



Open-End Consumer Credit Agreements And Truth In Lending Disclosures

Effective June 6, 2014

FEDERALLY INSURED BY



**PATELCO CREDIT UNION
OPEN-END CONSUMER CREDIT AGREEMENTS AND
TRUTH IN LENDING DISCLOSURES**

**VISA® CREDIT CARDS
SECURED VISA® CREDIT CARD
PERSONAL LINE OF CREDIT
PAY DAY LINE OF CREDIT
Effective: June 6, 2014**

This booklet contains agreements and Truth in Lending Disclosures that govern your use of the following Patelco Credit Union open-end consumer credit programs:

VISA® Gold	Secured VISA® Classic
VISA® Platinum	Personal Line of Credit
VISA® Classic	Pay Day Line of Credit

In addition to this booklet, you will receive the following documents before you become obligated, if you have applied and been approved for the relevant credit program:

VISA® Gold, Platinum and Classic Programs: An account-opening disclosure that tells you the interest rate and variable rate formula that will apply to your account, fees applicable to your account, your credit limit, whether the account is linked to a Patelco checking account as an overdraft protection source, and other important information.

Secured VISA® Classic: An account-opening disclosure that tells you the interest rate that will apply to your account, fees applicable to your account, your credit limit, whether the account is linked to a Patelco checking account as an overdraft protection source, and other important information, plus a Share Pledge Addendum, which you must sign, to pledge shares as security for the account.

Personal Line of Credit: An account-opening disclosure that tells you the interest rate that will apply to your account, fees applicable to your account, your credit limit, whether the account is linked to a Patelco checking account as an overdraft protection source, and other important information.

Pay Day Line of Credit: An account-opening disclosure that tells you the interest rate that will apply to your account, fees applicable to your account, your credit limit, and other important information about your account.

Some material in this booklet applies to all of the above credit products, while other material only applies to specific products. **Material in bold face meets Truth in Lending disclosure requirements.** Please carefully read all material applicable to the credit products you have and keep for your records this booklet, any account opening disclosures you receive, and any notice of changes in terms.

In this booklet, "Patelco," "we," and "us" mean Patelco Credit Union and our successors and assigns. "You" means the borrower and, if the context so indicates, any non-borrowing co-signer (guarantor) of the credit obligation. A person who submits a credit application as a "borrower" or "applicant" is a borrower. The singular implies the plural if there is more than one borrower. Unless otherwise indicated, "Card" or "Credit Card" means any VISA® credit card issued by Patelco Credit Union. "Line of Credit" unless otherwise indicated, refers to both Personal Lines of Credit and Pay Day Lines of Credit. "Agreements" means the Open-End Consumer Credit Agreements and Truth in Lending Disclosures contained in this booklet and any additional documents that we provide to you at account opening. "Account," unless the context indicates otherwise, refers to an open-end credit account established under and governed by these Agreements.

By submitting a paper, oral or electronic application for a Patelco Credit Union Credit Card, Personal Line of Credit, or Pay Day Line of Credit and either (a) using any access device issued to you, such as a Credit Card ("Card") or special loan drafts ("Loan Draft"), or (b) accepting the loan of any funds after approval of your application, you and, if the context so indicates, any the non-borrowing co-signer, agree that any amounts borrowed from Patelco Credit Union ("Patelco," "Credit Union," "we," "us") now or in the future will be subject to the terms and conditions of the applicable provisions of these Agreements. You confirm that any Account opened under these Agreements will be used for personal, family or household purposes and not for business purposes.

A. ACCOUNT ACCESS

1. Accounts governed by these Agreements are open-end or revolving lines of credit. Once your application for an Account governed by these Agreements is approved, you can borrow the full amount of your credit limit, repay the principal in full or in part, and borrow again up to the maximum as long as you are a Patelco member in good standing and your creditworthiness remains acceptable to us. To be in good standing you must be current on all obligations you have to Patelco as spelled out in agreements governing specific services you have and your general membership agreements with Patelco, and you must have a satisfactory loan, account and membership history with Patelco.
2. On joint accounts, each borrower can borrow up to the full amount of the credit limit without the other's consent.
3. Advances
 - a. Credit Card Advances: Credit Cards will be issued as instructed on your application. To make a purchase or get a cash advance, you can present the Card to a participating VISA plan merchant, to the Credit Union, or to another financial institution, and sign the sales or cash advance draft imprinted with your Card number. Keep sales and cash advance drafts to reconcile your monthly statements. You can also make purchases by giving your Card number to a merchant by telephone, over the Internet, or by other means, in which case your only record of the transaction may be your monthly statement. You can also access the Account to obtain cash advances at designated ATMs, subject to additional ATM terms at the end of this Agreement, and to obtain cash advances via Online Banking in the form of either a deposit of the advance amount to a Patelco account that you designate or a check payable to you and mailed to you at the address we have for you in our your records. You agree to keep copies of your transaction records to verify your monthly statement.
 - b. Line of Credit Advances: You can request advances on a Line of Credit in person, by mail, by telephone, by PC-24, by CALL-24, at ATMs, or at a CUSC. You can ask us to issue the advance in the form of a deposit to any Credit Union account of yours, or a check payable to you or any third party, or an electronic funds transfer or wire transfer payable to you or to a third party you designate. We can require that loan advances be issued in the form of a check payable to you and mailed to you at your address in our records, or in the form of a deposit to a Patelco share account of yours, if in our reasonable judgment there is a risk that following instructions to issue loan proceeds to a third party would pose a risk of loss to Patelco.
 - c. Loan Drafts: We may issue Loan Drafts on Credit Card or Personal Line of Credit Accounts from time to time. Any Borrower may sign a Loan Draft payable to any person or entity that accepts personal checks. When we pay the Loan Draft, it will post to the Account as a cash advance. There is no charge for printing or using Loan Drafts, but if you request special handling, such as a stop payment, we may charge you the same fee you would charge for the same service on a regular Patelco check (share draft). Fees for special handling of checks are shown on the Patelco Fee Schedule. If you do not wish to use Loan Drafts, destroy them. You agree to notify us immediately if Loan Drafts issued to you are lost or stolen and to report any unauthorized Loan Drafts that appear on your Account statements. We operate in an automated check-processing environment and in almost all cases we do not physically examine checks (including Loan Drafts) that clear. You agree that we have the right but not the obligation to refuse to pay Loan Drafts checks that are not signed by a Borrower, and we will not be responsible for any unauthorized Loan Drafts if you fail to report them within 60 days after we send you the first statement on which they appear. If you wish to stop payment on a Loan Draft, you must notify us before the Loan Draft is presented to us for payment, and you must provide the exact dollar amount and Loan Draft number or we may not be able to find it and stop it. We will not be responsible for failure to stop Loan Draft payments if you do not give us the exact information we require in sufficient time (at least one business day prior to presentation) for us to act on your request. Merchant dispute rights do not apply to Loan Drafts. If a Loan Draft clears, you must resolve any disputes directly with the payee.

4. Overdraft Protection

- a. A Credit Card or Personal Line of Credit can, if you so request on your credit application or another authenticated written request submitted to Patelco, be established as an overdraft protection source on any Patelco Credit Union checking account you designate, even if the owner(s) of the designated checking account are not obligated to pay the Credit Card or Personal Line of Credit. If you designate your Credit Card or Personal Line of Credit as an overdraft protection source, loan advances can be requested by any person authorized to transaction business on the linked checking account by initiating any payment (debit) transaction when sufficient funds are not available to cover it. The Patelco Electronic Funds Transfer (EFT) Agreement and Disclosure ("EFT Agreement") describes methods by which EFT payments can be initiated on Patelco checking accounts. Overdraft protection advances will generally be made in multiples of \$100 (or the available credit, whichever is less) up to the amount necessary to cover the overdraft. Overdraft protection advances are treated as Credit Card cash advances.
 - b. A Pay Day Line of Credit may not be designated as an Overdraft Protection Plan on any Patelco checking (share draft) account.
5. Our clearing a Loan Draft, authorizing a Credit Card transaction, or our issuance of a loan advance consistent with your written instructions, or your oral or electronic instructions that we accept in accordance with reasonable security procedures, constitutes your acceptance of the advance and consent to the terms of this Agreement.
6. We can refuse to give you loan advances you request for any lawful reason. We will notify you in writing of the reasons for any refusal. Reasons for refusal include (a) your already having borrowed up to the credit limit, (b) an adverse changes in your financial or credit standing, (c) your failure to meet loan- or account-related obligations to Patelco, (d) an adverse change in your employment, (e) your insolvency, (f) your bankruptcy, (g) your death, (h) unavailability of funds to make loans, (i) our reasonable belief that a requested transaction is illegal or unauthorized, or (j) our reasonable belief that you are using your Account to pay other obligations you have to Patelco.
7. Credit Card fraud is always a risk. To protect Patelco 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 your card by notifying the Credit Union in advance at (800) 358-8228.
8. You agree that you will not use or permit others to use any Patelco credit product, account, access device or other Patelco product or service, including but not limited to Credit Cards issued by Patelco, for illegal transactions such as illegal Internet gambling. We may refuse to honor any transaction we reasonably believe to be illegal. We may also block or freeze accounts or decline transactions consistent with requirements imposed by laws, regulations, or government agency directives. However, responsibility for determining the legality of authorized transactions rests with you, not with Patelco. You cannot use the actual or alleged illegality of any authorized transaction as a defense to your obligation to pay it. Your permitting use of any Patelco credit product, account, access device or other Patelco product or service for illegal transactions is a material breach of these Agreements that will permit us to close the Account or discontinue the other product or service used for the illegal transaction.
9. You are not permitted to transfer one Patelco credit Account balance to another Patelco credit Account balance, nor may you use advances on Patelco credit accounts to pay other obligations you have to Patelco.
10. When you use a Credit Card at a merchant point-of-sale terminal, selecting "credit" rather than "debit" will result in the transaction being treated as a purchase rather than a cash advance.

11. You can use a Patelco Credit Card to access Patelco checking and savings accounts at ATMs. Please refer to the Electronic Funds Transfer Agreement and Disclosure in the Patelco Member Handbook for information about using Credit Cards for direct access to your checking and savings accounts at ATMs, including information on your potential liability for unauthorized use of your Credit Card for this type of access.

B. RESPONSIBILITY FOR PAYMENT

1. By signing or electronically submitting an application for a Credit Card or Line of Credit, whether designated as a borrower who will use the credit or a non-borrowing co-signer (guarantor) who undertakes payment responsibility for payment but will not use the credit, you agree that you are responsible for payment of all sums borrowed and interest, fees, costs and other charges incurred under these Agreements. You understand that you remain responsible to the Credit Union for payment, even if a court order or agreement to which the Credit Union is not a party, such as a divorce decree, orders another person to pay the debt. You can be discharged from your obligation to pay only by a court order in an action to which we are a party or a written release executed by an authorized officer of Patelco.
2. Each Borrower and co-signer is also obligated to repay any charges resulting from the use of a Credit Card by an Authorized User, regardless of whether the Authorized User stayed within the limits of permission given to use the Credit Card. Patelco is not subject to agreements between you and Authorized Users limiting their use of the Credit Card. An Authorized User is any person to whom a Borrower or co-signer has given actual, applied or apparent permission to use the Credit Card.

C. CREDIT LIMIT

We will establish a credit limit on each Account you open. We can review your credit limits periodically and ask you to provide updated credit information. Our review may include checking your history with third parties such as credit bureaus and verifying information you give us with third parties such as your employer. As part of our review process, we can increase or decrease your credit limit, increase or decrease your interest rate, require you to provide additional co-signers or security, or close your Accounts to future advances at any time. You can apply for a credit limit increase, but we have sole discretion as to whether to grant your request. Excessive applications may result in fees. If any Account has been inactive for six consecutive months, we may close it. All Credit Card reissues are subject to approval. If we make any adverse change in the terms of any Account, or close any Account, we will provide you any notice required by law.

D. REPAYMENT TERMS

1. You promise to pay us at (a) one of our offices or (b) by mailing payment to us at the address we designate on your periodic statement, in U.S. Dollars with payment instruments drawn on U.S. financial institutions, all sums advanced to you under these Agreements at any time plus a Finance Charge that we will determine as disclosed in these Agreements and in the Truth in Lending Account Opening Disclosure(s) provided to you. We can accept payment instruments bearing legends such as "payment in full" without waiving our rights. You will pay monthly unless we agree to another payment frequency in writing. **The Finance Charge is the amount of money that you pay for the money you borrow. The interest component of the Finance Charge is calculated by applying a periodic interest rate (which is a fraction of the ANNUAL PERCENTAGE RATE of interest) to the outstanding balance. Fees applicable to an Account may also be considered Finance Charges.**
2. **Grace Period on Credit Card Purchases: If you paid your previous statement's balance in full before its due date, or you had no previous balance at the beginning of the billing cycle, you will have a grace period of 25 days on average to pay your Credit Card purchase balance without interest finance charges. If you do not pay your balance in full before the end of the grace period, interest will be assessed on your entire outstanding balance including new purchases. There is no grace period on Credit Card cash advances. Overdraft protection advances, if authorized, are considered cash advances.**
3. **Interest Finance Charge Calculation**
 - a. **Credit Cards: Average Daily Balance Method, Including New Transactions**
Interest is calculated separately for (a) purchase balances and balance

transfer balances and (b) cash advance balances. We arrive at the interest portion of the Finance Charge for each balance type by first calculating the average daily Account balance for the statement period. To obtain the daily Account balances of purchases and balance transfers, we add any new purchases or balance transfers to the previous day's purchase and balance transfer balance, then subtract any payments or other credits applied to the purchase and balance transfer balance. To obtain the daily Account balances of cash advances, we add any new cash advances to the previous day's cash advance balance, then subtract any payments or other credits applied to the cash advance balance. We then total the daily balances for the statement period and divide by the number of days in the period to get the Average Daily Balance. This figure is multiplied by the Monthly Periodic Rate (1/12 of the APR) to obtain the interest component of the Finance Charge.

- b. **Lines of Credit: Daily Balance Method Including New Transactions** The interest component of the Finance Charge is determined daily based on the unpaid principal balance of funds loaned to you. Each day, we determine the balance outstanding by adding any new advances or charges to the previous day's balance and subtracting any payments and credits. Then we multiply the day's balance by the Daily Periodic Rate (1/365 of the ANNUAL PERCENTAGE RATE) to determine the interest component of the Finance Charge for the day. At the end of the billing cycle, the interest charges for each day of the cycle are added together to determine the interest component of the Finance Charge during the billing cycle. Interest continues to accrue from the day funds are loaned to you until the day they are repaid to us.

4. Interest Rates:

- a. When we approve your application, we determine the ANNUAL PERCENTAGE RATE that will apply to your Account. Among the factors we may lawfully consider in setting your interest rate are your credit history, whether you maintain direct deposit to a Patelco savings or checking account, whether you elect an automatic payment method for your Credit Card or Line of Credit, and whether you qualify for Commitment Household status. Available rate discount programs may change from time to time. Before you become obligated, you will receive a separate Account Opening Disclosure that will include the ANNUAL PERCENTAGE RATE and corresponding Periodic Rate that will apply to your Account. If the ANNUAL PERCENTAGE RATE will be variable, that fact, and the formula used to calculate the variable rate, will also be disclosed to you. In addition, any discount for which you qualify based on payment method, Household Commitment status or other condition within your control will be disclosed to you.
 - b. Credit Card interest rates are variable. The Index used to set variable interest rates on Credit Cards is the Prime Rate reported in the Federal Reserve Bulletin on the first business day of the month prior to the month in which the rate will take effect. For example, the Prime Rate published on the first business day of January will determine the ANNUAL PERCENTAGE RATE that will apply during a billing cycle that begins in February. Any introductory discounted interest rates and the times through which they will be effective will be disclosed to you. Changes in variable rates will apply to the entire balance outstanding as of the date of the change. We reserve the right to substitute a different variable rate formula if the current Index ceases to be available, as long as the substitute formula is statistically similar as of the time the substitution is made. We cannot, however, predict how substitute indexes might change in the future. We will give you notice required by law if we substitute a new variable rate formula.
 - c. There is no limit on the amount by which variable rates can change, except that Patelco will not charge a rate that exceeds any maximum allowed by law. We can decline to make an increase in an interest rate that an increase in the Index would permit without waiving our right to change interest rates in the future consistent with changes in the Index.
 - d. If you qualified for a discounted interest rate because you met a specified condition, that fact will be stated on your Account Opening Disclosure. If you later cease to meet that condition, your interest rate (or the margin applied to the index to calculate a variable interest rate) will be increased by the amount of the discount you received.
5. The Board of Directors of Patelco, at its discretion, can, unless prohibited by law, authorize a change in the fixed interest rates or variable interest rate formulas offered on open-end credit programs, or convert fixed-rate open-end credit programs to variable-rate programs and vice versa. Patelco can also change the rates offered to specific borrowers based on (a) account and credit history review, or (b) discontinuation of rate discounts. If an unfavorable change in the interest rate or variable rate formula applicable to your Account takes place,

the following rules will apply: (a) You will be given a written Rate Change Notice at least 45 days before the change takes effect; (b) You will be able to pay off all balances incurred within 14 days after mailing or electronic delivery date of the Rate Change Notice at the fixed rate or under the variable rate formula in effect as of the mailing date of the Rate Change Notice, and (c) any loan advances taken more than 14 days after the mailing date of the Rate Change Notice will, on the effective date stated in the Rate Change Notice, convert to the rate stated in, or to the rate obtained applying the variable rate formula stated in, the Rate Change Notice. These rules do not apply to Accounts that are disclosed as Variable Rate Accounts at Account opening. A change in the interest rate on a Variable Rate Account will apply to the entire balance outstanding when the rate change takes effect.

6. You can prepay what you owe you in full at any time without penalty.
 7. We will send you periodic statements of your Accounts. Statements will contain information about your Accounts as required by law. If you enroll in e-Statements, we will instead send you e-mails each month notifying you that statements are available for pickup on Patelco's secure web site. E-statements will contain all the same legally required information that is provided with paper statements.
 8. If you make payroll deduction or other automatic payments, it remains your responsibility to make sure your payment is made on time. A late payroll or a change in the amount of your payroll may disrupt payroll deduction. Payment by automatic transfer may not occur if you do not have sufficient funds to make the required payment on the agreed date.
 9. If your outstanding balance on any Account exceeds your approved credit limit, you must, upon written notice from us, make a single lump-sum payment sufficient to reduce the balance to the authorized credit limit.
- #### 10. Minimum Payments:
- a. **Credit Cards: Your minimum monthly payment will equal 2% of your outstanding balance or \$24.00, whichever is greater. If an advance is an Overdraft Protection Plan advance, you must pay the amount in full by the payment due date.**
 - b. **Personal Line of Credit: Your minimum monthly payment will equal 2% of your outstanding balance or \$46.00, whichever is greater. If your advance is an Overdraft Protection Plan advance, you must pay the amount in full by the payment due date.**
 - c. **Pay Day Line of Credit: Your minimum monthly payment will equal 2% of your outstanding balance or \$46.00, whichever is greater.**
 - d. **All minimum payments must include over-limit amounts, delinquent amounts and fees.**
11. We may apply Account payments in any order allowed by law.
 12. **Increases in your outstanding Account balance increase the required minimum payment, which will be reflected in the monthly statement.**
 13. You will make monthly payments on or before the due date specified in your periodic statements.
 14. **Foreign Transactions: For VISA® transactions initiated in foreign currencies, the exchange rate between the transaction currency and the billing currency (U.S. dollars) will be (a) 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 (b) the government-mandated rate in effect for the applicable central processing date. If a transaction is initiated in a foreign country or foreign currency, a fee of 2% of the transaction amount in US dollars will be assessed.**
 15. **Payments in Foreign Currency.** You agree to make all payments to us in U.S. Dollars using payment instruments drawn on U.S. financial institutions. We may, at our option, accept payments in foreign currency or checks drawn on non-U.S. banks. If we do, we may impose service and collection charges, and you agree the charges we set will be final.
 16. **Payment Holds.** We will promptly credit your payments as required by law. We may, however, delay for the maximum time allowed by law increasing your available credit or refunding credit balances until

final collection of non-cash items presented to pay your Account. A delay in increasing your available credit or issuing a refund will not by itself result in increased finance charges, but if an item presented for payment on your Account is returned unpaid, we can assess finance charges retroactive to the date the payment was credited.

17. Credit Cards: Special Considerations Regarding Merchant Transactions

- a. If you made a purchase and the merchant discloses a policy such as "no returns," "no refunds," "no credit without receipt," "as is," "store credit only," or "all sales final," you agree to be bound by that merchant's policy.
- b. When you use your Account to make travel or lodging reservations, you agree to request the merchant's cancellation policy and follow it if you cancel. Otherwise, the merchant may charge you unless you can provide us with the cancellation code the merchant is required to give you.
- c. If you authorize a merchant to charge your Account for repeat transactions with your Credit Card, you will notify the merchant when you want to discontinue the repeat transactions or if your Account is closed.
- d. If you disagree with a transaction on your statement, you agree to provide any information or assistance we reasonably request. Otherwise you will pay us for any loss we incur, subject only to any limits imposed by law.
- e. A merchant, such as hotel or rental car agency, may place a "hold" on your Account for anticipated charges. This may result in your credit limit being unavailable for the duration of the merchant hold, and as a result, other transactions may be declined due to lack of available credit.

E. PAYMENT PROTECTION

Credit Insurance/Debt Protection: Patelco may allow you to obtain payment protection through a credit insurance or debt protection product. Depending on the payment protection products you purchase, payment protection may make full or partial minimum monthly loan payments during your disability or involuntarily unemployment or pay all or part of your outstanding loan balance at your death. Purchase of payment protection is entirely voluntarily. Your decision whether to purchase payment protection will not affect Patelco's decision to make credit available to you or the terms of credit offered to you. Payment protection charges, whether characterized as insurance premiums or fees, are calculated monthly as a percentage of the outstanding loan balance and post to your account and accrue interest at the applicable interest rate until paid in full. Costs and other terms of payment protection products will be disclosed on separate payment protection plan documents that will be provided to you before you become obligated to pay for coverage. You can cancel payment protection products at any time, and they will be automatically canceled if you fail to pay required fees or premiums.

F. OTHER CHARGES

The following fees and charges can be added to your Line of Credit balance and accrue interest at the rates called for by this Agreement until paid in full.

1. Credit Cards:

- a. Account research is charged at \$25.00 per hour, waived if a Credit Union error is revealed.
- b. A late fee of \$15.00 will be charged if the payment is 15 or more days late.
- c. Replacement of lost, stolen or damaged plastic cards is \$10.00.
- d. \$1.00 per page for statement copies
- e. \$8.00 per transaction slip copy.

2. Credit Lines:

- a. Account research is charged at \$25.00 per hour plus \$1.00 per page for photocopying, unless the research reveals a billing as defined by the Fair Credit Billing Act and Consumer Financial Protection Bureau Regulation Z.
- b. A late fee of the greater of \$5 or 3% of the loan payment (\$10.00 maximum) is assessed if payments are received more than ten days after the due date.
- c. Each Pay Day Line of Credit cash advance is charged a \$10 fee. Each advance of funds, even in the form of a check payable to a third party, is deemed a cash advance.

3. Special Services: You will pay actual costs for special handling such as overnight shipment of replacement plastic cards.

G. CONSENSUAL AND STATUTORY LIEN ON SHARES

Secured VISA® Classic: A Secured VISA® Classic Account will be secured by a pledge of the Patelco Credit Union share account indicated on the Share Pledge Addendum, incorporated into this Agreement by reference. The Share Pledge Addendum also provides disclosures applicable to the pledged shares as required by the Truth in Savings Act.

Lines of Credit: You agree that, except to the extent prohibited by law or the terms of a Patelco share agreement, (a) if you have not made your required payment within ten days of its due date, we can take any Patelco shares in which you have an interest without notice to you to collect your late payment; and (b) if you default on your payments or otherwise default and we declare your Line of Credit due and payable and full, we can take any Patelco shares in which you have an interest to recover all or part of what you owe without advance notice to you. This consent applies even to loan advances otherwise designated as "signature," "personal," or "unsecured" advances. Unless you have pledged specific shares as security for a Line of Credit, this consent will not affect your right to withdraw funds prior to your default and Patelco's exercise of our rights under this consent. Your consent to our taking shares to recover your delinquent obligations to Patelco is in addition to our right to impose a lien on shares to the extent of your obligations to Patelco under the California Financial Code or equitable principles of offset.

H. CHANGES IN TERMS

We can change the terms of these Agreements by giving you legally required notice. A "change" can amend an existing term, add a new term, or delete an old term. Unless otherwise stated, if you do not want the change(s) to apply to you, you can close the Account and pay off under the old terms. If you keep the Account, the change will take effect on the date stated in the notice.

I. HONEST DEALING

You agree to tell us of any event that adversely affects your creditworthiness or ability to pay. You agree to tell us if your name, address, or employment changes. You agree not to request or accept loan advances if you have reason to believe you will be unable to make the required payments. By using a Credit Card or requesting or accepting any loan advance, you declare under penalty of perjury that the credit information you supplied on any oral, written or electronic credit application or loan advance request was accurate and complete, that your personal finances are sound, and that you know of no reason why creditors should make claims against you or why you would become a bankruptcy debtor now or in the future.

J. ADDITIONAL TERMS APPLICABLE TO CO-SIGNERS

A co-signer is someone who agrees to be responsible for a loan but does not necessarily obtain any loan proceeds or benefit from the loan. As a co-signer for any Account, you must repay any amount borrowed under the applicable terms of these Agreements up to the credit limit. All our rights against the borrower also apply against you, including our right to take any Patelco shares in which you have an interest if payment default occurs. You understand that if you had not agreed to repay the amount borrowed, we would not have approved the credit request. We can proceed against you if the payments are delinquent even before we proceed against the borrower. We will give you notice required by law of any action we take that could adversely affect you. You can stop being obligated for future advances by writing to us to that effect. But you will still be jointly and individually liable with the borrower for amounts outstanding at the time we receive your notice. You acknowledge receipt of a copy of this Agreement and the separate "Notice to Co-Signer."

K. DEFAULT- ACCELERATION

1. If you default on your payments, breach any other applicable term of these Agreements, make any false statements to obtain credit, file for bankruptcy, or die, we can immediately declare your Account(s) in default and require payment of the Account balance(s) in full. Even if we accept a late or partial payment, we are not waiving our right to accelerate payment and declare the entire unpaid balance due. Interest will continue to accrue on the balance outstanding until paid in full.
2. Your default on this Agreement gives us the right, to the maximum extent allowed by law, to discontinue other services to you. We may, for example, close your Patelco checking account, or discontinue electronic banking services such as ATM or Debit cards.

3. You agree that if you default on one obligation to Patelco, we can, to the maximum extent allowed by law, 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.

L. COLLECTION COSTS

If you fail to pay as agreed, you agree to pay all reasonable collection costs Patelco incurs prior to taking legal action. If we take legal action to collect what you owe, you agree to pay our reasonable attorney's fees and costs to the maximum extent allowable by law, whether the action is a collection lawsuit, a proceeding to enforce our rights if you become a debtor in bankruptcy, or another type of action. We can add collection costs, including attorney's fees, to your balance and they will accrue interest at the rate called for by this Agreement.

M. OTHER RIGHTS APPLICABLE TO CREDIT CARDS

1. **Unauthorized Use of Lost or Stolen Cards.** You agree to notify us promptly of the loss, theft or other actual or possible unauthorized use of any Card we issue to you. Call (800) 358-8228. Although you are generally not liable for unauthorized use (except that you may be liable for up to \$50 for unauthorized PIN-based transactions), all Patelco members benefit if unauthorized Card use losses are kept to a minimum.

Once you report your Card as lost or stolen, you agree not to attempt to use it. A replacement card will usually be issued to you. If you find your Card after reporting it lost or stolen and attempt to use it, a merchant may capture the Card and you will have to pay a card capture fee.

If you report your Card as stolen, you agree to cooperate with our investigation. Your failure to file a police report or otherwise cooperate with our investigation may give us reasonable grounds to deny your claim of unauthorized use. Although we will not close your Account solely because you exercise your rights to report unauthorized activity or other errors under the Fair Credit Billing Act, our determination that your report of unauthorized Card activity was not made in good faith may be grounds for closing your Account to future use. If we decide that you have an excessive number of lost or stolen cards, we may not issue a replacement card or open a new account for you.

2. **Merchant Disputes.** We are not responsible for the refusal of any merchant or other financial institution to honor your Card. We are subject to good faith claims and defenses recognized by law (other than tort claims) arising out of goods or services you purchase with the Card, but only if you have made a good faith attempt but have been unable to obtain satisfaction from the plan merchant and (a) your purchase was made in response to an advertisement we sent or participated in sending you; (b) your purchase was made from a merchant we own or operate; or (c) your purchase cost more than \$50 and was made from a merchant in your state or within 100 miles of your home. We are relieved from any liability if you have already paid us for the disputed transaction. Any other disputes you must resolve directly with the merchant.

3. **Merchant Credits:** A merchant who honors your Card and gives you credit for returns or adjustments will do so by sending us a credit slip which we will post to your Account. Subject to Section D.16 of this Agreement, if your credits and/or payments exceed what you owe, we will hold and apply this credit balance against future transactions, or refund it on your written request if it is \$1.00.

4. **Platinum VISA® Rebates:** If you have a VISA® Platinum Account, you may earn cash rebates in U.S. dollars when you use your Card for purchases. Rebate terms are subject to change without notice.

- a. 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 you have 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 your Patelco Tiered Savings account. If there is more than one borrower on your Platinum VISA Account, the rebate will be paid to the first cardholder listed on the billing statement for the Account. You must notify us if an expected rebate has not been paid.

- b. You begin earning rebate credit with the first purchase during a rebate period. No rebates are earned for cash advances. The rebate amount equals 1.0% of the purchase amount. No rebates are earned for cash advances or balance transfers. Your monthly statement will show the amount of purchases during the billing cycle that are eligible for rebates. We can make adjustments due to account activity, such as returns of merchandise.

- c. If you close your Platinum VISA® account before the end of a rebate period, you forfeit earned but unpaid rebates.

- d. If your Platinum VISA® becomes 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.

- e. If your Platinum VISA® Card is lost or stolen, earned rebates will be credited to your new account number.

5. **U-Choose VISA® Gold Rewards:** If you have a Patelco VISA® Gold Credit Card Account, you may participate in this program for a \$25 annual fee. Program terms are available upon request by contacting Patelco Credit Union.

6. **Tax Consequences of Credit Card Reward Programs:** We make no warranties or representations regarding possible tax implications of VISA® Platinum rebates or VISA® U-Choose Rewards. Consult your tax advisor.

N. TERMINATION

1. We may terminate these Agreements and close your Accounts at any time by sending you a written notice of the termination and the lawful business reasons for so doing.

2. We can close your Accounts without prior notice if you fail to pay on time, or we have evidence or a reasonable belief that you are unable or unwilling to repay your Account balance. A significant increase in your obligations, your filing for bankruptcy relief, your unemployment, your failure to meet other obligations you have to us, or your death, are examples of circumstances that could lead us to close your Account without notice. We will give you advance notice required by law for other terminations. If we close your Accounts with or without notice due to your breach of this Agreement or any other agreement you have with us, your death or your bankruptcy, we can demand that you pay off the entire balance at once.

3. You can close your Accounts by sending us a written request and, if they have been issued to you, cutting all issued Cards and Loan Drafts in half and returning them to us.

4. If we or you close your Account, you agree to surrender any issued Cards and Loan Drafts to us. The Cards and Loan Drafts remain our property. Even if your Accounts are closed, you must still pay your outstanding balance in full under the terms of these Agreements.

5. If you terminate a Share Pledge VISA® Credit Card Account, funds in the share account pledged to secure payment will become available to you as your balance on this Account is paid down. When the Account closed and is paid in full, the pledged share account will also be closed and any remaining balance transferred to your Patelco Tiered Savings account.

O. PROMOTIONAL SKIP PAYMENTS

From time to time, we may offer you the opportunity to skip a payment on your Account(s). The offer, if made, will be reflected on your periodic statement in the form of a zero minimum payment, a message telling you that you can skip your payment for that month, and an announcement of the fee, if any, for the skipped payment. Your failure to make a payment will constitute your acceptance of the offer and authorize us to deduct the skip payment fee, if any, from any Patelco savings or checking account in which you have available funds. If you do not have available funds to cover the fee, it will be added to your Account balance and accrue interest at the rate called for by this Agreement. Interest will continue to accrue at the interest rate then in effect for the related Account during the skip pay period. On a joint loan, either borrower acting alone may request the skip payment.

P. GENERAL TERMS

These Agreements reflect your contract with Patelco with respect to all transactions you make, even if sales, cash advance, credit slips or other documents you receive for merchants or other third parties to whom you transfer loaned funds contain different terms. Patelco is not subject to agreement between you and third parties except to the extent you exercise merchant dispute rights available under Consumer Financial Protection Bureau Regulation Z or local law. Amendments to this Agreement are effective only if (a) implemented by a Patelco change in terms notice, (b) ordered by a court in an action to which Patelco is a party, or (c) agreed to in writing by you and an authorized agent of Patelco. If any provision of this Agreement is invalid, the other parts will remain in effect. Applicable federal and California law and regulation will govern interpretation of this Agreement.

BILLING RIGHTS: KEEP THIS NOTICE FOR FUTURE USE

State and Local Law: The following summary of your rights under federal law does not cover all rights you may have under state or local law. If, under state or local law, you have a longer period of time in which to send an inquiry to us regarding your statement, reliance on any such longer time period may result in your losing important rights that could be preserved by acting more quickly under federal law. State or local provisions, if any, only become operative upon the expiration of the time period provided by Consumer Financial Protection Bureau Regulation Z for submitting a proper error notice.

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 us at P.O. 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: 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 your 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 PURCHASE

If you are dissatisfied with the goods or services that you 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 purchases. 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, P.O. 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

Under California law, our right to recover credit extended to you for credit card purchases is subject to any defenses that you have against the seller if:

1. The purchase price of the item in question exceeded \$50;
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; and
4. You notify us in writing of the name of the seller, the date of purchase, the price paid, the goods or services purchased, 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 we receive the written demand.

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 canceling or refusing to renew your credit card solely because you obtained relief under the remedies you have for correcting billing errors.

ATM DISCLOSURE

This part of this disclosure includes special provisions applicable to the use of a Credit Card to obtain cash advances at Automated Teller Machines (ATMs). This disclosure addresses only credit card cash advances at ATMs. Refer to your separate Electronic Funds Transfer disclosure for a complete disclosure of terms applicable to the use of plastic cards issued by Patelco, including any Credit Card issued under this Agreement, to access Patelco savings and checking accounts.

Available Services

The ATM you use may restrict the number of credit card transactions and the amount of each transaction. Each ATM owner determines hours of service, but ATMs are generally available 24 hours a day, 7 days a week, subject to periodic closures for maintenance.

Documentation of Transactions

The ATM may generate a receipt for cash advance transaction, and ATM cash advance transactions will appear on your monthly statement.

Credit Union Liability

We will not be liable for failure to complete cash advance transactions if:

1. Your Account does not have 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. Your personal identification number (PIN) or Card has been reported lost or stolen and we have blocked its use;
4. Circumstances beyond our control, such as communication malfunction, fire, flood, electrical failure, or malfunction of the central data processing facility prevent completion of the transaction despite our reasonable precautions; or
5. We establish other lawful exceptions and notify you of them.

Security

Do not use an ATM machine unless it appears safe to do so. Do not key in your PIN if someone is looking. Take your Card, receipt and money when you are done, put your money away quickly, and leave the site.

NOTICE TO CO-SIGNER

(Traducción en Ingles Requiere Por Lay Ley)

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become part of your credit record.

This notice is not the contract that makes you liable for the debt.

AISO PARA EL FIADOR

(Spanish Translation Required by Law)

Se le está pidiendo que garantice esta deuda. Piénselo con cuidado antes de ponerse de acuerdo. Si al persona que ha pedido este préstamo no pagó la deuda, usted tendrá que pagarla. Está seguro de que usted podrá pagar si sea obligado a pagarla y de que usted desea aceptar la responsabilidad.

Si la persona que ha pedido el préstamo no paga la deuda, es posible que usted tenga que pagar la suma total de la deuda, mas los cargos por tardarse en el pago o el costo de cobranza, lo cual aumenta el total de esta suma.

El acreedor (financiero) puede cobrarle a usted sin, primeramente, tratar do cobrarle al deudor. Los mismos metodos de cobranza que pueden usarse contra el deudor, podran usarse contra usted, tales como presentar una demanda en corte, quitar parte de su sueldo, etc. Si alguna ves no se cumpla con la obligación de pagar esta deuda, se puede incluir esa información en la historia de credito de usted.

Este aviso no es el contrato mismo en que se le scha a usted la responsabilidad de la deuda.



PO BOX 8020
Pleasanton, CA 94588

800.358.8228 patelco.org