

Credit Card Agreement and Disclosure Statement



Your Lifetime Financial Partner

In this Agreement the words “you” and “your” mean each and all of those signing, using or having a credit Card account with Northwest Federal Credit Union, referred to as “we” and “us” or “Credit Union”. The “Card” means any credit Card issued to you or those designated by you under the terms of this Agreement. “Use of the Card” means any procedures used by you, or someone authorized by you, to make a purchase or obtain a cash advance whether or not the purchase or advance is evidenced by a signed written document. Virginia law will be used to interpret this Agreement unless federal law applies. The provisions of this Agreement are severable. If any provision of this Agreement is held by a court of law to be invalid or unenforceable the rest of this Agreement will not be affected.

1. Acceptance of Cardholder Agreement. By either using the account or signing, using or accepting the plastic cards(s) issued to you by us (your “Card(s)”), you accept the terms and conditions of this Agreement. All Cards issued to you remain our property and must be returned to us upon request. Once you have received your Card, call the phone number shown on the front of the Card to activate your Card. By activating your Card, you acknowledge you have received a copy of this disclosure. We may delay or deny access to your account until you have called to confirm that you have received and activated your Card.

2. Credit Line. Your Card account will be an open end account. This means that you may borrow the full amount of the line of credit, repay the principal, accrued interest and fees in full or in part, and borrow again up to your maximum line of credit, as long as you continue to be creditworthy and a member of the Credit Union in good standing. To remain in good standing, you must meet your entire loan and account obligations to the Credit Union and comply with applicable laws and the Credit Union’s bylaws. You agree to not use your Card when the use will exceed your total credit limit. You also agree that we are not obligated to extend credit to you for an amount that would make your outstanding balance exceed your total credit limit or for any amount if your outstanding balance is already over the total credit limit. We can change your credit limit at any time. If we allow you to use your account for more than your limit, you still agree to pay the full amount you owe us. We may decline to honor any transactions for any reason. You agree that you will not use your account for any transaction that is illegal under any applicable law.

3. Promise To Pay. You agree to pay us the amount of purchases, cash advances, balance transfers, fees and finance charges that you, your co-applicant and/or authorized users make (even if we didn’t issue a Card in that person’s name) and whether or not you notify us that he or she will be using it. Each person who uses the Card(s) or permits another to use the Card(s) agrees to be jointly and severally liable to the Credit Union for all obligations due to the Credit Union hereunder. If another person has use of your account and you want to end that person’s privilege, you must recover and return that person’s Card, if any. If you are unable to recover and return the Card, you will continue to be liable for any charges made unless you tell us to cancel all Cards and establish a new account for you. We will automatically cancel all Cards if you notify us of unauthorized use. 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 under this Agreement to pay the account.

4. Authorizations. Some transactions on your account will require prior approval. These prior approvals are called “authorizations”. We may limit the number of authorizations we will give the account during any certain period of time (day, weekend, week) and we may deny an authorization if we suspect that your account is being used without your permission. If our authorization system is not working fully, we may be unable to give an authorization. For security reasons, we cannot explain the details of how the authorization system works. You agree that we will not be liable for failing to give an authorization. Transactions at some participating merchants (such as hotels, car rental companies, restaurants and gas stations) may result in authorizations for amounts greater than the actual purchase amount, which will have the effect of making less credit available on your account for several days (usually until the date the actual purchase amount is received from the merchant). We may, but are not required to, authorize transactions that will cause the balance on your account to exceed the

credit limit, and you agree that you are liable for any such transactions as well as interest. If you make a transaction that would cause you to exceed your total credit limit we may (1) authorize the transaction without increasing your total credit limit; (2) authorize the transaction without increasing your total credit limit and treat that amount as immediately due, or (3) deny authorization. If the authorization is denied we may notify the person who attempted the transaction that it has been refused. If we authorize a transaction that causes your account to exceed its credit limit, it does not mean that we will do so again in the future. In addition, we reserve the right to deny transactions or authorizations from merchants apparently engaging in the Internet gambling business or identifying themselves through the Card transaction record or otherwise as engaged in such business.

5. Special Features. You may receive separate information about special features of your Visa or MasterCard account. Your use of such features will be governed both by the terms of this Agreement and by the terms contained in such separate information.

6. Monthly Payment. Your monthly statement will tell you the total amount that you owe us, the minimum payment that you must make and your payment due date. The minimum payment for credit card accounts will be the greater of (1) 3% of the new balance or (2) \$35.00. If the new balance of your account is less than \$35.00 the minimum payment will be the new balance.

You may pay the new balance in whole or in part at any time. We will not charge you a penalty for paying more than the minimum payment. We will determine at our option, the order in which payments will be applied toward Purchases, Cash Advances, Balance Transfer, unpaid Finance Charges and other Fees and Charges. We may accept checks marked "payment in full" or with words of similar effect without losing any of our rights to collect the full balance of your account with us.

In addition, any past due amount is due and payable immediately. If your balance exceeds your credit limit, we also require that you pay the over limit amount.

Any payment submitted to us in the form of a check or other paper document may be converted to an electronic transaction through procedures established by the National Automated Clearing House Association. If this occurs, the original check or other document that you send to us will not be retained, but a copy would be available if requested.

7. Finance Charges, Grace Period and Index Rate. A FINANCE CHARGE will be imposed on Credit Purchases only if you elect not to pay the entire New Balance **of purchases** shown on your monthly statement for the previous billing cycle within 25 days from the closing date of that statement. If you elect not to pay the entire New Balance **of purchases** shown on your previous monthly statement within that 25-day period, a FINANCE CHARGE will be imposed on the unpaid average daily balance of such Credit Purchases from the previous statement closing date and on new Credit Purchases from the date of posting to your account during the current billing cycle, and will continue to accrue until the closing date of the billing cycle preceding the date on which the entire New Balance **of purchases** is paid in full or until the date of payment if more than 25 days from the closing date. A FINANCE CHARGE will be imposed on each Cash Advance from the transaction date and continue daily until the date each Cash Advance is paid in full.

The FINANCE CHARGE for a billing cycle is computed by applying the monthly Periodic Rate to the average daily balance of Credit Purchases and Cash Advances, which is determined by dividing the sum of the daily balances during the billing cycle by the number of days in the cycle. Each daily balance of Credit Purchases and Cash Advances is determined by adding to the outstanding unpaid balance of Credit Purchases and Cash Advances at the beginning of the billing cycle any new Credit Purchases and Cash Advances posted to your account, and subtracting any payments as received and credits as posted to your account, but excluding any unpaid FINANCE CHARGES.

VISA Platinum Periodic Rate for accounts opened on or after 1/6/2010: To determine the Periodic Rate, we take the "Index Rate," as defined below, add a Margin and divide that number by 12 to arrive at the periodic rate.

For example, if the index rate were 10.0% and the margin were 3.75%, the Periodic Rate for that billing cycle would be 1.1458% (10.0% plus 3.75% divided by 12). A periodic rate of 1.1458% corresponds to an ANNUAL PERCENTAGE RATE of 13.75%. The margin is based on an evaluation of your credit history and may be reviewed and adjusted annually. The Annual Percentage Rate will not be higher than 18.00%, regardless of the index rate.

VISA Platinum Periodic Rate for accounts opened before 1/6/2010: To determine the Periodic Rate, we take the "Index Rate," as defined below, add 3.75 percentage points and divide that number by 12 to arrive at the periodic rate. For example, if the index rate were 10.0%, the Periodic Rate for that billing cycle would be 1.1458% (10.0% plus 3.75% divided by 12). A periodic rate of 1.1458% corresponds to an ANNUAL PERCENTAGE RATE OF 13.75%. The margin may be reviewed and adjusted annually. The Annual Percentage Rate will not be higher than 18.00%, regardless of the index rate.

MasterCard Gold Card Periodic Rate for accounts opened on or after 1/6/2010: To determine the Periodic Rate, we take the "Index Rate" as defined below, add a Margin and divide that number by 12 to arrive at the periodic rate. For example, if the index rate were 10.0% and the margin were 4.75%, the Periodic Rate for that billing cycle would be 1.2292% (10.0% plus 4.75% divided by 12). A periodic rate of 1.2292% corresponds to an ANNUAL PERCENTAGE RATE of 14.75%. The margin is based on an evaluation of your credit history and may be reviewed and adjusted annually. The Annual Percentage Rate will not be higher than 18.00%, regardless of the index rate.

MasterCard Gold Card Periodic Rate for accounts opened before 1/6/2010: To determine the Periodic Rate, we take the "Index Rate" as defined below, add 7.75 percentage points and divide that number by 12 to arrive at the periodic rate. For example, if the index rate were 10.0%, the Periodic Rate for that billing cycle would be 1.4792% (10.0% plus 7.75% divided by 12). A periodic rate of 1.4792% corresponds to an ANNUAL PERCENTAGE RATE of 17.75%. The margin may be reviewed and adjusted annually. The Annual Percentage Rate will not be higher than 18.00%, regardless of the index rate.

MasterCard Gold Card with Annual Fee Periodic Rate (No longer offered to new Cardholders as of 1/6/2010): To determine the Periodic Rate, we take the "Index Rate" as defined below, add 5.75 percentage points and divide that number by 12 to arrive at the periodic rate. For example, if the index rate were 10.0%, the Periodic Rate for that billing cycle would be 1.3125% (10.0% plus 5.75% divided by 12). A periodic rate of 1.3125% corresponds to an ANNUAL PERCENTAGE RATE of 15.75%. The margin may be reviewed and adjusted annually. The Annual Percentage Rate will not be higher than 18.00%, regardless of the index rate.

The **Index Rate** used for calculating your Periodic Rate for a billing cycle is the Prime Rate published in the *Wall Street Journal* on the last business day of the prior month (the "Periodic Rate Adjustment Date"). There are 12 Periodic Rate Adjustment Dates per year.

Because the Index Rate may go up or down, the Periodic rate applied to your Average Daily Purchases Balance or Average Daily Cash Advance Balance, as the case may be, may also increase or decrease, thereby increasing or decreasing the number of payments you will be required to make in order to repay your Total New Balance.

The Periodic Rate that is applied to your Average Daily Purchases Balance and Average Daily Cash Advance Balance appears on your monthly statement. The Periodic Rate, in effect at the time of your Card approval, was provided to you in a separate Credit Union acceptance letter.

8. Change In Terms Of Your Account. We can change or add to any terms of your account at any time. We do not guarantee that the fees and the Annual Percentage Rates (APRs) on this account are for any particular length of time. Future changes will be made in accordance with this Agreement and applicable law. We will provide you with such notice as is required by applicable law. Such changes may apply to the existing balance on your account as well as to future balances in accordance with this Agreement and applicable law. If required by applicable law, we will permit you to reject certain types of changes, by providing us with written notice and closing your account and you would then be permitted to repay any balance on the account under the terms in effect prior to the change.

9. Savings Account Required. All applicants and co-applicants on a credit card account must have an open savings account that carries a share par balance. You must continue to be a member of the Credit Union and comply with the basic account requirements to maintain eligibility for this Account. You may close your Account at any time by notifying us in writing and returning all Cards cut in half.

10. Overdraft Protection Advances. Overdraft protection advances will begin only if you designate your Card as an overdraft protection source in writing. If your checking account does not have sufficient available funds to cover any item presented and drawn on the account, any overdraft up to your unused credit limit will be added to your credit Card account balance under this Agreement, if the Credit Union pays the item. The Credit Union has the right to refuse overdraft advances but will notify you of the refusal. If there is more than one person listed on the checking account (such as a joint checking account) that you have linked for Overdraft Protection, then: (1) you will be responsible for all Overdraft Protection advances regardless of which person causes any item to be presented or engages in any other transaction that causes the overdraft (checks, ACH, debit Card, etc); and (2) you expressly consent to us disclosing to any other person on that checking account that the checking account is linked to the Card for Overdraft Protection. We reserve the right to cancel or suspend your Overdraft Protection service at any time at our sole discretion, for any reason.

11. Credit Card Fees. We may charge your Card or your Account for Card related fees. The application and payment of the fee will not correct the situation that caused the fee to be charged. Please refer to our current Credit Card Pricing Information

Other Fees: (1) If you ask the Credit Union for statement research and reconstruction services for any reason, you will be charged the same hourly rate then being charged by the Credit Union for all of its checking accounts for that service; (2) Additional fees may be charged if agreed between you and us; and, (3) To the extent not prohibited by law, if you are in default, you agree to pay our collections costs, attorney's fees and court costs incurred in enforcing our rights under this Agreement.

We may waive any of the fees in this Agreement at our discretion; however, we reserve the right to begin charging any fee that was previously waived without providing prior notice to you.

12. Reevaluation of Credit. We can reinvestigate and reevaluate any information you provided on your credit application at any time, and in the course of doing so, we may ask you for additional information, request credit bureau reports and/or otherwise verify your current credit standing.

13. Account Closing. We may cancel, revoke, reduce the amount of your credit line or suspend your rights under this Agreement and require the return of the Card(s) for any reason, including your default, without notice to you except in those situations where notice is required by law. You may also close the account at any time by notifying us in writing and returning all Cards. If the account is closed or we terminate or suspend your credit privileges for any reason, you must still repay any unpaid balance you owe to us including charges and or transactions not yet received by us, as well as subsequent Finance Charges and other charges according to the terms of this Agreement. Each Card is our property and you agree that the Cards are not transferable and to surrender any Card upon demand. If this is a joint account, either person who is liable on the account may give notice to cancel the account, and we may close it without notifying the other liable person.

14. Default. You will be in default, and we may, without notifying you, temporarily suspend your credit, close your account, cancel all Cards issued on it and require immediate payment of your entire balance if any of the following occurs:

- a. You fail to make a payment when it is due;
- b. You do not follow the terms of this Agreement in any way;
- c. You have made any false or misleading statement on the application for your account;
- d. You fail to pay any other loans you owe us;
- e. You become insolvent or die;
- f. There is an attachment, execution or levy against your property or you make an assignment for the benefit of creditors;
- g. A bankruptcy petition is filed by or against you or your spouse;

h. A guardian, conservator, receiver, custodian or trustee is appointed for you;

i. You are generally not paying your debts as they become due; or

j. There has been a material adverse change in your financial standing.

15. Consent To Recover Delinquent Payments From Accounts.

a. In consideration for and as a condition of the Credit Union issuing a Card(s) to you, you agree that if you fail to make your required payments the Credit Union can take any monies on deposit at the Credit Union in which you have an interest to recover all or part of your delinquent debt without advance notice to you and without waiving other rights we have to collect what you owe. This consent is not a pledge of any shares and will not affect your right to withdraw shares prior to our exercise of our rights following your payment default. This consent applies to all funds you voluntarily deposit to Credit Union accounts, including funds such as Social Security direct deposit that are normally exempt from creditors' remedies (this does not include your Individual Retirement, KEOGH or SEPP account). You understand that we will never require you to deposit exempt funds to Credit Union accounts.

b. For Cards secured by Shares, an amount equal to 100% of your credit limit is held in your Regular Share Account as collateral for your credit. If you give the Credit Union a specific pledge of shares by signing a separate pledge of shares, your pledged shares will secure your Account. You may not withdraw amounts that have been specifically pledged to secure your Account until the Credit Union agrees to release all or part of the pledged amount. If you default in your payments under this Agreement, we have the right to apply the amount specifically pledged to pay off this account in full or in part.

c. The security interests in this section apply even if your Card(s) is otherwise designated "secured" or "unsecured."

16. Attorneys' Fees. You agree to pay all costs incurred by us in collecting your indebtedness or in enforcing this agreement including attorney's fees and costs, as well as those costs, expenses and attorney's fees incurred in appellate, bankruptcy and post-judgment proceedings, except to the extent such costs, fees or expenses are prohibited by law.

17. Returns and Adjustments. Merchants and others who honor the Card may give credit for returns or adjustments, and 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 if it is \$1.00 or more, refund it on your written request or automatically after 6 months.

18. Plan Merchant Disputes. We are not liable for the refusal of any plan merchant or financial institution to honor your Card.

19. Additional Benefits/Card Enhancements. The Credit Union may from time to time offer additional services to your Account, such as travel accident insurance, discontinue any credit service, or replace your Card with another Card at no additional cost to you. You understand that the Credit Union is not obligated to offer such services and may withdraw or change them at any time.

20. Use of Card for Illegal or Risky Transactions. You agree that you will not use or allow others to use your Card(s) for illegal transactions such as illegal online gambling. The Credit Union may refuse to honor any transaction we reasonably believe to be illegal. However, ultimate responsibility for determining the legality of transactions for which your Card is used rests with you, not with the Credit Union. You agree to hold us harmless for any damages or other liability arising from a transaction initiated by you or your authorized user for the purpose of conducting an illegal activity, including but not limited to, internet gambling or interstate sports betting. We reserve the right to decline authorization of transactions for activities we believe may violate law or pose significant risk to our members or us. You cannot use the actual or alleged illegality of a transaction for which authorized use of your account was made as a defense to your obligation to pay.

21. Liability for Unauthorized Use. If you believe that your Card may have been lost or stolen or that your account number may have been used without your authorization you must notify us immediately at: 1-800-336-3384

or via our website (www.nwfcu.org), or by writing to: Northwest Federal Credit Union, Attention: Card Services Department, P.O. Box 1229, Herndon, Virginia 20172-1229. You will not be held liable for the unauthorized use of your account.

22. Lost Or Stolen Cards. You agree to notify us immediately if your Card is ever lost or stolen or if unauthorized use may occur. You agree to assist us in determining the facts, circumstances, and other pertinent information relating to any loss, theft, or possible unauthorized use of your Card(s) and to comply with such procedures as we may require in connection with our investigation. We will send you a new Card with a new account number to replace the Card that was lost or stolen. Although you will be issued a new account number, you will not be considered to have opened a new account, and any existing balance will be transferred to the replacement account.

23. Foreign Transactions. Purchases and cash advances made with Visa and MasterCard outside of the United States and its territories may incur an international transaction fee. This fee, which is up to one percentage point (1%) of the transaction amount, is assessed by Visa and MasterCard. The Credit Union, as Card issuer, does not assess an additional international transaction fee.

Visa. If you engage in a transaction in a currency other than U.S. dollars using a Visa Card, Visa International will convert the charge into a U.S. dollar amount. The exchange rate between the transaction currency and the billing currency used for processing international transactions is either (a) a rate selected by Visa from the 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 (b) the government mandated rate in effect for the applicable central processing date. The currency conversion rate for the processing date may differ from the rate in effect on the date of the transaction or the date the transaction is posted to your billing statement.

MasterCard. If you effect a transaction with your MasterCard Card in a currency other than U.S. dollars, MasterCard International Incorporated ("MasterCard") will convert the charge into U.S. dollars using its currency conversion procedure. Currently, the currency conversion rate used by MasterCard for such transactions is generally either a government mandated rate or a wholesale rate determined by MasterCard for the processing cycle in which the transaction is processed. The currency conversion rate used by MasterCard for processing date may differ from the rate in effect on the date of the transaction or the date the transaction is posted to your billing statement.

24. Effect of Agreement and Amendments. This Agreement governs all transactions on your account even though the sales, cash advance, credit, or other slips you sign or receive may contain different terms. We may amend or change this Agreement, including rates, at any time. If we do so, we will notify you in writing in accordance with the applicable law. However, we may reduce charges, fees and rates without sending you an advance notice. Except as limited by applicable law, any amendment will apply to all then outstanding unpaid indebtedness arising from the use of your Card prior to the effective date of the amendment. Any such amendment will not require your written consent, but your consent (if required by applicable law) may be evidenced by your use of the Card after we give you notice of the amendment.

25. What To Do If You Think You Find A Mistake On Your Statement. If you think there is an error on your statement, write to us at:

Northwest Federal Credit Union
ATTN: Card Services Department
P.O. Box 1229
Herndon, VA 20172-1229

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.

You must notify us of any potential errors 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.

While we investigate whether or not there has been an error, the following are true:

- 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. But, if we determine that we made a mistake, you will not have to pay the amount in question or any interest or other fees related to 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.

26. 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 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 Card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your 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:

Northwest Federal Credit Union
ATTN: Card Services Department
P.O. Box 1229
Herndon, VA 20172-1229

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.

27. Change Of Name, Address, Or Telephone Number(s). You are responsible for promptly notifying us of a change in your name, address (including the e-mail address(es) you use for online banking with us and any other e-mail address(es) at which you agree to be contacted), or telephone number(s)(including any wireless telephone number(s)).

28. Inactivity. Cards unused and or idle for twelve (12) months or more with a zero (0) balance will automatically be closed. Should that occur an application and credit approval would be required to establish a new Card account.

	FirstCard Visa® Platinum	Visa® Platinum	Member Rewards MasterCard®
Interest Rates and Interest Charges			
Annual Percentage Rate (APR) for Purchases	9.99%	7.00% to 18.00% when you open your account, based on your creditworthiness. After this, your APR will vary with the market based on the Prime Rate.	8.00% to 18.00% when you open your account, based on your creditworthiness. After this, your APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	9.99%	7.00% to 18.00% when you open your account, based on your creditworthiness. After this, your APR will vary with the market based on the Prime Rate.	8.00% to 18.00% when you open your account, based on your creditworthiness. After this, your APR will vary with the market based on the Prime Rate.
APR for Cash Advances	9.99%	7.00% to 18.00% when you open your account, based on your creditworthiness. After this, your APR will vary with the market based on the Prime Rate.	8.00% to 18.00% when you open your account, based on your creditworthiness. After this, your APR will vary with the market based on the Prime Rate.
Penalty APR and When it Applies	None	None	None
Minimum Interest Charge	None	None	None
How to Avoid Paying Interest on Purchases	Your due date is at least 25 days after the close of each billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month.		
For Credit Card Tips from the Consumer Financial Protection Bureau	To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at http://www.consumerfinance.gov/learnmore		
Fees			
Annual Fee	None	None	None
Transactions Fees <ul style="list-style-type: none"> Balance Transfer Cash Advance Foreign Transaction 	None None Up to 1% of transaction amount	None None Up to 1% of transaction amount	None None Up to 1% of transaction amount
Penalty Fees <ul style="list-style-type: none"> Late Payment Returned Payment Over-the-Credit Limit 	Up to \$35 Up to \$35 None	Up to \$35 Up to \$35 None	Up to \$35 Up to \$35 None

How We Will Calculate Your Balance: We use a method called “average daily balance” (including new purchases).

The information on this disclosure is current as of 6/16/13, and is subject to change. To determine if any changes have occurred since this date call 866-709-8901.