

**Retail Installment Credit Agreement**

**NOTICE: See reverse side for important information regarding your right to dispute billing errors.**

**1. AGREEMENT.** This is an agreement between The Pittsford Federal Credit Union (sometimes referred to as "PFCU", "us" or "we") and each applicant and/or co-applicant (referred to as "you") for a VISA account whose application is approved by PFCU. VISA card(s) issued in connection with this account are referred to as "card". This Agreement will not be effective with respect to the purchase or lease of property or services until you or a person authorized by you signs a sales slip or memorandum evidencing a purchase or lease of property or services by use of the card. If you authorize a merchant by electronic means (for example, through the Internet) or by telephone to debit your credit card account to pay for the purchase or lease of property or services, your authorization will be considered your signature on a sales slip. This Agreement will not be effective with respect to cash advances until you or someone you authorize signs an advance request, a convenience check or some other authorization for a cash advance or uses the card or your personal identification number (PIN) at an automated teller machine (ATM) or other facility to obtain a cash advance. Until this Agreement becomes effective, you will not be responsible for any purchase or lease of property or service or cash advances by use of the card after its loss or theft.

**2. USING THE CARD.** Each card must be signed by the individual whose name is printed on it. You may use the card and/or your card number and card expiration date to make purchases in person, by mail, electronically (through the Internet), or by telephone from merchants and others who accept VISA cards. In addition you may obtain cash advances from PFCU, from other financial institutions participating in the VISA program, from ATMs that provide access to the VISA system (not all ATMs provide such access) or by using a convenience check which we send you for that purpose. You will need to use your PIN to obtain a cash advance from an ATM. You agree to pay all amounts charged by use of the card, your card number or your PIN by you or anyone who is authorized by you to use your account, plus other charges provided in this Agreement. For security purposes, you agree not to write your PIN on the card itself.

**NO USE FOR ILLEGAL TRANSACTIONS.** You agree not to use your card or your card number for any illegal transactions, such as unlawful gambling. We may assume, without any further inquiry, that all transactions made by you or someone authorized by you using the card or the card number are legal, even if we have actual or imputed knowledge of information that might reasonably lead us to question whether a particular transaction is legal.

**3. RESPONSIBILITY AND OTHERS USING YOUR ACCOUNT.** Your obligation to pay the amount owed on your account continues until paid in full even though an agreement, divorce decree or other court judgment to which PFCU is not a party may direct someone else to pay the account balance. Each is individually responsible for all amounts on the account and all are jointly responsible for all amounts owed. This means PFCU can enforce this Agreement against any of you individually or all of you together.

**4. CONVENIENCE CHECKS.** We offer Convenience Checks as an optional means to purchase or lease goods or services or to obtain cash. Convenience Checks may not be used to make payments on your PFCU VISA account. Convenience Checks will be posted to your account as a cash advance and Finance Charges and fees will be assessed as described in Section 8. We will not certify a Convenience Check. We are not required to honor a Convenience Check and will not be responsible for returning it unpaid if (1) You do not have enough available credit on your account, (2) Your account has expired or your right to use your account has been suspended or canceled by us, (3) Your card or Convenience Checks have been reported lost/stolen, (4) Your Convenience Check is postdated (shows a future date), or (5) You are in default under this Agreement. In the event that we do not honor a Convenience Check presented to us for payment, it will be returned to the payee and we will charge your account a Returned Check fee of \$20. If we do honor a Convenience Check when we are not required to do so, it will be considered a cash advance and you will be responsible for repaying it under the terms of this Agreement.

**STOPPING PAYMENT OF A CONVENIENCE CHECK.** You may ask us to stop payment of a convenience check by calling us at (800) 836-8010. Your stop payment request will only be effective for 14 days from the date of your call unless within that 14 days you confirm it in writing, signed by you, describing with certainty the convenience check to be stopped and sent to us at P.O. Box 726, Mendon, New York 14506. Even if you do that, we may disregard your stop payment request starting six months after we receive it unless you renew that request in writing to us before the end of that six month period. We will use commercially reasonable efforts to stop payment on your convenience check. However, you agree that we will not be responsible in any way if the convenience check that you have requested us to stop payment on is cashed or otherwise presented for payment and, using commercially reasonable efforts, we are unable to stop payment.

**5. CREDIT LIMIT.** Your credit limit will be displayed on each Monthly Statement. You may not allow the balance of your account to exceed the credit limit which is approved by PFCU. If on your request we, at our discretion, make advances from your account in excess of your credit limit, our doing so will not change the amount of your credit limit, the advances are still subject to the provisions of this Agreement, and you will be required to repay any outstanding amounts which exceed your credit limit immediately on our demand. Each payment you make on the account will restore your credit limit by the amount of the payment which is applied to the principal amount of purchases and cash advances. You may request an increase in your credit limit. We have the right to increase or decrease your credit limit or to terminate your borrowing privileges at any time without advance notice to you.

**6. MONTHLY PAYMENT.** Each month you must pay at least the minimum payment shown on your statement within at least 28 days of the statement closing date. The minimum periodic payment required is the total New Balance as shown on your monthly billing statement if the amount is under \$10.00. If the New Balance exceeds \$10.00, the minimum periodic payment is 3.00% of that portion of the New Balance which does not exceed your credit limit, plus the entire portion of the New Balance in excess of your credit limit, plus any amount past due, or \$10.00, whichever is greater. **You may at any time pay more than the minimum amount due or even the total new balance shown on your monthly statement.** The sooner you pay your new balance, the less you will have to pay in FINANCE CHARGES.

**7. STATEMENTS AND NOTICES.** Statements and notices will be mailed to you at the most recent address you have given to PFCU. Notice sent to any one of you will be considered notice to all.

**8. FINANCE CHARGES.**

**Purchases** – You can avoid paying a **FINANCE CHARGE** on current billing cycle purchases (those itemized on your statement) if: (i) you pay for the current billing cycle purchases by the due date appearing on the statement; **and** (ii) the statement shows no previous balance for purchases or you paid the previous balance for purchases in full by

the due date shown on the previous statement. We figure the **FINANCE CHARGE** on your purchases by applying the daily periodic rate to the "average daily balance." To get the "average daily balance", we take the beginning principal balance of this account each day, add any new purchases, and subtract any payments or credits applied to this principal balance as well as unpaid finance charges. This gives us the daily balance. We then add up all the daily balance for the billing period and divide the total by the number of days in the billing period. This gives us the "average daily balance."

Therefore, the **FINANCE CHARGE** for the billing period is the (average daily balance) X (the daily periodic rate) X (the number of days in the billing period).

**Cash Advances** – A **FINANCE CHARGE** will be added to your cash advance account from the date of each cash advance transaction, unless we elect to accrue **FINANCE CHARGE** from a later date. We figure the **FINANCE CHARGE** on your cash advances by applying the daily periodic rate to the "average daily balance" of your cash advance account (including current transactions). To get the "average daily balance", we take the beginning principal balance of this account each day, add any new cash advances, and subtract any payments or credits applied to this principal balance as well as unpaid finance charges. This gives us the daily balance. We then add up all the daily balance for the billing period and divide the total by the number of days in the billing period. This gives us the "average daily balance".

Therefore, the **FINANCE CHARGE** for the billing period is the (average daily balance) X (the daily periodic rate) X (the number of days in the billing period).

Therefore, the **TOTAL FINANCE CHARGE** for the billing period is (the **FINANCE CHARGE** for purchases) + (the **FINANCE CHARGE** for cash advances).

**9. IRREGULAR PAYMENTS.** We may accept late payments, partial payments, or items marked "payment in full" of the like without losing any of our rights under this Agreement.

**10. DELAY IN ENFORCEMENT.** We may delay enforcing our rights under this Agreement without losing them.

**11. APPLICATION OF PAYMENTS.** We may apply all payments and credits in accordance with our standard operating procedures and with the requirements of applicable law. Payment application occurs in the following order: (1) All Finance Charges and billed fees; (2) All purchases; (3) All cash advances.

**12. DEFAULT AND COLLECTION COSTS.** Nearly all of our accounts are transacted in a normal way. However, we have the following rights:

(a) Default. You will be in default on this account if: (i) you fail to make a required payment on time; (ii) you fail to perform any other obligation to us, or any representation you make proves to be untrue; (iii) you die or become the subject of a proceeding in bankruptcy; or (iv) any third party attempts by legal process to take any money or other property of yours in our possession. (v) if we reasonably believe you will not be able to repay us for any reason. If more than one person is liable for the amounts owed under this Agreement, a default that occurs with respect to one of you will constitute a default for all of you.

(b) Responses to Default. Upon default we may **without notice** cancel the account and require immediate payment of all or any part of the balance due. We may also exercise any of our other legal rights.

If you have other loans from us, or take out other loans with us in the future, collateral securing those loans will also secure your obligations under this agreement. However, unless you expressly agree otherwise, your primary dwelling will not secure your obligations under this agreement even if we have or later acquire a mortgage on the dwelling.

If you have executed a written agreement granting a security interest in any deposit accounts (checking, savings, or share accounts) or other funds held by us to secure your obligations under this credit card plan, such accounts and/or funds are additional security for your obligations to us arising from the use of your Card.

(c) Attorney's Fees. In event of suit to collect unpaid balances, all costs, including attorney's fees of 25% of the balance due, or such greater amount as may be reasonable and just, and also those costs, expenses, and attorney's fees incurred in appellate, bankruptcy, and post-judgment proceedings, shall be imposed.

**13. NOTICE STATUTORY LIEN.** Under the Federal Credit Union Act (12 U.S.C. Section 1757 (11)), Pittsford FCU has the right to impress and enforce a statutory lien against your shares and dividends in the event of your failure to satisfy a financial obligation to us. We may enforce that right by applying the balance of shares and dividends in your account(s) at the time of that default in order to satisfy your VISA obligation. We may exercise this right without further notice to you. However, shares that you have in any account that would lose special tax treatment under any law, if subject to this interest, are excluded from this interest.

**14. CANCELLATION.** We may reduce your credit limit or cancel the account altogether, without notice to you. Unless you are in default, we will give you notice of any such reduction or cancellation. We may also cancel your account by not sending you a renewal card upon expiration of your outstanding card. You may cancel your account only by notifying us to that effect and delivering the card(s) to us (cut in half).

**15. SECURITY INTEREST.** To secure your account, you grant us a purchase money security interest under the Uniform Commercial Code in any goods you purchase through the account. If you default, we will have the right to recover any of these goods which have not been paid for through our application of your payments in the manner described in section 11.

**16. CREDIT INFORMATION.** You will authorize us to investigate your credit standing when opening, renewing, or reviewing your account. We may release information to others such as credit reporting agencies and other creditors about our experience with your account. We may obtain a credit report on you at any time in the future to review your account. Upon request, we will tell you whether a consumer report was requested and the name and address of the agency that furnished it.

**17. MONTHLY STATEMENT.** If you have a balance in your account at the end of your billing period, we will send you a statement. It will show your total purchases and cash advances for the billing cycle, the finance charge, the minimum payment due, and the date the payment is due. The statement will be sent to you at least 21 days before the date that your payment is due.

**18. LOST OR STOLEN CARDS.** In no event will you be liable for unauthorized use that occurs after you notify us of the loss, theft or possible unauthorized use. In any case, your liability will not exceed \$50.

Under VISA's Zero Liability Policy, you have liability protection for all of your card transactions that take place on the VISA system unless you are guilty of gross negligence or fraud. Should someone steal your card or your card number or otherwise obtain and use your card or your card number without your permission, you pay nothing for their activity unless you, yourself, were grossly negligent or fraudulent. If you notice unauthorized activity on your card, promptly contact PFCU to report it. It is important to continually monitor your monthly statement to identify any unauthorized transactions. PFCU may impose greater liability on you if the credit union reasonably determines that the unauthorized transaction was caused by your gross negligence or fraudulent action—which may include your delay for an unreasonable time in reporting unauthorized transactions. In any case, you must immediately notify the credit union of loss, theft or unauthorized use of your card or your card number. Notice of unauthorized use may originally be oral, but must be followed by written notice. Notice must be given to the Pittsford Federal Credit Union, P.O. Box 726, Mendon, NY 14506 or initially by calling us at (800) 836-8010.

**19. EFFECT OF AGREEMENT.** This Agreement is the contract which applies to all transactions on your account even though the sales, cash advance, credit, or other slips you sign or receive may contain different items. We may amend this Agreement from time to time by sending you advance written notice before the change is effective. To the extent the law permits, and indicated in the notice to you, the change will apply to your existing account balances as well as to future transactions. Either PFCU or you may terminate this Agreement at any time, but termination by you or PFCU will not affect your obligations. The cards you receive remain property of PFCU and you must recover and surrender to PFCU all cards upon request or upon termination of this Agreement whether by you or PFCU.

**20. RETURNS, CREDIT BALANCES, OVERPAYMENTS AND ADJUSTMENTS.** Merchants and others who honor the Card may give credit for returns or adjustments, and they 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, if it is \$1 or more, refund it on your written request or automatically after 6 months.

**21. FEES.** The following charges may be applied to your account, as applicable.

**Annual Fee** -- None.

**Late Fee** -- None.

**Overlimit Fee** -- None.

**Card Replacement Fee** -- When you make a request to change the account number or replace the credit card for any reason, including a lost or stolen card, you may be charged a fee of \$15.

**Returned Check Fee** -- If any check submitted to us as a payment on the account is returned to us for any reason, you may be charged a fee of \$20.

**Documentary Evidence Charges** -- If you request documentary evidence of a transaction on your account (for example, a copy of a sales draft), we may pass along to you the cost of us researching this evidence at a rate of \$10 per hour. No such charge will be imposed unless the documentary evidence agrees with the transaction as previously reflected on your statement. Further, no charge will be imposed for billing statement errors or inquiries.

**22. FOREIGN TRANSACTIONS.** Purchases and cash advances made in foreign countries and/or foreign currencies will be billed to you in U.S. Dollars. The exchange rate to dollars will be determined in accordance with the operating regulations established by VISA International from time to time. As of the date these disclosures were published, those regulations establish the conversion rate as either the rate selected by VISA from the range of rates available in wholesale currency markets; this may vary from the rate VISA itself receives, or the government-mandated rate in effect for the applicable central processing date. The currency conversion rate used on the processing date may differ from the rate that would have been used on the purchase date or statement posting date. You will be required to pay any International Service Assessment fee (ISA fee) or other fee that VISA imposes on you or us in connection with the transaction. Transactions that occur in a foreign country and are processed in a foreign currency are subject to a 1.00% fee. Transactions that occur in a foreign country and are processed in U.S. dollars will be subject to a 0.80% ISA fee. Transactions conducted in U.S. military bases, territories, embassies, or consulates; and fund transfers conducted by the cardholder will not be subject to the 0.80% ISA fee. A single foreign transaction will appear as two lines. There will be one line displaying the charge followed by a separate line displaying the international service assessment or other fee imposed by VISA.

## **YOUR BILLING RIGHTS KEEP THIS NOTICE FOR FUTURE USE**

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

### **Notify Us In Case of Errors or Questions About Your Bill**

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at our address listed on your bill. Write to us as soon as possible. **We must receive your letter no later than 60 days after we sent you the first bill on which the error or problem appeared.** You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number
- The dollar amount of the suspected error
- Describe the error and explain, if you can, why you believe there is an error
- If you need more information, describe the item you are not sure about.

If you have authorized us to pay your credit card bill automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment, your letter must reach us three business days before the automatic payment is scheduled to occur.

### **Your Rights and Our Responsibilities After We Receive Your Written Notice**

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent for that amount. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

### **Special Rule for Credit Card Purchases**

If you have a problem with the quality of property or services that you purchased with a 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 property or services. There are two limitations on this right:

- (a) You must have made the purchase in you home state or, if not within your home state, within 100 miles of your current mailing address; and
- (b) The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

### **Special Rule For New York Residents**

New York Residents may contact the New York State Banking Department to obtain a comparative listing of credit card rates, fees, and grace periods. **New York State Banking Department 1-800-518-8866.**