



# CREDIT CARD AGREEMENT AND TRUTH IN LENDING DISCLOSURE

Effective March 1, 2012

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**PATELCO CREDIT UNION  
CREDIT CARD AGREEMENT AND  
TRUTH IN LENDING DISCLOSURE**  
*Effective: March 1, 2012*

This Credit Card Agreement and Truth in Lending Disclosure ("Credit Agreement") governs Patelco Credit Union credit card accounts for VISA Gold, VISA Platinum, and VISA Classic card holders. Please keep this Credit Agreement for your records.

**Parts in boldface meet Truth in Lending disclosure requirements.** If you apply for or use a Credit Card with Patelco Credit Union, you agree that your Credit Card will be subject to the following terms. If any provision of this Credit Agreement is invalid, the other parts will remain in effect. Applicable federal and California law will govern interpretation of this Credit Agreement.

**Using Your Credit Card Account:** If the Credit Union approves your application for a credit card account, the Credit Union will open a VISA credit card account ("Credit Card") for you and issue one or more plastic credit cards ("Card(s)") as instructed on the application. Each person to whom a Card is issued, and any authorized user, may use the Credit Card for purchases and cash advances. You consent to the terms of this Credit Agreement by applying for, keeping, signing or using a Patelco Credit Union Credit Card or Card or permitting others to do so.

To make a purchase or get a cash advance on your Credit Card, you must present your Card or give the Card number to a participating VISA plan merchant, to the credit union, or to another financial institution. If you make your transaction in person, you will sign a sales or cash advance draft imprinted with your Card number. You agree to keep copies of the drafts to verify your monthly statement. If you use your Card for telephone, on-line, or other transactions not made in person, the only documentation you receive may be your monthly statement.

You can also request Credit Card cash advances by writing special checks, at ATMs, or through the CALL-24 or Online Banking systems. A Credit Card cash advance that you request by CALL-24, or by Online Banking can be disbursed into your Patelco Checking or Tiered Savings Account or by check payable to you and mailed to you at your address in our records.

You can make Credit Card purchases at merchant Point of Sale (POS) terminals. The terminal you use will give you the option to indicate a credit or a debit transaction. If you select "credit," the transaction will be counted as a purchase rather than as a cash advance on your Credit Card. You can also use Patelco Credit Cards to access your credit union Checking and Savings Accounts at ATMs. Please see the ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURE in your Member Handbook for information on use of your Credit Cards for direct access to your Checking and Savings Accounts at ATMs, including information on your liability for unauthorized use of your Credit Cards for this type of access.

Please refer to the "Stopping Payment on Checks" part of the "General Checking Account Terms" section of your Member Handbook for information about stopping payment on Credit Card checks. Please note, special checks provided to you on your Credit Card Account are not subject to merchant dispute rights that apply if you use a plastic Credit Card. There are no check printing fees or other charges associated with normal use of Credit Card Checks. However, special handling of Credit Card Checks, such as stop payment requests, will be subject to fees. Please refer to the Fee Schedule.

Your Credit Card will be open end/ revolving. This means you can borrow the full amount of your credit limit, repay the principal in full or in part, and borrow again up to your maximum credit limit, as long as you remain creditworthy and a Member of the Credit Union in good standing. (See "Meeting Your Obligations" in your Member Handbook.)

**Overdraft Protection Advances:** You can request a cash advance on your Credit Card by writing a check on your credit union Checking Account at any time there are insufficient funds in your Checking Account. Any person who is authorized to sign on the Checking Account can obtain overdraft protection advances even though they are not a borrower, joint

borrower or co-signer under this Credit Agreement. Any such overdraft in your Checking Account, up to your unused credit limit, will be added to your Credit Card balance under this Agreement if and when the credit union pays the check. We have the right to refuse overdraft advances just as we can refuse other credit advances but will promptly notify you in writing of the reason for refusal. All overdraft advances will be in \$100 multiples or up to the available credit limit, whichever is less. Overdraft protection advances will occur on your Credit Card only if (1) you have designated the Credit Card as an overdraft protection source in writing on your membership authorization card or a written overdraft authorization, (2) you have applied and been approved for the Credit Card, and (3) you have available credit when the overdraft is presented for payment. Overdraft protection advances are treated as cash advances in calculating Finance Charges. Cash advances from a Credit Card /credit card line of credit are subject to a cash advance fee (see the Fee Schedule).

We have the right to terminate your Credit Card or refuse an advance. We will notify you in writing of the reason for any such denial of credit. Among the reasons we can refuse to advance credit are (1) you already having borrowed up to your credit limit, (2) an adverse change in your credit standing, (3) your failure to meet obligations to the Credit Union, (4) an adverse change in your employment, (5) your insolvency, (6) your bankruptcy, (7) your death, or (8) unavailability of funds to make the loan. We will not allow access to Credit Cards if any loan you have with us is delinquent by 10 days or more.

You agree that you will not use or permit others to use Credit Union share or loan account access devices (such as debit cards or credit cards) or other Credit Union services to conduct illegal transactions such as illegal online gambling. We have the right to refuse to authorize a transaction if we reasonably believe that it is illegal. We may also block or freeze accounts or decline transactions consistent with requirements imposed by laws, regulations or government agency directives. However, ultimate responsibility for determining whether a transaction is legal rests with you, not with the Credit Union. You agree that the actual or alleged illegality of a transaction for which authorized use of your Credit Union services was made will not be a defense to your obligation to pay it. We can revoke any Credit Union services or access devices if you use them for illegal transactions such as illegal on-line gambling.

Credit Card fraud is always a risk. To protect the Credit Union and our member-owners from losses associated with Credit Card fraud claims, we reserve the right to block the purchase ability of Credit Cards we issue. We participate in a fraud protection system that may detect and block purchases that reflect unusual spending patterns (although we do not warrant that we will block unauthorized transactions before they occur). If you are planning a major purchase for which you have available credit, or will be traveling to a foreign country, you can minimize the risk that the fraud detection system will block the purchase by notifying the Credit Union in advance at (800)358-8228. By using a Credit Card, you warrant that your financial circumstances are sound and you know of no reason why creditors should make claims against you or why you would become a debtor in bankruptcy now or in the future.

**Obligation to Pay:** Each person who signs the application, whether as a primary borrower, joint borrower, or co-signer, agrees to pay all charges incurred on the Credit Card according to the applicable terms of this Agreement. Co-signers, who do not have access to the Credit Card, but are still responsible for payment, acknowledge receipt of a copy of this Credit Agreement as well as a separate "Notice to Co-Signer."

Each applicant and co-signer continues to be bound for all transactions resulting from the use of the Credit Card until a borrower, joint borrower or co-signer gives us written notice to terminate the Credit Card. In addition, any issued Cards or Credit Card Checks must be cut in half and returned to us. Even after a Credit Card is closed by you or by the Credit Union, the borrower, joint borrow and any co-signer remain obligated to repay the obligation, including finance charges, according to the terms of this Agreement.

An authorized user is a person who receives permission to use a Credit Card from an individual to whom a Card was issued as requested in the application. Each borrower, joint borrower and co-signer is obligated to repay any charges resulting from the use of the Credit Card by an authorized user. Even if an authorized user exceeds your permission to use the Credit Card (for example, if they use it on days or for

transactions that exceed the permission you gave them), you are still responsible for their transactions. We are not subject to agreements between you and authorized users that limit their use of your Credit Card. Authorized users remain authorized until you notify us to close the Credit Card to further transactions.

All persons who use the Credit Card are also obligated to repay the Credit Union for all charges incurred because of their use of the Credit Card.

Each borrower, joint borrower and co-signer remains bound to pay for charges under this Agreement, even though another person has been directed to pay the debt by an agreement or court order to which the credit union is not a party, such as a divorce decree. No release from the obligation to pay charges under this Credit Agreement is valid unless in writing and signed by an authorized agent of the Credit Union or pursuant to a court order in an action to which the credit union is a party.

**Credit Limit and Account Review:** The Credit Union has sole discretion to set your credit limit, applying our credit policies to our evaluation of your creditworthiness, ability to pay, and value of the property securing the credit (if any). We can review your Credit Cards from time to time. Our review may include checking your credit with third parties such as credit reporting agencies. You agree to provide any current information we request. You can request an increase to your line of credit limit at any time by submitting an application, but the Credit Union has sole discretion as to whether to grant your request. Excessive applications may result in fees. We do not automatically reissue Credit Cards if there has been no Credit Card activity for over six months. We can increase or decrease your credit limit, adjust your interest rate, or terminate your Credit Card based on our review, including a review of your transactions and experiences with us and account inactivity.

**Repayment Terms:** You promise to pay us, in legal tender if we request it, at the address designated on your periodic statement, all sums advanced to you under this Credit Agreement plus a Finance Charge determined by the credit union. "Legal tender" means cash, money order, certified funds and/or cashier's checks. You agree that all payments on your Credit Cards will be in U.S. Dollars and drawn on U.S. financial institutions.

**The Finance Charge is the amount of money that you pay for the money you borrow and may include an interest component, which is calculated using an Annual Percentage Rate, and fees associated with certain Credit Card activity.**

**Credit Card Finance Charge Calculation:** Finance Charges on Credit Cards are calculated by multiplying the applicable Monthly Periodic Rate by the Average Daily Balance of Purchases and Cash Advances. To calculate the Average Daily Balance, we determine each day's outstanding balance by adding any new purchases, cash advances or other charges to, and subtracting any payments or other credits from, the day's beginning balance. Then we add the balances for each day together and divide the total by the number of days in the billing.

There is a grace period for purchases. If you paid your previous billing cycle's entire balance in full on or before the due date (or if you had no outstanding balance as of the previous billing cycle's due date) and you pay your current billing cycle's entire balance in full on or before the due date, we will waive Finance Charges on purchases for the current billing cycle. If, however, you had any balance outstanding as of the due date for your previous billing cycle, Finance Charges will accrue during the current cycle on the entire outstanding balance, including new transactions. There is no grace period for Credit Card Cash Advances. Finance Charges accrue on Cash Advances from the day they post to your Credit Card.

**Credit Card Interest Rates:** All VISA Credit Card Accounts have variable interest rates. As of February 16, 2012, the variable ANNUAL PERCENTAGE RATES for purchases and balance transfers ranged from 8.15% to 16.15% while variable ANNUAL PERCENTAGE RATES for cash advances ranged from 15.15% to 17.15% based on the January 1, 2012 index of 3.25%. On VISA Accounts, we divide the Annual Percentage Rate by 12 to determine the Monthly Periodic Rate. Your variable rate is determined at the beginning of each billing cycle by adding the Margin assigned to your account to the Index. The Margin for cash advances is usually higher than the Margin for purchases and balance transfers. The Index is the Prime Rate reported in the Federal Reserve Bulletin on the first day of the month preceding the month in which the rate will take effect. For example, the Index published on the first day of January will determine the ANNUAL PERCENTAGE RATE that will apply during a billing cycle that begins in February. You can also visit our website, [www.patelco.org](http://www.patelco.org), to obtain current Credit Card rates.

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If your Credit Card application is approved, we will disclose to you in writing the ANNUAL PERCENTAGE RATE for purchases and balance transfers, the ANNUAL PERCENTAGE RATE for cash advances, the corresponding Monthly Periodic Rates, the current index value and the Margin(s) assigned to your Credit Card. If we offer you an initial discounted rate, the discounted rate and the time through which it will be effective will also be disclosed to you in writing before you become obligated. Rates applicable to your Credit Card will also be disclosed to you on periodic statements we will send you. Changes to your variable rate that occur due to application of the variable rate formula will apply to the entire balance outstanding as of the date of the change as well as to new transactions. We have the right to change any variable rate formula applicable to your Credit Card based on our review of your Credit Card. (See Section titled Credit Limit and Account Review above.)

**Additional Rate Information:** If for any reason the Index assigned to a variable rate Credit Card is discontinued or we, at our sole discretion, decide to assign a different Index, we will give you the legally required notice before the new Index takes effect. If the new Index amount differs from the old Index amount at the time of the change, we will adjust your Margin so that your ANNUAL PERCENTAGE RATE will not be different as of the first adjustment. However, we cannot predict how different indices will change after they take effect. We can also change the interest rate on Credit Cards for any lawful reason, including but not limited to our review of your account, by giving you the legally required notice. Variable rate changes will be shown on periodic statements we will send you.

In no event will the ANNUAL PERCENTAGE RATE or corresponding Daily Periodic Rate exceed any maximum amount the Credit Union is permitted to charge by law. Otherwise, there are no limits on the amount by which a variable rate can change at any rate adjustment. We can decline to make an increase in the interest rates that would be justified by an increase in the Index on one or more occasions without waiving our right to make future increases consistent with increases in the Index.

If you receive discounted interest rates because you meet specified conditions, your ceasing to meet that condition will terminate the discounted rate during the month in which the conditions are not met. In some circumstances you may have to reapply for a refinanced obligation. The written disclosure you receive when you establish a Credit Card will tell you whether you have met the conditions to qualify for any rate discounts and how the terms of your Credit Card will be affected if you cease to satisfy the conditions.

We may change the terms of this Credit Agreement, including the variable rate formula, by giving you notice required by law prior to the effective date of the change.

**Credit Card Payment Terms:** You will make payments every month on or before the day specified as your due date. If you do not make a payment to the Credit Union within fifteen days after the due date, a late charge will be added to your account. See the Fee Schedule.

If you agree to make automatic payments on your Credit Card, it is your responsibility to have funds available to make the scheduled payments.

We will not honor Credit Card payments drawn on Patelco Credit Union if doing so will cause you to overdraw the applicable account. Overdraft protection advances are not available to pay Patelco loan obligations.

The minimum monthly Credit Card payment depends on the Card type you have. For VISA Classic, it is the higher of 2% of the unpaid principal balance or \$24.00. For VISA Gold, it is the higher of 2% of the unpaid principal balance or \$24.00. For VISA Platinum, it is the higher of 2% of the unpaid principal balance or \$24.00. Minimum monthly payments increase with increases in the variable interest rate (if applicable) and with increases in the outstanding balance. Merchant credits will not affect the amount of your minimum Credit Card payment.

Credit Card payments are applied in the following order: (a) to Finance Charges, (b) to Fees, (c) Cash Advances, and (d) to Purchases. We reserve the right to apply payments on your Credit Card in any manner consistent with applicable law.

Although we will credit payments we receive promptly consistent with regulatory requirements, we reserve the right to delay increasing your available credit or refunding a credit balance to you until final collection of non-cash items presented for payment on your Credit Card. The delay may be up to seven days, or longer in rare cases.

You will make payments every month on or before the day and period specified as your due date. If you do not make a payment to the Credit Union within fifteen days after the due date, a late charge will be added to your account. See the Fee Schedule.

**Monthly Statements:** The credit union will send you monthly statements of your Credit Card unless the account is restricted, which will advise you of their status and provide any other information required by law.

**Exceeding Your Credit Limit:** If your outstanding balance exceeds your authorized credit limit at any time, you must, upon our written demand, make an immediate lump sum payment to reduce your balance to an amount within your credit limit. In addition, you must still make your minimum monthly payment.

**Prepayment:** The balance you owe, including accrued finance charges on the unpaid balance, may be repaid in full at any time without prepayment penalty.

**Foreign Credit Card Transactions:** If you incur a Credit Card charge in a foreign currency or foreign country, VISA International will convert the charge into the U.S. dollar equivalent at a conversion rate that is either a wholesale market rate or a government mandated rate. VISA uses the rate in effect for the applicable central processing date. **We assess a Foreign Transaction Fee of 2.00% of the U.S. dollar amount for any transaction made in a foreign currency and any transaction made in U.S. dollars that is processed outside the United States (this fee will be in addition to any other applicable fee.) (See the Fee Schedule.)**

**Other Credit Card Charges:** For other Credit Card charges and fees, please refer to the Fee Schedule.

**Debt Protection:** Death, Disability and Involuntary Unemployment protection are available on both Loan Accounts and Credit Cards. Debt Protection is optional and is not required to obtain a Credit Card. Debt Protection is subject to a separate agreement.

**Payment Skips/Extensions:** Patelco offers skip payments on open-end credit programs. The loan must exist for at least 120 days from funding date to be eligible, regardless of how many payments have been made. On a joint loan, either borrower acting alone may request the skip payment. A skip payment can be performed up to twice per calendar year on a given loan, but they must be at least 90 days apart. In the event you need to skip more than one month's payment, you must apply for an Extension. Finance charges will continue to accrue on the full principal balance on a daily basis and skipping a payment extends the term of the loan. The next payment due date on the loan must be at least 5 days and no more than 45 days in the future. The Member must be in good standing on all Patelco obligations to participate in any voluntary skip payment program. There is a fee per loan suffix for this service (See Fee Schedule). The fee may be paid out of shares or added to the loan(s) and is considered a finance charge and will be reflected in the Annual Percentage Rate disclosed on the periodic loan statement for the month in which it is collected. This fee will not be waived, and there is no Commitment Household discount.

**Security Interest in Credit Union Share Accounts:** In consideration for and as a condition of Patelco Credit Union issuing a Credit Card to you, you agree that if you default, we can take any Patelco shares in which you have an interest to recover all or part of what you owe us without advance notice to you. "Shares" includes share (savings), money market, share draft (checking), and certificate accounts. IRAs and other accounts subject to preferential tax treatment are not included. This consent is in addition to our right to impress a lien on shares under California Financial Code § 14856. If we exercise our rights under this consent, you agree that we have not waived any other rights we have to collect what you owe us. This consent by you is not a pledge by you of any account and will not affect your right to withdraw funds prior to your default and our exercise of our rights under this consent.

**Specific Account Pledge:** You may be allowed or required to pledge specific Patelco Credit Union shares as security for the repayment of all credit extended to you under this Credit Agreement. If so, the dollar amount pledged and the share account(s) will be shown on a separate security agreement. You will not be able to withdraw funds as long as the pledge is in effect. If you default in your payment obligations under this Credit Agreement, we can apply the shares specifically pledged to pay off this Credit Card in full or in part. Our right to take Credit Union shares in which you have an interest to recover your delinquent loan obligations applies even if the credit we extend to you is otherwise designated "signature" or "unsecured."

**Changes in Terms:** We may change the terms of this Agreement, including the variable rate formula, by giving you any notice required by law prior to the effective date of the change. A "change" can amend an existing term, add a new term, or delete an old term. If we change the interest rate according to a previously disclosed variable rate for-

mula, the new rate will apply to your payoff of the balance whether or not you keep the Credit Card open. For other changes, including other changes to interest rates, you can avoid the changes either by notifying us according to any notice of rights to cancel that you are given, or by notifying us in writing to close the Credit Card and returning all Cards and Credit Card Checks, and paying off the Credit Card under the old terms. If you keep the Credit Card open after the change takes effect, you consent to application of the change to your existing balances as permitted by law, as well as to new loan advances, and the new terms will apply whether or not you use the credit for new transactions.

**Honest Dealing:** You agree to promptly notify the Credit Union of any information that affects your creditworthiness or ability to pay, including but not limited to a change in your name, address or employment. If you have reason to believe you will be unable to make the required payments, you agree not to request Loan Account advances and not to use your Credit Card for new transactions.

**Additional Terms Applicable to Joint Borrowers and Co-Signers (Guarantors):** Whether you are a joint borrower who will use or benefit from credit extended, or a co-signer (guarantor) who agrees to repay credit but will not use or benefit from it, you agree that you are obligated to repay any amount borrowed under this Agreement up to the credit limit that we establish. We can proceed against you if the payments are delinquent whether or not we have proceeded against any other borrower or co-signer. We will give you any notice required by law of any adverse action we take. Any extension of the payoff or partial settlement that we make with another borrower or co-signer will not waive any of our rights against you as a borrower or co-signer. You can stop being obligated for future credit extended only by writing to us to that effect, and, if we have issued a Credit Card, or Credit Card Checks to you, you must cut them in half and return them to us. No more credit will be extended unless we, in our sole discretion, determine that the remaining responsible borrowers and/or co-signers are able and willing to pay. However, you will remain responsible for all balances outstanding at the time you told us that you were no longer willing to be responsible for the account.

**Default; Lien; Acceleration:** If you default on your payments when due, regardless of the amount of default, or if you are current on your payments but file for bankruptcy relief, fail to provide title upon demand, die, or otherwise breach this Agreement, you agree that we can declare the entire outstanding balance due and payable in full immediately, without notice. Any one of the items set forth in the immediately preceding sentence, including death, shall constitute an event of material default. Our declaration that the entire balance is immediately due and payable in full is called "acceleration." Upon default, the Credit Union shall be entitled to immediately repossess / recover its collateral without notice. Even if we accept a late or partial payment, we are not waiving our right to accelerate the payment of the loan. The interest rates otherwise called for by this Agreement will apply until the debt to us is paid in full, even after your default and our acceleration of the obligation.

You expressly agree that if you default on one obligation to us, we can declare all of your obligations to us (including Credit Card obligations) to be in default and accelerate them. Loans secured by your primary residence are exempt from this provision. The acceleration of all loans by default of one loan obligation shall require all loans to become due and payable in full including all associated costs, interest, and attorney's fees.

**Collection Costs:** Please see "Collection Costs" under GENERAL AGREEMENTS OF MEMBERS in your Member Handbook.

#### Other Terms Applicable To Credit Cards

**Unauthorized Use of Lost or Stolen Cards:** You will generally not be liable for the unauthorized use of any Credit Card issued to you after its loss or theft. You agree to notify us of the loss or theft promptly at our telephone number (800) 358-8228. You must use this number to block your lost or stolen card from ATM access. If the unauthorized use of your Card falls outside VISA "zero liability" rules, you could be liable for unauthorized transactions up to a maximum of \$50.00. You agree to notify us at once of any loss or theft of your Credit Card and to cooperate in our determination of the circumstances.

**Merchant Credits:** If a merchant who honors your Credit Card gives you credit for returns or adjustments, he 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 refund it on your written request if it is \$1.00 or more. We may refund any credit balance to you at any time at our option, but after six months, any credit balance over \$1.00 will be automatically refunded to you.

**Merchant Problems:** We are not responsible for the failure or refusal of any merchant to honor your Credit Card.

**Platinum VISA Rebates:** Patelco members who have a Platinum VISA may earn a cash rebate in U.S. dollars when they use their Platinum VISA for Purchases. Rebate terms are subject to change at any time without notice.

**Rebate Period:** The rebate period runs annually from November 16 to November 15. The rebate to be paid is calculated each year on November 15. A rebate is paid only if the Platinum VISA holder has earned \$1.00 or more in rebates. The rebate will be paid shortly after the end of the rebate period in the form of a deposit to the Platinum VISA holder's Tiered Savings account. If the account has more than one borrower, the rebate will be paid to the cardholder who is listed first on the billing statement. It is the Platinum VISA holder's responsibility to notify us if an expected rebate has not been paid.

**Rebate Earnings:** Platinum VISA holders begin earning rebate credit with their first Purchase during a rebate period. Rebates are not earned for Cash Advances.

The rebate amount for each Purchase equals the purchase amount multiplied by 1.0% (0.01). The monthly statement will show the amount of purchases eligible for the rebate. We can make adjustments to rebate amounts due to Account activity. For example, if we include a purchase in your Purchases eligible for a rebate, and a merchant later advises us that you have returned the merchandise and received a credit to your Platinum VISA Account, we can reduce the rebate amount accordingly.

**Forfeit of Rebates Earned Before End of Rebate Period:** If the Platinum VISA Account is closed before the end of a rebate period, earned but unpaid rebates will be forfeited. If your Platinum VISA Account is delinquent at the time a rebate is scheduled to be paid, we may, at our sole option, apply the rebate to reduce the balance you owe instead of depositing it to your Tiered Savings Account.

**Rebates on Lost or Stolen Cards:** If your Platinum VISA is lost or stolen, earned rebates will be credited to your new account number.

**Visa Gold Credit Card:** UChoose Reward Points Program is an optional rewards program billed at \$25 annually.

**Tax Consequences of Rebates and UChoose Reward Points Redemptions:** VISA Gold Card holders have sole responsibility for determining their tax liability, if any, resulting from participation in the UChoose Reward Points program. We make no representations or warranties regarding the tax treatment of rebates received or UChoose Reward Points redeemed under these programs.

**Termination:** Without prior notice, we can terminate your Credit Card, reduce or cancel all credit available on the account, refuse to make further advances, and revoke all issued Cards or Credit Card Checks for any breach of this Agreement or other agreements between you and the credit union to the extent permitted by law. If you do not meet the requirements for active membership in Patelco Credit Union, we have the right to terminate your Credit Card. In some circumstances, we will be required to give you 30 days' advance written notice that we are terminating your credit. Any joint borrower may close a Credit Card at any time. If your Credit Card is closed by you or us, you will surrender any issued Cards or Credit Card Checks to us. Termination of a Credit Card does not relieve you of the obligation to repay the full balance you owe consistent with the terms in this Credit Agreement.

**Your Billing Rights:** The following summary of your rights under federal law does not cover all rights you may have under state and local law. If, under state or local law, you have a longer period of time in which to send an inquiry to the credit union concerning your statement, reliance on any such longer time period may result in your losing important rights which could be preserved by acting more promptly under

federal law and State or local provisions, if any, only become operative upon the expiration of the time period provided by Federal Reserve Regulation Z for submitting a proper written notification of an error.

**The following federal billing rights notice is part of the Truth in Lending Disclosure.**

**Your Billing Rights:**

**Keep This Notice for Future Use:**

**This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.**

**What to Do If You Find a Mistake on Your Statement:** If you think there is an error on your statement, write to us at Patelco Credit Union, PO Box 8020, Pleasanton, CA 94588.

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
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

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.

**What Will Happen After We Receive Your Letter**

When we receive your letter, we must do two things:

- Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
- Within 90 days of receiving your letter we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- 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.
- 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.

After we finish our investigation, one of two things will happen:

- **If we made a mistake:** You will not have to pay the amount in question or any interest or other fees related to that amount.
- **If we do not believe there was a mistake:** You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date the payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe our bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

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

Patelco Credit Union, PO Box 8020, Pleasanton, CA 94588

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.

Notice to California Residents Regarding Credit Cards: Under California law, our right to recover outstanding credit extended to you for purchases is subject to any defenses that you have against the seller if:

1. The purchase price of the item in question exceeded \$50.00;
2. The purchase was made in California;
3. You made a written demand on the retailer and made a good faith attempt to get satisfaction of your complaint;
4. You notify us, in writing, of the name of the seller, the date of purchase, the price paid, the goods or services purchased, the nature of your defense, and the acts that you took to obtain satisfaction from the seller.

The amount to which the defense applies is limited to the amount outstanding on the purchase as well as late charges and Finance Charges at the time the written demand is received by us. This remedy is the

only one you have against us. Your rights are limited to those circumstances outlined in California Civil Code § 1747.90. Purchases with cash or check are not included in this section, even though you used your Credit Card to validate your credit. We cannot penalize you by either giving out unfavorable credit information about you or refusing to renew your Credit Card solely because you obtained relief under the remedies you have for collecting billing errors.

ATM Disclosure: Credit Card Access to Credit Card Accounts Only: This part of the disclosure includes special provisions applicable to the use of a Card to obtain cash advances at ATMs. See the Electronic Funds Transfer Agreement and Disclosure section of the Member Handbook for information regarding use of Cards to access your credit union share accounts at ATMs.

Available Services: Obtain up to \$500.00 per day on your Credit Card Account. The amount of cash you can obtain on your Credit Card Account at designated ATMs may be limited by the ATM you are using, and may be less based on your Card's daily limit. ATM service is generally available 7 days a week, 24 hours a day.

Documentation of Transactions: Cash advances using a Card will be shown on a transaction receipt dispensed by the ATM (unless the machine advises you in advance that receipts are not available or you elect not to obtain a receipt) and on your periodic statement.

Credit Union Liability: If we do not properly complete a transaction according to our agreement with you, we will be liable for your direct losses or damages. However, there are some exceptions. We will not be liable for failure to complete cash advance transactions at ATMs if:

1. Through no fault of ours, you don't have sufficient available credit to make the transaction;
2. The ATM system was not working properly and you knew about the breakdown when you started the transaction;
3. The money in your account is subject to legal process or other claim;
4. Your PIN (personal identification number) or Card has been reported missing and we have blocked its use;
5. Circumstances beyond our control such as fire, flood, electrical failure, or malfunction of the central data processing facility prevent the completion of the transaction despite our reasonable precautions; or
6. We establish other lawful exceptions and give you proper advance notice of them.

In no event will the credit union be liable for consequential, indirect, or punitive costs or damages.

ATM Security: Do not use an ATM unless it appears safe to do so. Do not key in your PIN if someone is looking. Be sure you take your Credit Card and receipt when you are done. Put your money away quickly and leave the site.

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