



# New England Federal Credit Union

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## NEFCU VISA<sup>®</sup> CARDHOLDER AGREEMENT

### DISCLOSURE STATEMENT

In this contract, the word “Agreement” refers to this Visa Cardholder Agreement - Disclosure Statement. The words “you” and “your” mean all persons of legally binding age who sign an application and/or signs the Card. NEFCU refers to New England Federal Credit Union. “Card” means any Visa Card we issue to you.

This Agreement sets out your rights and duties as well as ours. This Agreement also governs the issuance and use of “Cash Advance Checks” (herein “Checks”), “Cash Advance Request” (herein “Requests”), and “Balance Transfers”. By using your Card you acknowledge the terms and agree to be bound by the terms and requirements.

#### Important Details:

- **Membership Requirement:** You and all joint cardholders must be a Member in good standing with us to be eligible for a Card. We may suspend Card privileges at any time, without notice, including closing the Account, if you do not maintain your Membership with us.
- **Variable Rate:** This document contains provisions for a variable **annual percentage rate (APR)**.
- **Signature Requirement:** In order for your Card to be valid, you must sign the back of your credit card as soon as you receive it.

### THE AGREEMENT - YOUR RESPONSIBILITY

**Promise to Pay:** You agree to repay all charges made on this Card, along with any finance, or any other charges arising from the use of the Card.

- Your obligation to pay the account balance continues even though an agreement, divorce decree, or other court order to which we are not a party may direct you, or one of the other persons responsible, to pay the account.
- **Joint/Co-signer Liability:** Each person who signs an application and/or signs the Card (thus becoming a party to this Agreement) will be individually and jointly responsible for paying all charges to this account including yours. Each of you authorizes the other(s) to make charges (purchases and cash advances) to your Card account. You cannot disclaim responsibility by notifying us, but we will close the account for new transactions if you request us to do so.
- Your obligation to comply with this Agreement is not dependent upon your use of a Card.

#### Use of Your Card/Account

- **Activation and Annual Usage:** Cards must be activated within 60 days of receipt and used for a purchase at least once every 12 months, or the Card will automatically be closed, without additional notice.

- **Purchases:** You can use your Card to buy or lease goods or services at participating Visa merchants. We will add the amount of each purchase to that part of your account we call purchases.
- **Cash Advances:** You can use your Card for a cash advance by presenting your Card at any participating Visa financial institution or by using a convenience check as payment to a 3rd party. You can also use your Card for cash advances at any participating Visa automated teller machines. The use of your Personal Identification Number (PIN) will be your legally binding signature for the purpose of requesting the advances. We will add the amount of each advance to the cash advance section of your account. All cash advances are subject to available Credit Limit and will start to accrue interest immediately.
- **Credit Limit:** Your Card has an Account limit (Credit Limit) that is established by us. You agree not to allow the unpaid balance to exceed the Credit Limit. NEFCU reserves the right to deny purchases that would cause you to exceed your limit. Any joint applicant may request a change to your Credit Limit orally, in writing, or electronically, but it must be approved by NEFCU and we will verify the request with all other cardholders. If your Credit Limit is increased, you are immediately responsible for the new Credit Limit.
- **Authorizations:** Most transactions require approval of funds, which may result in holding funds against your Credit Limit. NEFCU reserves the right to limit transactions on a Card. We may deny transactions when we detect unusual or suspicious activity, even if you have sufficient credit available. We are not liable if a merchant, financial institution or ATM does not honor your Card. Purchases and Advances are subject to daily limits that may restrict the full use of your available Credit Limit.
- **Points and Redemption:** If you participate in NEFCU's Rewards Card program, points are earned at a rate of 1 point for every \$1 spent. Points are redeemable for cash at the exchange rate of 1 Point = \$0.01. Minimum redemption for cash is 1,000 points. Points earned in the current year will expire on December 31 three years in the future. If you close the Card and have not redeemed the points they are forfeited at the time of closure.
- **Returns and Adjustments:** Merchants and others who honor the Card may give credit for returns and adjustments, and they will do so by sending a credit to post to your account. If your credits and payments exceed what you owe us, we will hold and apply this credit balance against future Card use, or if it is one dollar or more, refund it on your written request or automatically after six months.
- **Merchant Disputes:** We are not responsible for the refusal of any merchant or financial institution to accept your Card for any reason. If you have a dispute or disagreement with a merchant, you must attempt to resolve the dispute directly with the merchant. You can also find information regarding this on our website at [nefcu.com/dispute](http://nefcu.com/dispute). We must hear from you no later than 60 days after we send you the first bill on which the charge occurs.
- **Foreign Currency Conversions:** When you use your NEFCU Visa Card(s) at a merchant outside the United States or at a merchant that processes in a currency different from US Dollars, the charge will be converted into 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 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, plus 1% (1.15% on cash advances), in each instance. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.
- **Lost or Stolen Cards/Account Information:** You must notify NEFCU immediately if you believe your Account, Card or Personal Identification Number (PIN) has been lost or stolen by calling us at 802-879-

8790 or 800-400-8790, 24 hours a day, 7 days a week. If you delay in reporting your Card/PIN lost or stolen, you could be responsible for the charges or the losses incurred. Your liability may be limited by federal law and/or Visa regulations. In the event your Card is used fraudulently, you agree to assist us in our investigation and to sign an affidavit of fraud and forgery. Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Visa Card(s).

- **Prohibition Against Illegal Use:** You agree not to use your Card(s) for illegal purposes or transactions, including but not limited to, illegal and online gambling. In the event that a charge or transaction that is deemed illegal is approved and posted, you will still be responsible for such charges.
- **Fraud Activity/Fraud Protection:** Your credit card belongs to NEFCU and we may temporarily block your Card, without advance notice, if charges appear to be suspicious. To ensure that you retain access to your funds while traveling, please call 800-400-8790 or 802-879-8790 and let us know where you are traveling, for how long, and how we can reach you.

**RATES - Annual Percentage Rate (APR):**

<p><b>Annual Percentage Rate (APR) for Purchases and Cash Advances</b></p>	<p>The Standard Variable <b>APR</b> as of May 01, 2012 is between <b>5.15% and 15.15%</b>. The <b>APR</b> you receive is determined based on your creditworthiness and will vary with the market based on the Prime Rate plus margin.</p>
<p>Variable Rate Information for Purchases and Cash Advances</p>	<p>The <b>Annual Percentage Rate (APR)</b> applied on your account may increase or decrease during the term of this Agreement. Any such change is based on the "Prime Rate" as published in The Wall Street Journal on the last Wednesday of each month. In the event that the Index ceases to be published, changes in your <b>APR</b> will be related to a comparable Index.</p>
<p>How To Avoid Paying Interest</p>	<p>Your due date is the 21<sup>st</sup> of each month and is at least 25 days after the close of each billing cycle. You have 25 days interest free on all purchases regardless of the previous month's balance. If you pay all purchases in full within 25 days of the close of each billing cycle you will not pay interest. We will begin charging interest on cash advances on the transaction date.</p>

- **Computing the Account Purchase Balance and Advance Balance upon which Finance Charges are charged:**
  - o **Finance Charges** are calculated by applying the Monthly Periodic Rate to the Average Daily Balance of your Account. Actual **Finance Charges** will be shown on your statement.
  - o The Payment Due Date cut off is 5 PM EST (Monday through Friday, except Holidays) via mail at the address on your statement, online, or in person. All payments received after 5 PM EST, or which are received on a non-NEFCU business day or at an express box, are applied the next NEFCU business day.
  - o Interest will start to accrue immediately on Cash Advances.

## Fees

Fee	Amount	Frequency
Late Payment	\$20 or the Minimum Payment, whichever is less	10 days after the due date, assessed each month until your account is paid current.
Statement or Receipt Copy	\$5.00 per item requested	Each requested item that is not directly related to a billing error as defined under Section 226.13 of Regulation Z, Truth-in-Lending.
Rushed Replacement Card	\$60.00 per card	Upon request

**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>

## Your Billing Rights

*Does not apply to merchant disputes, fraud, or other merchant initiated issues*

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

**Errors or Questions about Your Bill:** If you think your bill is wrong, immediately WRITE to us on a separate sheet at:

New England Federal Credit Union  
Attn: Cardholder Services  
PO Box 527  
Williston, VT 05495-0527  
802-879-8790 or 800-400-8790

We must hear from you no later than 60 days after we send you the first bill on which the suspected error or problem appeared. You can telephone or email us, but doing so will not preserve your rights.

In your letter, give us the following information:

- o Your name and account number.
- o The dollar amount of the suspected error.
- o 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.

## 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.

- Once we receive your letter, we cannot collect any amount you are questioning, or report you as delinquent. We may continue to bill you for the amount in question and we can deduct the amount in question from your Credit Limit. You do not have to pay the amount in question while we are investigating, but you are still required 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 the amount in question. In either case, we will send you a statement of the amount you owe and the date that it is due.
- Once our investigation is complete, if we determine the charge(s) are correct and you do not pay the amount in question, we may consider you delinquent. If our explanation does not satisfy you, you must write to us within ten days telling us that the explanation is unsatisfactory and you refuse to pay the amount in question.
  - o We must report you as questioning your bill.
  - o We must tell you the name of anyone we reported you to.
  - o We must tell anyone we report you to that the matter has been settled between us when it finally is.
- If we do not follow these rules, we can't collect the first \$50.00 of the questioned amount, even if your bill was correct.

### **Statements and Payments**

- **Monthly Statements:** You will receive a statement at the close of each billing period if there is a transaction or balance on your account. The statement will show:
  - o All transactions
  - o Any unpaid balance in your account (called the new balance)
  - o The amount of credit available to you (your credit limit minus the new balance and outstanding authorizations)
  - o The minimum payment due, the payment due date
  - o The late payment fee and the date it will be charged, if applicable
- **Minimum Payments:** The minimum payment due on each statement is 3% of the new balance shown on the statement rounded up to the next whole dollar or \$10.00, whichever is greater. If the new balance is less than \$10.00, the minimum payment due will be the entire new balance.
- **Application of Payments:** Payments received will be applied to first unpaid Interest and fees, then to the Card balance with the highest interest rate, and then to each successive balance bearing the next highest rate of interest, until the payment is exhausted.
- **Crediting Payments:** All payments received on a NEFCU business day (Monday through Friday, except Holidays) will be credited on that day, provided they are received at the address on your statement via mail, paid on-line, or in person, before 5 PM EST. All payments received after 5 PM EST, or which are received on a non-NEFCU business day or at an express box, are applied the next NEFCU business day.
- **Irregular Payment:** We may accept late payments or partial payments without losing our rights under this Agreement.

- **Skip-a-Pay:** At our option, we may allow you a “skip-a-pay,” which means that you may be allowed to skip making the minimum monthly payment for a specific billing cycle (or cycles). If we agree to a “skip-a-pay,” we will continue to apply the **finance charges** disclosed above, but no late payment fees will be imposed.
- **Automatic Payment (AutoPay):** AutoPay is available upon request. If we do not receive the full amount of the AutoPay due, you will still be liable for the minimum payment due and any fees or **finance charges** that accrue as a result of not satisfying your payment.

When you request AutoPay, you are responsible for any payments due, and fees or **finance charges** that accrue until AutoPay goes into effect.

There are 3 options available for AutoPay from NEFCU:

- o Balance in full
- o Minimum payment due as stated on your Statement
- o A flat dollar amount, no less than 3% of your total credit limit

### **Default**

You are in “default” if you fail to make your required payment, fail to make your payment on time, break any other promise made under this Agreement, die, file for bankruptcy, or become insolvent, make any false or misleading statement in any application or update of information, fail to give us immediate notice of any unauthorized use of your Card, something happens which we believe may substantially reduce your ability to repay what you owe us, you breach any term or condition of any other loan(s) you may have with us, or you fail to maintain active membership in NEFCU.

If any of the above events occur, you will no longer be able to make charges until the default condition is resolved. In addition, we have certain rights which are designed to help collect what you owe us.

- **Full Payment Due Immediately:** If you are in “default,” we can demand that you immediately pay us the entire amount owed on your account, plus Interest and any other fees. No advance notice is required and you lose your right to make monthly payments under the Agreement and you must pay us in full right away.
- **Close Account:** If you are in “default”, NEFCU will close your account and we will notify you in writing to arrange payment terms, that may not be full payment.
- **Limited Rights to Your Shares and Deposits:** If you have been issued a Card that is secured by a specific account or account and you are in “default”, we have certain rights to the shares and deposits in those specific accounts. These are explained in the Security Interest section.
- **Lawsuit - Collection Expenses:** When you are in “default,” we can sue you in a Court of Law. We can also sue anyone who signs as a “co-signer” or “guarantor” under this Agreement. You agree to pay all of our costs and expenses incurred in the collection of your obligations under this agreement, including, but not limited to, reasonable attorney’s fees and court costs. You also agree to pay all of our post-judgment collection costs and expenses, including reasonable attorney’s fees.

### **Miscellaneous Provisions**

- **Notices:** Any notice we send to you will be considered effective when it is delivered to the cardholder or mailed, postage paid, to the address you have indicated in your application or on your account. It is your responsibility to notify NEFCU either in writing or via PC Banking of any changes in your address. Notice

from you will be considered effective when we receive it in writing to: NEFCU, PO Box 527, Williston, VT 05495.

If this is a joint account, we can notify one of you and the notice will be effective for both of you. Also, one of you can notify us, and we will consider it to be notice from both of you.

- **Transfer or Assignment:** Your rights under this Agreement belong to you only and may not be transferred or assigned. Your obligations are binding upon your heirs and legal representatives.
- **Surrender of Cards and Checks:** The Cards and Checks remain the property of NEFCU and must be surrendered upon NEFCU's request or termination of this Account.
- **Changing the Terms of This Agreement:** We can change this Agreement at any time with a 45 day advance notice for material changes including, but not limited to, changing the rates or margin, fees and the way we compute the **finance charge** or the minimum payment due.
- **Credit Information:** At any time, NEFCU can require you to update the credit information you provided and you authorize us to investigate your credit standing when opening, renewing, or reviewing your Account. You authorize us to disclose information regarding your Account to credit reporting agencies and other creditors who inquire of us about your credit standing, Visa and its authorized agents.
- **Credit Reporting Disputes:** If you question the accuracy of our reported information to a credit reporting agency, write us at the address listed on the statement with a description of your dispute. If available, please provide a copy of the credit report in question.
- **Closing Your Account:** You or any joint applicant on the Card can close your account at any time, if you notify us verbally or in writing. If you do not notify us that you want your account closed, it will remain open and subject to any applicable charges and fees. NEFCU can close your account at any time and we will notify you in writing. No matter who closes the account, we keep all rights we have and you still have to repay the Card's balance, **finance charges** and any other Fees.
- **Right To Reject:** You may still reject this plan, provided that you have not yet used the Card or paid a fee after receiving a billing statement. If you do reject the plan, you are not responsible for any further fees or charges.

If you reject the changes, NEFCU will close your account and you will no longer be able to use it for further transactions. If your account is closed, you must pay your balance over an amortized 5 year term. Your rate will continue to be Variable, based upon prime, as described above.

- **Opt Out:** When NEFCU changes the Cardholder Agreement, you have the right to reject the changes. If you do not want the changes to apply to your account, call us at 800-400-8790 or write to us at NEFCU, PO Box 527, Williston, VT 05495. Your letter must include your name, address, phone number and account number and your request to reject the changes. In order to reject changes to your account, you must contact us no later than 14 days before they go into effect. If you do not notify us as described above, you are agreeing to these changes.

### **Federal Equal Credit Opportunity Act Notice**

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicants income derives from any public assistance program or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning NEFCU is the NCUA, 1775 Duke Street, Alexandria, VA 22314-3428, 1-800-755-1030.

### Grant of Security Interest

- **Grant or “Pledge” of Shares and Deposits in Specific Account(s):** If you have been issued a Card that is secured by a specific account or accounts, you are giving us a security interest - called a “Pledge”- in all present or future shares or deposits in those specific accounts. This means that you are pledging your accounts as collateral for any debt you incur by the use of your Card.
- **Security Interest:** By giving us this security interest in the pledged accounts, you grant us the right to take the Minimum Monthly Payment when you are more than 15 days past due, or the entire Outstanding Balance (if it has become due for any reason) from the pledged accounts.
- **Cross Security:** Except for your home, all property given as collateral for any other loans with NEFCU, now or in the future, will also guarantee your NEFCU Visa account. The security interest language contained in those loans, and specific description of property pledged as collateral are incorporated herein as if set out in full. In addition, all other loans that you have with the Credit Union are also secured by this collateral.
- **Purchase Money Security Interest:** Using your Card means you accept the terms of this Agreement and you also grant us purchase money security interest in anything you buy with this Card, pursuant to Title 9A V.S.A. Article 9. In other words, we have a lien on such property until you have paid us the money you owe for that purchase.