New Mexico Educators Federal Credit Union

NEW MEXICO EDUCATORS FEDERAL CREDIT UNION
The Power of WE.

VISA® CREDIT CARD AGREEMENT AND DISCLOSURE

ADDENDUM: Prime + 5.75%

FINANCE CHARGES:

Balance Computation Method. We figure the interest charge on your account by applying the periodic rate to the "average daily balance" of your account. To get the "average daily balance" we take the beginning balance of your account each day, add any new purchases, advances and fees, and subtract any unpaid interest or other finance charges and any payments or credits. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

Annual Percentage Rate for Purchase Transactions. The **ANNUAL PERCENTAGE RATE** ("APR") is variable and may change monthly based on changes in an index. The index is the Prime Rate, as published in The Wall Street Journal ("Index"). If the Index becomes unavailable during the term of this account, the credit union may substitute a new Index after notice to you. The interest rate will be adjusted on the first day of each billing cycle, based on the most recent Index figure available as of the fifth business day of the last month immediately preceding the new billing cycle. If the fifth day falls on a Saturday, Sunday or holiday, the Prime Rate published on the next business day will be used. To determine the **ANNUAL PERCENTAGE RATE** for purchase transactions, we add a "Margin" of **5.75%** to the Index. This gives us the new purchase transaction APR. The **ANNUAL PERCENTAGE RATE** will not exceed the maximum rate of **18.0%.** The monthly periodic rate of **FINANCE CHARGES** is **1/12th of the ANNUAL PERCENTAGE RATE**.

The **ANNUAL PERCENTAGE RATE** for purchases could change monthly. An increase in the Prime Rate may increase both the number of minimum monthly payments required to repay the account balance and the amount of each minimum monthly payment. The Prime Rate as of October 5, 2011 was 3.25%, which results in an **ANNUAL PERCENTAGE RATE of 9.00%** for purchase transactions and a monthly periodic rate of **FINANCE CHARGE of 0.750%**. To find out the current prime rate, visit *www.bankrate.com/rates/interest-rates/wall-street-prime-rate.aspx.*

Finance Charges On Purchases. We will calculate the Finance Charge on your Account for purchase transactions, if you did not pay the total New Balance listed on the last billing statement in full by the payment due date. When you do not pay the New Balance in full, Finance Charges on purchases begin to accrue on the date the purchase is posted to your Account. If there is a **FINANCE CHARGE** due which is less than **$1.00**, you will be charged a minimum **FINANCE CHARGE of $1.00.**

Annual Percentage Rate for Cash Advances. The **ANNUAL PERCENTAGE RATE** ("APR") is variable and may change monthly based on changes in an Index. The Index is the Prime Rate as published in The Wall Street Journal ("Index"). If the Index becomes unavailable during the term of this account, the credit union may substitute a new Index after notice to you. The interest rate will be adjusted on the first day of each billing cycle, based on the most recent Index figure available as the fifth business day of the last month immediately preceding the new billing cycle. If the 5th day falls on a Saturday, Sunday or holiday, we use the Prime Rate published on the next business day. To determine the **ANNUAL PERCENTAGE RATE** for cash advance transactions, we add a "Margin" of **5.75%** to the Index. This gives us the new cash advance transaction APR. There is no limit on the amount the APR may increase at any one time. The **ANNUAL PERCENTAGE RATE** will not exceed the maximum rate of **18%**. The monthly periodic rate of **FINANCE CHARGE** is **1/12th** of the **ANNUAL PERCENTAGE RATE**.

The **ANNUAL PERCENTAGE RATE** for cash advances may change monthly. An increase in the Prime Rate may increase both the number of minimum monthly payments required to repay the Account balance and the amount of each minimum monthly payment. The Prime Rate as of October 5, 2011 was 3.25%, which results in an **ANNUAL PERCENTAGE RATE OF 9.00%** for cash advance transactions and a monthly periodic rate of **FINANCE CHARGE OF 0.750%.** To find out the current prime rate, visit *www.bankrate.com/rates/interest-rates/wall-street-prime-rate.aspx.*

Finance Charges on Cash Advances. We will charge a Finance Charge on cash advances from the day you take them until the day we receive payment in full as follows: To figure the Finance Charge for a billing cycle, we will apply a monthly periodic rate of Finance Charge to the average daily balance of your cash advance transactions, including current transactions, for the billing cycle. If there is a **FINANCE CHARGE** due which is less than **$1.00**, you will be charged a minimum **FINANCE CHARGE of $1.00.** For each cash advance you obtain, you agree to pay a **FINANCE CHARGE** in the form of a cash advance transaction fee equal to **1%** of the cash advance, not less than **$2.00**, but not more than **$20.00**.

Effect of Change in the Annual Percentage Rate. The **ANNUAL PERCENTAGE RATE** ("APR") is variable and may change monthly based on changes in an Index. The Index is the Prime Rate, as published in The Wall Street Journal ("Index"). If the Index becomes unavailable during the term of this account, the credit union may substitute a new Index after notice to you. The interest rate will be adjusted on the first day of each billing cycle, based on the most recent Index figure available as of the fifth business day of the last month immediately preceding the new billing cycle. Any increase in APR may increase your minimum payment.

Payment Default. The Penalty Rate applies to new and outstanding account balances if you fail to make the required minimum payment to New Mexico Educators Federal Credit Union within 60 days after the payment is due. The increase will terminate once the cardholder has made six consecutive minimum payments on time, starting with the first payment after the date on which it is imposed. If the six consecutive on time minimum payments are not made, we have the option of keeping the **Penalty ANNUAL PERCENTAGE RATE** on your account indefinitely, subject to applicable laws and regulations.

Annual Percentage Rate for the Default Rate. The **ANNUAL PERCENTAGE RATE** ("APR") is currently non-variable and is tied to the National Credit Union Administration's established maximum rate of interest. As of October 25, 2011 the rate is 18.00%. The monthly periodic rate of **FINANCE CHARGE** is **1/12th** of the **ANNUAL PERCENTAGE RATE** which results in a monthly periodic rate of a **FINANCE CHARGE of 1.50%** . If the six consecutive on time minimum payments are not made, we have the option of keeping the Penalty APR on your account indefinitely.

OTHER FEES:

A. Late Fee - if you fail to make your minimum payment on time, a late payment fee will be assessed. You agree to pay a Late Payment Fee of up to $25.00. You agree that we may change this Late Payment Fee.

**If we receive more than one of your last six payments after the due date listed on your monthly statement, you may be assessed a Late Payment Fee of up to $35.00.*

B. Returned Payment Fee - If you make payments using personal checks, and your financial institution refuses to pay the check and returns it to us, you agree to pay a Return Payment Fee of up to $25.00.

C. Stop Payment Fee - We will assess a $20.00 Stop Payment Fee when the payment of a Convenience Check is stopped at your request. You may stop payment on a Convenience Check by notifying us in writing at P.O. Box 8530, Albuquerque, New Mexico 87198. Once a charge is made through the use of the Card or Account Number we cannot "stop payment" on the charge. If there is a dispute involving a charge on your Account, please refer to the section entitled "Your Billing Rights" in the Visa Credit Card Agreement and Disclosure.

D. Cash Advance Fee - We will assess a **FINANCE CHARGE** in the form of a cash advance transaction fee equal to 1% of the cash advance, not less than $2.00, but not more than $20.00.

E. Copy Charges - A $2.00 per page fee will be assessed for each additional copy you request of a monthly billing statement. A $4.00 charge will be assessed for each charge slip copy you request.

F. Annual Fee - None.

Foreign Currency Exchange Rate. Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. Visa charges a 0.8% fee on all international transaction where a currency conversion is not performed. When a currency conversion occurs, Visa charges a 1.0% fee.

The conversion rate to U.S. dollars will be made in accordance with the operating regulations for international transactions established by Visa International Inc. Unless the converted amount is determined to be in error, the converted amount will be due as well as any conversion charges that may be imposed.

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