State Employees' Credit Union
Truth in Lending Disclosure and Cardholder Agreement
Visa® Credit Card
Effective December 2012

This document contains the terms which govern your Credit Union Visa credit card Account. Please review this document and keep it for your records. In this document the words ***"you"*** and ***"your"*** mean the individual(s) who requested the Account or to whom we issued an account. ***"Card"*** means the Visa Credit Card and any duplicates and renewals the Credit Union issues. ***"We," "us," "our,"*** and ***"Credit Union"*** mean State Employees' Credit Union, the issuer of the Card. ***"Our Mailing Address"*** is Cardholder Services, P.O. Box 28540, Raleigh, NC 27611-8540. Our business days are Monday through Friday, 8:30 am to 5:30 pm. Our Contact Center is available 24 hours a day, 7 days a week at 1-**888**-732-8562.

These rules and regulations apply to any Credit Union Visa credit card ***("Card")*** issued, or to be issued, by the Credit Union. Any Credit Union member ***("Cardholder")*** who applies for, signs, accepts, uses, or authorizes the use of the Card agrees to be bound by these Rules and Regulations; and agrees that they shall constitute the agreement between the Credit Union and the Cardholder governing the use of the Card. Furthermore, by signing the Card as specified herein, the Cardholder expressly agrees to be bound by the provisions of these Rules and Regulations as to the rates and charges applicable to use of the Card.

Notifications and Changes: Any notice required to be given by these Rules and Regulations, by law, or desired to be given by the Credit Union will be considered given if and when posted in the United States mail, postage prepaid, and addressed to the Cardholder at the last known address as shown on the Credit Union's records. The Credit Union may modify or amend this Agreement, from time to time, upon 45 days advance notice to the Cardholder. The new terms, including any increase or decrease in the charges, will apply to both new Cash Advances and Purchases made on and after the effective date and to any unpaid outstanding balance. The Cardholder can contact the Credit Union at any time to determine if changes have been made to this agreement since the date this document was printed. Call the Contact Center at 1-**888**-732-8562 or write to us at Our Mailing Address.

Ownership, Termination and Expiration: The Credit Union may, at any time, suspend your Card and your ability to use your Card, for any reason allowed by law, such as if we suspect possible fraud or suspicious activity, or for security reasons. The Card remains the property of the Credit Union at all times. We may, at any time and for any reason, terminate a Card and your use of the Card and may request the Card to be surrendered. Your Card will expire on the expiration date on the Card. Upon termination or expiration, we may stop accepting transactions from the Card and we may decline to authorize a transaction with the Card. You remain responsible for any use of your Card even after the Card is terminated or expires. You agree not to use or attempt to use any expired or revoked Card to obtain credit.

Use of Card: You may only buy goods or services from businesses displaying the Visa sign ***("Merchant")***, or borrow cash from the Credit Union or other institutions displaying such signs. You must follow any reasonable and proper procedures by those honoring the Card. In order for the Card to be valid, it must be signed by the Cardholder or Authorized User. The Cardholder must be a Credit Union member. By signing, activating, using, or allowing another person to use the Card, you agree to this Agreement and are responsible for all authorized transactions and cash advances made by the use of this Card.

Credit Limit: Your credit limit is set by the Credit Union and may be changed from time to time with notice to the Cardholder. The Credit Union may, at its option, recognize transactions (and extend credit) which will cause the Cardholder's outstanding balance to exceed the maximum credit limit.

Activating Your Card: You must activate your Card by calling 1-800-527-7728. The Card is not valid until it has been activated.

Authorized Users: You may request a Card for an authorized user in the name of a person identified by you at any time. The Authorized User must be a member. We may request information about the person to whom you want us to issue the Card and reserve the right to deny your request for an Authorized User Card. You are responsible for all transactions made by an Authorized User. You have the right to revoke an Authorized User at any time either by notifying your local branch or by calling the Contact Center at 1-**888**-732-8562.

Your Responsibilities: You are responsible for the following:

- You agree not to use the Card if such use would cause your Account to exceed the credit limit.
- You agree to pay immediately upon demand any amount in excess of the maximum credit limit.
- You are responsible for all transactions and cash advances made through the use of your Card by yourself, any Authorized User, or any person you allow to use your Card.
- You agree to notify us AT ONCE if you believe your Card has been lost or stolen or if someone has used or may use your Card without your permission by contacting your local branch immediately or calling the Contact Center at 1-**888**-732-8562 or 919-857-2150 locally in Raleigh. You may also write us at Our Mailing Address.

- You agree to cooperate with us in our investigation of any possible unauthorized use of your Card.
- You agree to retain copies of all sales slips or cash advance slips or any other instrument acknowledging or recognizing a transaction, and to use such copies to identify transactions reported on your periodic statement.
- You will not authorize anyone else to use your personal Card and you will not transfer your Card to anyone.
- You will not use your Card in an illegal transaction or in connection with an Internet gambling transaction.
- You will take reasonable steps to protect the security and confidentiality of the PIN for your Card.

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	**7.75%** This APR will vary based on the 6-month Treasury Bill rate.*
APR for Cash Advances	**7.75%** This APR will vary based on the 6-month Treasury Bill rate.*
Paying Interest	Your due date is at least 21 days after the close of each billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month. We will begin charging interest on cash advances on the transaction posting date.
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.

*The first 6-month T-bill auction held each quarter will establish an index to which a margin of 7.5% will be added to set the interest rate. The rate is subject to change each quarter.

Fees	
Annual Fee	**None**
Transaction Fees	
• Cash Advance	**None**
• Foreign Transaction	**1%** for transactions conducted in two currencies and **0.8%** for transactions conducted in one currency
• ATM	**$0.75** for each transaction
Penalty Fees	
• Late Payment	**$5**
• Returned Payment	**$5**

How We Will Calculate Your Balance: We calculate the interest charge on your Account by applying the periodic rate to the "average daily balance" of your Account (including current transactions). To determine the "average daily balance" we take the beginning balance of your Account each day, add any new purchases, and subtract 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 result is the "average daily balance."

Billing Rights information on your rights to dispute transactions and how to exercise those rights is provided in this Agreement.

Rates and Charges: You agree to the rates and charges and methods of computation set forth in this document which are made in accordance with the Truth-in-Lending Law. The Monthly Periodic Rate for the monthly billing cycle is equal to 1/12 of the Annual Percentage Rate (APR**)**. The Monthly Periodic Rate will be computed to 1/100th of one percent. The method for calculating the APR is explained below. The APR is subject to change on the first day of the first billing cycle at the beginning of each quarter (January, April, July and October). If the APR should change, then the Monthly Periodic Rate will change and the

new rate will take effect on the first day of the billing cycle of January, April, July and October. The APR will equal 7.5 percentage points plus the Index Rate. The Index Rate is the 26 week Treasury Bill rate set at the first Auction held in January, April, July and October and adjusted up to the nearest 1/4%. Increases in the APR will result in a higher finance charge which may result in additional payments over a longer period in order to repay the purchases balance or your cash advance balance. The increased APR will apply to any balance outstanding on the effective date of the change as well as to future purchases and advances. There is no minimum APR. The **APR** will not exceed **18%** per year or the maximum permitted by applicable law, whichever is lower. The APR and the Monthly Periodic Rate used to compute your finance charge appears on your monthly statement.

Foreign Currency Transactions: Foreign currency transactions will be converted to U.S. Dollars by Visa. Under the currency conversion procedure that Visa currently uses, the non-U.S. dollar transaction amount is converted into a U.S. dollar amount by multiplying the transaction amount in the non-U.S. dollar currency by a currency conversion rate. The conversion rate that Visa typically uses is either a government-mandated rate or a wholesale rate provided to Visa. The currency conversion rate that Visa uses for a particular transaction is the rate in effect for the applicable currency at the time the transaction is processed. This rate may differ from the rate in effect when the transaction occurred or when it was posted to your Account, and may be higher than the rate you could have gotten if you had converted U.S. dollars into cash. If a transaction initially in a foreign currency is converted to U.S. dollars before it is entered into the Visa or Plus networks, the conversion rates and fees of the company that did the conversion will apply. Visa applies a 0.8% International Transaction fee to single currency transactions where the currency has already been pre-converted into U.S. dollars and a 1% fee for multi-currency transactions where both the country codes and currency codes are different. The fee is applied after converting the transaction currency into U.S. dollars. Two separate entries will appear on your statement, one for the foreign transaction and one for the International Transaction fee. The State Employees' Credit Union does not apply any additional conversion fee other than what Visa imposes.

Refusal to Honor Card: The Credit Union has no liability or responsibility if any Merchant refuses to honor the Card.

Notice of Negative Information: The Credit Union may report information about your Account to credit bureaus. Late payments, missed payments, or other defaults on your Account may be reflected on your credit report.

Events of Default: At the Credit Union's option, all amounts due from you to the Credit Union will become immediately due and payable if any of the following circumstances apply: (a) default by the Cardholder in making any payment when due and payable, (b) default by the Cardholder under any provision of these rules and regulations, (c) the Cardholder's death or becoming insolvent or making an assignment for the benefit of creditors, (d) a petition being filed or any other proceeding being commenced under the Federal Bankruptcy Act or any state insolvency statute by or against the Cardholder, or (e) a receiver being appointed for, or a writ or order of attachment, levy or garnishment being issued against the Cardholder or any of the Cardholder's property, assets or income. To the extent permitted by law, you agree to pay attorney's fees and collection costs we incur in collecting amounts you owe us and enforcing our rights under this Agreement.

Obtaining Account Information/Receipts: You may obtain information about the balance of your Account by calling our ASK - SECU automated Voice Response number at 1-800-275-7328 or locally in Raleigh at 919-839-5400. This information, along with a history of card transactions, is also available online through Member Access at www.ncsecu.org. You can get a receipt at the time you make any transaction with your Card at an ATM or point of sale terminal. A receipt may not be required for a point-of-sale transaction if the amount of the transaction is $15 or less.

Periodic Statements: A statement will be mailed to you after the 20th of each month in which there was a balance or activity on your Account. Statements are also available through Member Access at www.ncsecu.org. We reserve the right to stop periodic statements if your Account is inactive. Notify the Credit Union immediately of any charge or item which you believe to be incorrect or subject to dispute. Any charge or item on your monthly statement will be considered to be correct 60 days following the statement mail date if written notification from you is not received by that time.

Payments: If you choose to pay less than the total New Balance as shown on your monthly statement, a minimum payment is required to be made. The minimum payment is computed as 3% of your total New Balance or $25, whichever is greater. Generally, payments above the Minimum Payment due will be applied first to higher interest rate balances and then to lower interest rate balances. This may help you pay off your highest interest rate balances more quickly and reduce your interest charges. Payments received at a branch office by 5:30 pm Monday through Friday will be credited the same business day. Payments received electronically through an optional payment service, including online through Member Access, or through ASK-SECU Voice Response, will be credited based on the terms presented during use of the service.

Late Charges: A late charge of $5 will be added to your Account balance if you fail to make a payment equal to or greater than the Minimum Payment shown on your monthly statement on or before the 5th calendar day following the Payment Due Date

shown on that monthly statement. You will only have to pay the late charge once on the same late payment. Any payment you make will be treated as being your oldest payment due.

Overdraft: You may request overdraft protection if you maintain a Credit Union checking account and a Credit Union issued Visa card. Overdraft cash advances will be made in $50 increments up to your credit limit less any outstanding balance. If the available amount is less than $50, all funds available will be transferred if these funds are sufficient to cover the item(s) in the checking account. You understand that the regular increment amount is subject to change by the Credit Union without notice. If your Visa credit card Account is thirty or more days past due, or over the approved credit limit, overdraft protection will not be available until the Account is current. Rates and methods of computation are the same as other cash advances.

Refunds and Merchant Disputes: If you are entitled to a refund or credit for any reason, you agree to accept a credit to your Card instead of a cash refund, if the merchant does not provide cash refunds. You will settle all disputes about purchases you make using your Card with the merchant who honored the Card. We are not responsible for the delivery, quality, safety, legality or other aspect of goods or services that you purchase from others with the Card.

Liability for Unauthorized Use: If you notice the loss or theft of your Card or a possible unauthorized use of your Card, you should notify us immediately at the address listed on your bill or Cardholder Services, PO Box 28540, Raleigh, NC 27611-8540, or call us at 1-**888**-732-8562. You may also contact us through Member Access at www.ncsecu.org. You will not be liable for any unauthorized use that occurs after you notify us. You may, however, be liable for unauthorized use that occurs before your notice to us. In any case, your liability will not exceed $50.

What To Do if You Discover a Mistake on Your Statement: If you believe there is an error on your statement, notify us in writing at the address on your bill or Cardholder Services, PO Box 28540, Raleigh, NC 27611-8540. You may also contact us through Member Access at www.ncsecu.org. In your letter, please provide the following information:

- Account Information: Your name and Account number.
- Dollar Amount: The dollar amount of the suspected error.
- Description of Problem: If you believe there is an error on your bill, describe the error and why you believe it is a mistake.

You must contact us within 60 days after the error appeared on your statement. You must notify us of any potential errors in writing (or electronically). 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.

While we investigate whether or not there has been an error, the following are true:

- We cannot try to collect the amount in question, or report you as delinquent for that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake, you will not have to pay the amount in question or any interest or other fees related to 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.

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 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:

- 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.)
- You must have used your 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.
- 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 (or electronically) at Our Mailing Address or through Member Access at www.ncsecu.org. While we investigate, the same rules apply to the disputed amount as discussed above. After completion of our investigation, we will notify you of our decision. At that point, if we believe you owe an amount and you do not pay, we may report you as delinquent.