the account balance plus any finance and other charges you owe under this Agreement. The cards you receive remain the property of the Credit Union and you must recover and surrender to the Credit Union all cards upon request or upon termination of this Agreement whether by you or the Credit Union.

**8. Other Charges.** The following Other Charges will be added to your account, as applicable:

**ANNUAL CARDHOLDER FEE:** There is no annual cardholder fee.

**COPIES:** If you request a copy of transaction slip, we may charge your account \$12.00 per copy requested. If your request is related to a billing error and an error is found, we will credit any copy charges back to your account.

**LATE PAYMENT FEE:** We reserve the right to charge a late payment fee up to \$10.00 to your account each billing period that the minimum monthly payment is not received by 10 days after the due date.

**CARD REPLACEMENT FEE:** There is no charge for the first time you request a replacement card during the term of your account. A fee of \$5.00 may be assessed if your Visa card needs to be replaced due to damage or loss or theft for any subsequent requests to replace your card(s).

**RETURN FEE:** Any payment instrument or method including check, ACH or other electronic transaction used to make a payment on your Visa Account which is returned to us for any reason may result in a return fee up to \$10.00 and will be assessed to your Account.

**DUPLICATE STATEMENTS:** We may charge your account \$2.00 for each duplicate monthly billing statement we furnish to you in response to your request.

**RESEARCH CHARGES:** We may charge your Account \$20 per hour for research we perform in response to an inquiry from you relative to your Account.

**CARD RECOVERY CHARGE:** If we are required to pay a reward for the recovery of your lost, stolen or revoked Visa Card, we may apply such charges to your account. The charge will not exceed the actual cost incurred, with a minimum charge of \$55.00.

**EXPEDITED CARD DELIVERY CHARGES:** If you request to have your Visa Card delivered by courier, we may pass on our cost of the delivery service and assess the charge to your Account. (Contact us for current fees).

**9. Foreign Transactions. Foreign Transactions in Foreign Currency-** Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars. Transactions processed outside of the United States or in a foreign currency may be charged a foreign transaction fee, regardless of whether there is a currency conversion associated with the transaction. The conversion rate in dollars will be a rate selected by Visa from a range of rates available in wholesale currency markets for the applicable Central Processing Date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable Central Processing Date in each instance, plus a one percentage point (1%) fee charged by the Credit Union.

**Foreign Transactions in U.S. Currency-** Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. Transactions processed outside of the United States, in U.S. dollars, may be charged a foreign transaction fee of point eight percent (0.8%), regardless of whether there is a currency conversion associated with the transaction.

**10. Monthly Payment.** Each month you must pay at least the minimum payment shown on your statement within twenty-five (25) days of the statement closing date. You may, of course, pay more frequently, pay more than the minimum payment, or pay the Total New Balance in full. If you make extra payments or larger payments, you are still required to make at least the minimum payment each month your account has a balance. The minimum payment is 3.0% of your Total New Balance or \$25.00 (whichever is greater), plus the amount of any prior minimum payments that you have not paid and any amount that exceeds your credit limit. Balances owing less than \$25.00 are due in full.

Payments made to your account will be applied in the following order: Fees, **FINANCE CHARGES**, purchases and advances.

**11. Default.** You will be in default if you fail to make any minimum payment or other required payment by the date that it is due. You will be in default if you break any promise you make under this Agreement. You will be in default if you die, file for bankruptcy or become insolvent, that is, unable to pay your obligations when they become due. You will be in default if you make any false or misleading statements in any credit application or credit update. You will also be in default if something happens that the Credit Union believes may substantially reduce your ability to repay what you owe. When you are in default, the Credit Union has the right to immediately terminate this Agreement and require repayment of your outstanding account balance plus any finance and other charges you owe under this Agreement. To the extent permitted by law, you will also be required to pay the Credit Union's collection expenses, including court costs and attorneys' fees.

**12. Liability for Unauthorized Use.** If you notice the loss or theft of your credit card or a possible unauthorized use of your card, you should write to us immediately at: P.O. Box 4860, Long Beach, CA 90804-0860; or call us at 800.527.3328 or after hours at 800.543.5073; or e-mail us at [eservices@lbsfcu.org](mailto:eservices@lbsfcu.org).

You will not be liable for any unauthorized use that occurs after you notify us. You agree to cooperate fully in any investigation the Credit Union may conduct in connection with the loss, theft, or possible unauthorized use of your card.

**13. Limitations to Liability for Visa Transactions.** If there is unauthorized use on your consumer Visa Credit Card your liability will be zero (\$0.00). This provision limiting your liability does not apply to either Visa commercial cards, ATM cash disbursements or non-Visa PIN-less debit transactions. Additionally, your liability with respect to unauthorized transactions may be greater than the above limit, to the extent allowed under applicable law, if the Credit Union reasonably determines, based on substantial evidence, that you were grossly negligent or fraudulent in the handling of your account or card.

**14. Returns and Adjustments.** Merchants and others who honor the card may give credit for returns or adjustments, and they will do so by sending the Credit Union a credit slip which will be posted to your account. If your credits and payments exceed what you owe the Credit Union, the amount will be applied against future purchases and cash advances. If the amount is \$1 or more, it will be refunded upon your written request or automatically to your Credit Union Share Savings Account within six (6) months.

**15. Merchant Disputes.** The Credit Union is not responsible for the refusal of any merchant or financial institution to honor the card. The Credit Union is subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the card if you have made a good faith attempt but have been unable to obtain satisfaction from the merchant or service provider, and: (a) your purchase was made in response to an advertisement the Credit Union sent or participated in sending to you; or (b) your purchase cost more than \$50 and was made in your state or within 100 miles of your home.

**16. Merchant Return Policy.** You are encouraged to obtain and review the merchant's policy on the return of goods or services purchased and you may be bound by that policy. If the policy is not initially disclosed at the time of purchase, you should request a copy of the policy and review it prior to purchasing the good or service.

**17. Reservations.** When using your Account to make travel or lodging reservations and you cancel, you must follow the cancellation policy and retain the cancellation number. You will be liable for improperly cancelled reservations or if you are unable to provide a valid cancellation number and the merchant or service provider may charge your Account for the transaction.

**18. Limitation of Our Responsibilities for Merchant Actions.** We will not be responsible for: 1) the refusal of any person to honor your Card; or 2) an ATM that does not properly accept your Card, disperse cash, or otherwise perform as you requested.

**19. Refusal of the Card.** We are not responsible if a transaction on your account is not approved either by us or a third party, even if you have sufficient credit available. We may limit the number of transactions that may be approved in one day. If we detect unusual or suspicious activity on your Account, we may temporarily suspend your credit privileges until we can verify the activity. We may approve transactions that cause the balance to exceed your revolving credit limit without waiving any rights under this agreement.

**20. Overdraft Privilege.** You agree that if, pursuant to any overdraft privilege on a Credit Union Checking or Money Market Account, there is an overdraft of your Checking or Money Market Account, the amount of overdraft will be added to the outstanding balance of your Visa Credit Account subject to the **FINANCE CHARGE** set forth in paragraph 6 and will be subject to all terms and conditions of this Agreement. The Visa Account must be current and not over the credit limit for funds to transfer to the Checking or Money Market Account. Overdrafts are not allowed for the purpose of making loan payments, including Visa payments, at the Credit Union, ATM or in-branch teller cash withdrawals. Overdraft Advances will be transferred to your Checking or Money Market Account in increments of at least \$50 and each Overdraft Advance is considered to be a cash advance. The Checking Account and Money Market Account referred to herein is also subject to a separate agreement between you and the Credit Union. Where the terms of any other agreement between you and the Credit Union conflict with the terms of this agreement, the terms of this agreement will control.

**21. Recurring Transaction and Automatic Payments.** If you authorize a merchant to charge your Account for repeat or recurring transactions, you must notify the merchant if: 1) you want to discontinue the recurring transactions on your Account; 2) your Account is closed; or 3) your Account number or Card expiration date changes.

**22. Statements and Notices.** You will receive a statement for any month in which you have any monetary activity or balance owed on your account. Statements and notices will be mailed to you at the most recent address you have given the Credit Union. If your Account is closed, you will continue to receive a monthly statement and billing notice until the Account is paid in full. Notice sent to any one of you will be considered notice to all. You agree to promptly notify the Credit Union if you change your mailing address.

**23. Credit Information.** You authorize the Credit Union to investigate your credit standing when opening or reviewing your account. You authorize the Credit Union to disclose information regarding your account to credit bureaus and creditors who inquire about your credit standing. Pursuant to state law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

**24. Transfer of Account.** You cannot transfer or assign your account to any other person.

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

**26. No Waiver.** The Credit Union can delay enforcing any of its rights any number of times without losing them.

**27. Governing Law.** This Agreement and your account shall be governed by California law without regard to any conflict of law rules.

## 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.

### WHAT TO DO IF YOU FIND A MISTAKE ON YOUR STATEMENT

If you think there is an error on your statement, write to us at: LBS Financial Credit Union, P.O. Box 4860, Long Beach, CA 90804-0860.

In your letter, give us the following information:

- Account information: Your name and account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential error in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

### WHAT WILL HAPPEN AFTER WE RECEIVE YOUR LETTER

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error. We may require that you complete an affidavit of Unauthorized Use, or provide additional documentation to support your claim.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- If we made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
- If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe. If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

### YOUR RIGHTS IF YOU ARE DISSATISFIED WITH YOUR CREDIT CARD PURCHASES

If you are dissatisfied with the goods or services that you have purchased with your 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 purchase.

To use this right, all of the following must be true:

1. The purchase must have been made in your home State or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
3. You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at: LBS Financial Credit Union, P.O. Box 4860, Long Beach, CA 90804-0860. While we investigate, the same rules apply to the disputed amount as discussed above.

After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.