



**VISA CREDIT CARD AGREEMENT
AND TRUTH-IN-LENDING DISCLOSURE STATEMENT
VARIABLE RATE PRODUCTS
Effective July, 2009**

In this Agreement, the words "you" and "your" mean or refer to each and all persons who have applied for the Card or Cards by signing this Agreement. Every person signing this Agreement represents that he or she is a member of the credit union. "Card" means the VISA Credit Card or Cards and any duplicates and renewals thereof or substitutions we may issue. "Account" means your VISA Credit Card line of credit loan account with us. "Issuer," "us," and "ours" means or refers to this credit union. This Agreement is a Truth-In-Lending Disclosure Statement as well as a contract.

- 1. RESPONSIBILITY**—The purpose of this Agreement is to establish the terms and conditions of your credit card agreement with United Federal Credit Union. When you applied to us for a VISA account, you agreed that by using or allowing the card(s) received to be used that you agree to these conditions. You promise to repay all debts and the FINANCE CHARGE thereon arising from any authorized 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 take prompt steps to try to prevent any further Card use if you so request. If the Agreement is signed by two persons (members), the Account is joint that is, each of you, separately and jointly, are liable for all debts and FINANCE CHARGE thereon. Your obligation to pay all such debts and FINANCE CHARGE thereon continues even though an agreement, divorce decree or other court judgment to which we are not a party may direct that only one of you, or some person other than you (or both of you), may pay such debts and FINANCE CHARGE.
- 2. CREDIT LINE**—We will establish a self-replenishing line of credit for you and will notify you of the amount thereof ("credit limit") which is available to you by mail. If the credit line is less than five thousand dollars (\$5,000.00), a VISA Classic card will be issued. That letter is hereby incorporated herein as part of this Agreement. You agree not to let your Account balance exceed such amount. Each payment you make on the Account will replenish your credit limit by the part of the payment which is applied to principal. You may request an increase in the credit limit only by a written request, which must be approved by us. We may reduce your credit limit from time to time or may, with good cause, revoke your Card and terminate this Agreement. In either event, we will give you written notice of such action. "Good cause" includes your failure to satisfy the terms of this Agreement, or our adverse re-evaluation of your creditworthiness. However, you may terminate this Agreement, at any time and for any reason, by giving us written notice. Nevertheless, termination by you or by us does not affect your obligation to pay all debts and FINANCE CHARGE thereon arising from authorized use of your Card. The Cards remain our property and you must recover and surrender to us all Cards upon our request or upon termination of this Agreement.
- 3. USING THE CARD**—If you choose not to accept the card(s) issued, and personal identification number, please cut them in half and return to the credit union within 30 days. When you receive your Card, each Card must be signed (in the space provided on the back) by the person whose name is embossed thereon. That signature must be in the same form as embossed on the front of the Card. To make a purchase or cash advance several alternative procedures may be followed. One is for you to present the Card to a participating VISA merchant or financial institution, or to us, and sign the sales draft or cash advance slip which will be imprinted with your Card. Another is to complete the transaction by using your Personal Identification Number (PIN) in conjunction with the Card, in accordance with the instructions given to you by an Automated Teller Machine (ATM), or other type of electronic terminal that provides access to the VISA system, by a participating VISA-plan merchant, by us, or another financial institution. Another is the writing of a credit loan draft which may be used to access your VISA line of credit. Please note that we are not responsible if a particular VISA-plan merchant or financial institution refuses to honor your Card. You will receive a copy of the draft which you should retain to verify your monthly statement. We will, upon request, furnish you with a copy of a draft at a charge disclosed on the service charge schedule. You agree that the use of the Visa Card to obtain a service or effect a transaction that is illegal under the law of any jurisdiction where originated, effected or accomplished, will be a default and breach of this agreement. United Federal Credit Union may terminate your access to the service or withdraw your right to use the Visa Card and/or demand the return of all Visa Cards or other access devices issued to you. If illegal use of your Visa Card occurs, you waive the right to sue United Federal Credit Union and agree to indemnify and hold United Federal Credit Union harmless from any suits or other legal action or liability which may be asserted, directly or indirectly, against United Federal Credit Union arising out of or resulting from the illegal use of the Visa Card.
- 4. MONTHLY PAYMENT**—A statement will be mailed every month showing your "Previous Balance"; "Purchases"; and "Cash Advances" the transactions posted to your account since the previous statement, the "New Balance" and the FINANCE CHARGE, the Minimum Payment required,

and the remaining part of the credit limit still available. You must pay at least the Minimum Payment by the due date shown on your statement. Of course, you may pay any amount greater than the Minimum Payment, including the entire New Balance on the statement, without any penalty for prepayment. And you can make payments on the Account as often as you wish. The Minimum Payment will be either (a) 3% of your New Balance or \$20.00, whichever is greater for VISA Classic or VISA Gold cards, (b) 2% of your New Balance or \$20.00, whichever is greater for VISA Platinum cards, or (c) your full New Balance if it is less than \$20.00; however, the Minimum Payment shown on your statement will also include any unpaid portions of Minimum Payment(s) shown on earlier statement(s), in addition, if at any time your New Balances exceed the credit limit, you must pay us that excess immediately. We will apply your payments in the following order:

- (a) To the previously billed and unpaid FINANCE CHARGE on "Cash Advances;"
- (b) Then, to previously billed and unpaid FINANCE CHARGES on "Purchases;"
- (c) Then, to previously billed cash advances;
- (d) Then, to previously billed purchases;
- (e) Then, to new cash advances, whether or not billed on the monthly statement;
- (f) Then to new purchases, whether or not billed on the monthly statement.

However, any payment equal to, or greater than, the Previous Balance of Purchases will be applied first to that balance and any FINANCE CHARGE thereon so as to avoid continuing accrual of FINANCE CHARGE on that amount.

- 5. FINANCE CHARGE**—The FINANCE CHARGE is determined by multiplying your "Average Adjusted Daily Balance" for the statement billing period by the MONTHLY PERIODIC RATE. The ANNUAL PERCENTAGE RATE referred to herein is a Variable Rate and may vary in accordance with the following:
 - (a) The rate may be changed by United Federal Credit Union monthly.
 - (b) The change will not apply to your account until the first day of your next billing cycle that begins after a rate change date.
 - (c) The ANNUAL PERCENTAGE RATE will be determined monthly by adding a margin to an Index value. For Visa Classic the margin is 11.74 percentage points; for Visa Gold the margin is 9.74 percentage points; for Visa Platinum the margin is 6.74 percentage points. The Index value is the Prime Interest Rate published in the Wall Street Journal "money rates" table on the last business day of the month (or next business day if the last day falls on a weekend or holiday). A new rate will not apply to your account until the first day of your next billing cycle that begins after a change date.
 - (d) An increase in the "Index" will result in an increase in the FINANCE CHARGE, and it may have the effect of increasing your Minimum Payment. A decrease in the "Index" value will have the opposite effect of an increase. However, in no event, regardless of any decrease in the Index value will the ANNUAL PERCENTAGE RATE for Visa Classic decrease below 10.99%; for Visa Gold 9.99%; and for Visa Platinum below 6.99%.

FINANCE CHARGE (INTEREST) is calculated on the "Average Adjusted Daily Balance" of your account. An Average Adjusted Daily Balance is calculated separately for purchases and cash advances and is determined as follows: For each day during the statement period (billing cycle) the principal balances of purchases or cash advances posted to the Account that day and are decreased by any payments or credits posted to the Account that day. Such daily principal balances are separately totaled and then divided by the number of days in the statement period resulting in the "Average Adjusted Daily Balance" of purchases and cash advances shown on your statement.

You can avoid a FINANCE CHARGE on purchases by paying the full amount of the "New Balances" of "Purchases" each month by the due date shown on your statement. If you fail to pay the entire "New Balance" of "Purchases" shown on any statement by the payment due date, FINANCE CHARGE will accrue during the next billing cycle with respect to such "New Balance" of "Purchases" and with respect to purchases first posted to your Account. There is no FREE INTEREST period for cash advances.

- 6. OTHER CHARGES**—Your account will be subject to OTHER CHARGES, including, without limitation, an Over-the-Limit fee of \$25.00 will be assessed once the account balance exceeds the credit limit by 5%, and a Late Payment fee of \$25.00 will be assessed once the account falls 10 days past due. A plastic card fee may apply: the first two cards, per account, are provided free. If any additional cards are requested, a fee of \$5.00 will apply. If an entirely new VISA account is required due to lost or stolen cards, the fee as disclosed on the Service Charge Schedule will apply. A Personal Identification Number (PIN) replacement charge of \$5.00 applies if you lose or forget your PIN. The charge for a copy of a draft slip is disclosed on the Service Charge Schedule. This credit union reserves the right to charge Automated Teller Machine (ATM) transaction

charges. If we do, we will notify you of such charges and the method we use to determine them. Additional charges may also be assessed if cardholder pays Issuer with a check which is not honored by cardholder's financial institution or requests a copy of a document. No finance charge will be assessed on such additional charges. There is no fee for a cash advance. There is no fee for balance transfers.

7. **CREDITS**—If merchants who honor your Card give you a credit for returns or adjustments, they will do so by sending us a credit slip which we will post to your Account. You should keep your copy of the credit slip to verify your monthly statement. If your credits and payments exceed what you owe us on the Account, we will credit your account right away but if you want the excess to be credited back to you, it must be requested so, in writing, as soon as possible.
8. **Foreign Transactions.** When you use your VISA-branded Credit Card at a merchant that settles in currency other than US dollars, the charge will be converted in the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by VISA from the range or 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. The currency conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

Visa USA charges us a .8% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, the International Service Assessment is 1% of the transaction. As a result, we charge you a 1% international transaction fee on all international transactions regardless of whether there is a currency conversion. An international transaction is a transaction where the country of the merchant is outside the USA.

9. **LOSS OR THEFT OF CARD**—You agree to notify us immediately upon discovering that your Card has been lost or stolen.
10. **LIABILITY FOR UNAUTHORIZED USE**—You may be liable for the unauthorized use of the card or related cards as provided in this paragraph. If your card is lost or stolen please notify us immediately at:
- United Federal Credit Union
2807 S. State Street
St. Joseph, Michigan 49085
(888) 982-1400

If you have a consumer account or a business account for which less than 10 cards have been issued, your liability is as follows:

VISA Credit Card: You have zero liability

If you have a consumer or a business account for which 10 or more cards are issued to employees of a single business or organization there is no limit to your liability for unauthorized use that occurs before you notify us as provided in this Agreement.

11. **DEFAULT**—You will be in default if you fail to make at least the "Minimum Payment" by the due date shown on a monthly statement. You will also be in default if (a) you breach any other conditions of the Agreement, (b) we determine that your creditworthiness (which includes your ability to repay us) has become unsatisfactory due to employment status, (c) in the event this Agreement is terminated by you or by us for any reason, or (d) if you die, file for bankruptcy or become insolvent. You will be in default if you default on any other indebtedness to the credit union. When you are in default, the entire balance on the Account becomes due and payable forthwith. You agree that, in the case of death, you will pay all usual and customary costs of collection permitted by law.
12. **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 our experience with you under this Agreement to credit bureaus and other creditors.
13. **EFFECT OF AGREEMENT**—This Agreement contains our complete contract relating to the Account and applies to every transaction relating to the Account even through a sales, cash advance draft, or a credit slip you sign or receive even though the slips may contain different terms.
14. **AMENDMENT OF AGREEMENT**—From time to time, we may amend this Agreement by giving you written notice of the amendment at least 15 days before it goes into effect, unless a shorter notice period is permitted by law. 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.
15. **CASH ADVANCES 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 (PIN). Your use of that number, together with your Card, in getting a cash advance from such a machine is agreed to constitute your signature for purposes of such cash advances.

16. **RECORD KEEPING**—You hereby agree that we may keep the card application which bears your signature so that we can comply with federal and/or state law relating to loan documents we are required to keep in our files.
17. **INSURANCE**—Credit insurance is not required to obtain credit under this plan and will be included only if requested by the applicant.
18. **SECURITY INTEREST**—To secure your account, you grant us a purchase money security interest under the Uniform Commercial Code in any goods you purchase through the account. If you default, we will have the right to recover any of these goods which have not been paid for. As a condition for approval of your VISA account you grant us a specific pledge of your credit union shares (deposits), excepting those accounts that would have an adverse tax consequence. Collateral securing other loans you have with the Credit Union may also secure this loan, except that your home will never be considered as security for this Account notwithstanding anything to the contrary in any other agreement.

YOU PLEDGE AND GRANT TO UNITED FEDERAL CREDIT UNION A SECURITY INTEREST IN ALL INDIVIDUAL AND JOINT ACCOUNTS YOU HAVE WITH US NOW AND IN THE FUTURE TO SECURE YOUR CREDIT CARD ACCOUNT(S) TO THE EXTENT OF THAT PORTION OF THE LOAN BALANCE WHICH MAY BE IN DEFAULT OR EXCEEDS YOUR CREDIT LIMIT, INCLUDING COSTS OF COLLECTION AND REASONABLE ATTORNEYS FEES. YOU AUTHORIZE US TO APPLY THE BALANCE IN THESE ACCOUNT(S) TO PAY ANY AMOUNTS DUE UNDER THIS AGREEMENT IF YOU SHOULD BE IN DEFAULT.

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 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.

If you have authorized us to pay your credit card bill automatically from your savings or draft account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

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 you 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 \$50.00 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 the 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 \$50.00.

These limitations do not apply if we own or operate the merchant or if we mailed you the advertisement for the property or services.

Illinois Residents: Residents of Illinois may contact the Illinois Commissioner of Banks & Trust Companies for comparative information on interest rates, charges, fees and grace period. Ohio Residents: The Ohio laws against discrimination require that all creditors make credit equally available to all credit worthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law. New York Residents: A consumer credit report may be ordered in connection with the update, renewal or extension of credit. Upon your request, you will be informed whether or not a consumer credit report was ordered, and if it was, you will be given the name and address of the consumer reporting agency that furnished the report. Wisconsin Residents: No agreement, court order, or individual statement applying to marital property will adversely affect a creditor's interest unless prior to the time credit is granted the creditor is furnished a copy of the agreement, court order, or statement, or has knowledge of the adverse provision. California Residents: You have the right to request credit bureaus to prohibit use of information from their credit file in connection with credit transactions not initiated by you. You exercise this right by contacting the appropriate credit bureau directly.