

What You Need to Know about Over-the-Limit Charges and Over-the-Limit Fees

Your VISA credit card account is a revolving line-of-credit with a maximum credit limit. Over-the-limit transactions when you make a charge that causes the principal of your revolving line of credit to exceed your maximum credit limit. An over-the-limit fee occurs when you exceed your maximum credit-limit, but the University of Kentucky Federal Credit Union (the Credit Union) chooses to pay the transaction anyway. The Credit Union's standard over-the-limit charge practice is to decline your card when a transaction would cause your revolving line of credit to exceed its maximum limit. In order to avoid having your card declined, you must opt-in to our over-the-limit program.

This notice explains our standard over-the-limit practices.

➤ What are the standard over-the-limit charge practices that come with my Visa credit card account?

Unless you choose to opt-in to our over-the-limit program, the Credit Union will not authorize your credit card to pay **ANY** transactions that would exceed the credit limit. As a result, without the protection given by our over-the-limit program, your card could be declined if a transaction would cause your card to exceed the maximum limit of your credit line.

If you ask us (see below), we will authorize and pay over-the-limit charges for the following types of transactions:

- ATM transactions and other transactions made using your credit card number
- Automatic bill payments
- Everyday credit card transactions

We do not authorize and pay over-the-limit charges for the following types of transactions (see below):

- Special Visa Checks

We pay over-the-limit charges at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction.

If we do not authorize and pay an over-the-limit charge, your transaction will be declined.

What fees will I be charged if the University of Kentucky Federal Credit Union pays my over-the-limit charge?

Under our standard over-the-limit charge practices:

- We will charge you a fee of up to **\$25** to the principle of your revolving line of credit each month we pay an over-the-limit charge.
- There is no limit on the total fees we can charge you for exceeding your credit limit.

How do I tell the University of Kentucky Federal Credit Union to authorize and pay over-the-limit charges on Visa credit card account?

If you also want us to authorize and pay over-the-limit charges on your Visa credit card account, call 1-(800)234-8528, visit www.ukfcu.org, or complete the form below and take it to your nearest branch or send it by mail to:

Member Services
c/o University of Kentucky Federal Credit Union
2557 Sir Barton Way
Lexington, KY 40509

 I do not want the University of Kentucky Federal Credit Union to authorize and pay over-the-limit charges on Visa credit card account.

I want University of Kentucky Federal Credit Union to authorize and pay over-the-limit charges on Visa credit card account.

Printed Name: _____

Date: _____

_____: _____

Sign Here

Annual Percentage Rate (APR) for purchases	<p>Visa Platinum</p> <p>% variable¹</p>
Other APRs	<p>Cash Advance % variable Balance Transfer % variable¹</p>
Variable-Rate Information	<p>You APR may vary.² The purchase and balance transfer APR equals Prime Rate plus % (never lower than 8.99%). The cash advance APR equals the Prime Rate plus 11.99% (never lower than 15.24%).</p>
Grace Period for Repayment of Balances for Purchase	25 Days
Method of computing the balance for purchases	Average Daily Balance (Including New Purchases)
Annual fees	None
Minimum Finance charge	None
Transaction fee for purchases	None
Foreign Transaction Fee	1% ³
Balance Transfer Fee	None
Late-Payment Fee	\$25.00 ⁴
Over-the-Credit-Limit Fee	\$25.00 ⁵
Returned Payment Fee	\$25.00
Rush-a-Card Fee	\$25.00
Card Replacement Fee	\$5.00
Duplicate Statement Fee	\$2.00

1. The ANNUAL PERCENTAGE RATE is based on certain credit worthiness criteria.
2. ANNUAL PERCENTAGE RATE is determined and may be adjusted on the first business day of the quarter (January, April, July, October) by adding a Margin (3.99 to 11.99% depending on creditworthiness) to the Index (the highest Prime Rate published in the Wall Street Journal "Money Rates" table on the last calendar date of the previous month).
3. of transaction amount.
4. if five (5) or more days late.
5. if 1% over your credit limit.

How do we apply your payments? We apply your payments to high APR balances first. You cannot pay off lower APR balances until you payoff higher APR balances.

TRUTH IN LENDING DISCLOSURE AND OPEN END VISA® CARDHOLDER AGREEMENT

I WILL KEEP A COPY OF THIS DISCLOSURE FOR MY RECORDS. **Copy in boldface meets Truth in Lending Disclosure Requirements.** I have applied for an open end Visa Credit Card Account ("Visa Account") with the University of Kentucky Federal Credit Union ("Credit Union"). By accepting this document, I have chosen to read this agreement in full. I agree that the extension of a Visa Account to me will be subject to the following terms as listed in this agreement.

1. USING MY ACCOUNT

a. If I am approved for an account, the Credit Union will establish a line of credit for me and issue one or more Visa Credit Cards ("Card"), as I instruct on my application. The Credit Union will also issue special Visa Checks ("Checks") to Visa cardholders with each applicant's name printed on them (available upon request). Each applicant can access my Visa account by writing and signing a Check. If a card is issued to an applicant, co-applicant, or Authorized User (as defined in 2b below), I acknowledge that they can access the Visa account by using the Card for purchases, cash advances, or balance transfers. I understand that I consent to this Agreement by applying for, keeping, signing or using a Credit Union Visa Credit Card or Check or permitting others to do so.

b. I understand that my Visa Account will be an open-end line of credit. This means that I can borrow the full amount of the line of credit, repay the principle in full or part, then borrow up to my maximum limit, so long as my membership with the Credit Union is in good standing and I remain a credit worthy borrower. In order to remain in good standing, I must meet all loan and account obligations to the Credit Union, and comply with applicable laws and Credit Union bylaws.

c. Card Transactions. I understand that the use of my credit card constitutes acknowledgement of receipt and agreement to the terms of the Credit Card Agreement. To make a purchase or cash advance with my Visa credit card, I or an Authorized User must either present the Card or give the Card number to a participating Visa merchant. I may also present the card or card number to the Credit Union or another financial institution. Should the card be presented in person, the cardholder or Authorized User must sign a sale or cash advance draft imprinted with the card number. A copy of this draft or receipt should be retained to verify the information found on the monthly statement. I understand that I may be able to use my Visa credit card at certain designated ATMs. If I decide to use my card at an ATM, it is subject to additional terms and disclosures found in the Credit Union's Electronic Funds Transfer Agreement and Disclosure. In order to make ATM transactions, I will be required to use the personal identification number issued with my card. If the Card is used for telephone or Internet transactions or other transactions not made in person, the only documentation I receive may be my monthly statement.

d. I agree not to use my Visa Account any transactions that are deemed illegal by Federal, State, and Local laws. This may include, but is not limited to, illegal online gambling. The Credit Union may refuse to honor a transaction it reasonably believes to be illegal. However, I am responsible for determining the legality of transactions made by me and by persons I allow to use my Account. The illegality of any authorized transaction will not be a defense to my obligation to pay for it.

e. Special Visa Checks. I can write a Check payable to a merchant or other payee in order to make a purchase or obtain a cash advance using a Special Visa Check. The Credit Union is not obligated to honor any Visa Checks signed by any person other than the applicant or Authorized User. Use of a Visa check may be treated as a cash advance, and thus be subjected to the same finance charges that apply to cash advances. There is no fee for the printing or usage of Visa Checks (other than those associated with normal cash advance fees as disclosed in section 6(e)(III) of this agreement). However, special handling such as stop payment requests or return of Visa Checks unpaid due to my not having sufficient available credit will be subject to the fees that apply to the same or similar services on Credit Union Share Draft Checking Accounts. I will refer to the Credit Union's Fee Schedule. A merchant or other payee may convert a VISA check to an electronic check, and I will refer to the Electronic Fund Transfer Disclosure for terms governing electronic checks. I must report unauthorized Visa Check use (whether paper checks or converted electronic checks) within 60 days after the Credit Union mailed me the first statement on which the unauthorized use appeared or the Credit Union may not be liable for any loss I incur.

f. Foreign Transactions - Purchases and cash advances made in foreign currencies will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is 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. The exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date. A fee of 1 percent of the amount of the transaction, calculated in U.S. dollars, will be imposed by Visa on all foreign transactions, including purchases, cash advances and credits to your account. A foreign transaction is any transaction that you complete or a merchant completes on your card outside of the United States, with the exception of U.S. military bases, U.S. territories, U.S. embassies or U.S. consulates.

2. RESPONSIBILITY AND OBLIGATION TO REPAY

I agree to pay all charges (purchases and cash advances) made to my account by me or anyone I have authorized to use my account. I also agree to pay all finance charges and other charges added to my account under the terms of this Agreement or any other agreement I have made with the Credit Union.

3. Joint Account

If this is a joint account, each person on the account must sign the Agreement (by signing on the application). I and the joint owner will be individually and jointly responsible for paying all amounts owed under this Agreement. This means that the Credit Union can require anyone of us to individually repay the entire amount owed under this Agreement. I and the joint owner authorize the other(s) to make purchases or cash advances individually. Either I or the joint owner may terminate the account and the termination will be effective as to all Visa account holders.

4. SECURITY INTEREST

a. 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. In addition, your account is secured by all other shares you have in any individual or joint account with the Credit Union, except for shares in an Individual Retirement Account or in any other account that would lose special tax treatment under state or federal law if given as security. You authorize the Credit Union to apply the balance in your individual or joint share accounts to pay any amounts due on your account if you should default. Collateral securing other loans you have with the Credit Union may also secure this loan, except that a dwelling will never be considered as security for this account, notwithstanding anything to the contrary in any other agreement.

b. The security interests in this section and in Section K apply even if my Visa Account is otherwise designated "signature" or "unsecured."

5. CREDIT LIMIT & ACCOUNT INFORMATION

a. I acknowledge that the credit union will notify me of my credit limit, and that this limit is the maximum amount (purchases, cash advances, finance charges, balance transfers, plus "other charges") which I will have outstanding on my account at any time. If for any reason I exceed my credit limit, I will pay the amount over the limit before payments will reinstate my credit limit. The Credit Union has the right to reduce my credit limit, refuse to make an advance and/or terminate my account for any reason allowable under Federal and State Law.

b. I acknowledge that the Credit Union has sole discretion to set my credit limit, applying its loan policies to its evaluation of my creditworthiness and ability to pay. It can and will review my Visa Account from time to time. Its review may include checking my credit with third parties such as credit reporting agencies. I will provide any current information the Credit Union requests. The Credit Union can raise or lower my credit limit, alter my interest rate, or close my Visa Account based on your review. You will give me notice required by law if you make changes adverse to me. I can request an increase to my credit limit at any time by submitting an oral or written request, but the Credit Union has sole discretion as to whether to approve my request. All cards issued or re-issued are subject to approval. An Account that has been inactive for six months may not be automatically renewed.

6. REPAYMENT TERMS AND CALCULATION OF THE FINANCE CHARGE

a. I promise to pay to the Credit Union in U.S. Dollars using payment instruments drawn on U.S. financial institutions, at its office(s) all sums advanced to me under this Agreement at any time plus a Finance Charge as described in this section.

The Finance Charge is the amount of money I pay for the money I borrow. It is based on an Annual Percentage Rate.

b. Annual Percentage Rate is determined and may be adjusted on the first business day of the quarter (January, April, July, October) by adding a Margin to the Index (the highest Prime Rate published in the Wall Street Journal "Money Rates" table on the last day of the previous calendar quarter March, June, September, and December). The Margin is determined based on an evaluation of each member's credit history, and will range from 3.99% to 11.99%. My rate for purchases and balance transfers will never be more than 18.00%, regardless of the Wall Street Journal Prime Rate. Any increase in the Annual Percentage Rate will take the form of additional payments shown as Total Minimum Payments on the statement. Purchases and Balance Transfers will be charged 3.99% to 11.99% percentage point(s) above the index rate. Cash Advances will be charged 11.99% above the index rate. Your rate for cash advances will never be less than 15.24% or more than 18.00%, regardless of the index rate. If the Index is no longer available, the Credit Union will choose a new index which is based upon comparable information.

The U.S. Prime Rate used to determine your APRs for each billing cycle is the highest rate appearing in The Wall Street Journal on the last day of the calendar month March, June, Sept and Dec. If the Index has changed, the new variable rates will take effect as of the first day of the first billing cycle that ends on or after the first day of the calendar month following the Index change.

Index Review Date	System Implementation Date	Statement Cycle Reflecting updated Prime	Effective Date of APR
Month End March	4/1/10	April – Cycles 4/1-30/10	Cycles 4/1-30/10 March cycle date + 1 day
Month End June	7/1/10	July –Cycles 7/6-31/10	Cycles 7/1-31/10 June cycle date + 1 day
Month End Sept	10/1/10	Oct- Cycles 10/1-31/10	Cycles 10/1-31/10 Sept cycle date + 1 day
Month End Dec	1/1/10	Jan – Cycles 1/1-31/10	Cycles 1/1-31/10 Dec cycle date + 1 day

c. Minimum monthly payment: My minimum periodic payment will be the greater of 2.5% of the current monthly balance or \$15, plus any over limit or delinquent amounts, plus any late or over-limit fees. If my balance is less than \$20, I must pay it in full. The minimum monthly payment will increase with increases in the outstanding principal balance and with increases in the interest rate. The Credit Union also has the right to demand immediate payment of any amount by which you are over your credit limit.

d. Calculation of Finance Charges.

i. Average-daily-balance method (including current transactions): The Credit Union figures the Finance Charge on my Account for the month by multiplying the "average daily balance" of my Account for the month, including current transactions, by my Annual Percentage Rate, then dividing the total by 12. To get the "average daily balance," you start by taking the beginning balance of my account each day of the billing cycle, adding any new purchases/advances/loans/balance transfers that post that day, and subtracting any payments or credits and unpaid

finance charges. This gives you the daily balances for each day of the billing cycle. Then, you 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 you the average daily balance.

II. I have a 25 day grace period from the close of the statement period to make the payment of the "New Balance" of Credit Card Purchases without the specified Finance Charge, provided that I paid my previous statement's balance in full on or before the due date, or I had no outstanding balance at the close of the previous statement period. After the grace period, my payment must include the Finance Charge for Credit Card Purchases. If I had a balance on my previous statement that I did not pay in full, finance charges will accrue on my entire outstanding balance during the current statement period, including new transactions.

III. The Credit Union can assess finance charges on Cash Advances from the day they post to my Visa Account. Cash Advances include all Visa Check transactions (whether used to obtain cash or to pay for goods or services), use of the Card to obtain cash via a signature (over-the-counter) transaction or ATM, overdraft protection advances, and MainLine or On-Line Banking advances.

e. **Payment allocation** - You will apply any payment I make to you to my finance charge and then any amount in excess of the required Minimum Payment Due will first be applied to those balances with the highest APR, and any remaining payment to the next highest APR in descending order.

f. **I can repay the balance I owe, including the accrued Finance Charge on the unpaid balance, to the Credit Union in full at any time without prepayment penalty.**

g. If my outstanding balance exceeds my credit limit at any time for any reason, I must make a single lump sum payment to reduce my balance to within my authorized credit limit, if the Credit Union notifies me in writing to do so.

7. OTHER CHARGES

The following other charges (fees) will be added to my account, as applicable:

a. Over-the-Credit-Limit Fee.

I. Should I choose to opt-in, I may be charged a fee of \$25.00 on a statement date if my new balance on that date, less any fees imposed during the cycle, is more than 1% over my credit limit. I will be charged the fee each subsequent month until my new balance on the statement date, less any fees imposed during the cycle, is BELOW my credit limit. I understand that if I refuse to opt-in, my card may be declined when my Visa credit card reaches its maximum limit.

II. When the Credit Union opens my account you will give me a credit line. You can change this line, i.e., increase or decrease it, at any time. Second, you can take away from me my right to use my Card or my account permanently or until I'm no longer over my credit line by more than 1%. Third, you can treat me as being in default. Fourth, you can increase my credit line so that it's more than what I owe you.

b. **Late Payment Fee.** If I am five (5) or more days late in making a payment, a late charge of \$25.00 will be added to your account.

c. **Return Payment Fee.** If a payment used to make a payment on my account is returned unpaid, I will be charged a fee of \$25.00 for each item returned.

d. **Card Replacement Fee.** I will be charged \$5.00 for each replacement card that is issued to me, which will take 7 to 10 business days to arrive. To receive my card within 3 to 5 business days, I agree to pay \$25.00 for the replacement card.

e. **Duplicate Statement Fee.** I will be charged \$2.00 per statement to receive a duplicate copy of any statement.

e. **Collection Costs.** You promise to pay all costs of collecting the amount you owe under this Agreement, including reasonable attorney's fees to the extent permitted by state and federal law.

8. CHANGING OR TERMINATING YOUR ACCOUNT

The Credit Union may change the terms of this Agreement from time to time. Notice of any change will be given in accordance with applicable law. If permitted by law and specified in the notice to you, the change will apply to your existing account balance as well as to future transactions. Either you or the Credit Union 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. You are also responsible for all transactions made to your account after termination, unless the transactions were unauthorized. The card or 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. The Credit Union has the right to require you to pay your full account balance at any time after your account is terminated, whether it is terminated by you or the Credit Union. If this is a joint account, section 3 of this Agreement also applies to termination of the account.

9. DEFAULT –

a. I will be in default if I fail to make any minimum payment or other required payment by within five (5) days after the day it's due. I will be in default if you break any promise I make under this Agreement. I will be in default if I die, file for bankruptcy or become insolvent, that is, unable to pay my obligations when they become due. I will be in default if I make any false or misleading statements in any credit application or credit update. I will also be in default if something happens that the Credit Union believes may substantially reduce my ability to repay what you owe.

b. When I am in default, the Credit Union has the right to demand immediate payment of my full account balance without giving me notice. If immediate payment is demanded, I agree to continue paying finance charges at the periodic rate charged before default, until what I owe has been paid, and any shares that were given as security for my account may be applied towards what I owe.

10. DEALING IN GOOD FAITH

I will promptly notify the Credit Union of any information that affects my creditworthiness or ability to pay off the loan, including but not limited to any change in my name, address, or employment. I will not apply for or use credit if I have reason to believe that I will be unable to make the scheduled payments on what I borrow.

11. LIABILITY FOR UNAUTHORIZED USE-LOST/STOLEN CARD NOTIFICATION –

You agree to notify us immediately, orally or in writing at PO Box 31281 Tampa, FL 33631-3291 or telephone (800) 449-7728 twenty-four (24) hours a day, seven (7) days a week, of the loss, theft, or unauthorized use of your credit card. You may be liable for the unauthorized use of your credit card. You will not be liable for unauthorized use that occurs after you notify us of the loss, theft, or possible unauthorized use. You will have no liability for unauthorized purchases made with your credit card, unless you are grossly negligent in the handling of your card. In any case, your liability will not exceed \$50.

12. CREDIT REVIEW AND RELEASE OF 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. If your account is eligible for emergency cash and/or emergency card replacement services, and you request such services, you agree that we may provide personal information about you and your account that is necessary to provide you with the requested service(s).

13. RETURNS AND ADJUSTMENTS

Merchants and others who honor your 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 credit balance amount is \$1.00 or more, it will be refunded upon your written request or automatically after six (6) months.

14. ADDITIONAL BENEFITS/CARD ENHANCEMENTS

The Credit Union may from time to time offer additional services to your account, such as travel accident insurance, 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.

15. MERCHANT DISPUTES

The Credit Union is not responsible for the refusal of any merchant or financial institution to honor your 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. 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.

17. NO WAIVER -The Credit Union can delay enforcing any of its rights any number of times without losing them.

18. STATEMENTS AND NOTICES -Statements and notices will be mailed to you at the most recent address you have given the Credit Union. Notice sent to anyone of you will be considered notice to all.

19. FINAL EXPRESSION -This Agreement is the final expression of the terms and conditions of this Visa line of credit between you and the Credit Union. This written Agreement may not be contradicted by evidence of any alleged oral agreement.

20. COPY RECEIVED -You acknowledge that you have received a copy of this Agreement.

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 share draft account, you can stop the payment on any amount you think is wrong. To stop the payment, your letter must reach us three (3) 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 (10) 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 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 (2) limitations on this right:

- 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
- The purchase price must have been more than \$50.

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