

MEMBERS CREDIT UNION

CREDIT CARD AGREEMENT AND DISCLOSURES*

In this Agreement the words "you" and "your" mean each and all of those who agree to be bound by this Agreement; "Card" means a Visa and MasterCard credit card and any duplicates, renewals, or substitutions the Credit Union issues to you; "Account" means your Visa and MasterCard credit card line of credit account with the Credit Union, and "Credit Union" means the Credit Union whose name appears on this Agreement or anyone to whom the Credit Union transfers this Agreement.

1. Using Your Account. If you are approved for an Account, the Credit Union will establish a line of credit for you and notify you of your credit limit. You agree that your credit limit is the maximum amount (purchases, cash advances, finance charges, plus "other charges") that you will have outstanding on your Account at any time. Each payment you make to your Account will restore your credit limit by the amount of the payment, unless you are over your credit limit. If you are over your credit limit, you must pay the amount you are over before payments will begin to restore your credit limit. You may request an increase in your credit limit only by a method acceptable to the Credit Union. The Credit Union has the right to reduce your credit limit, refuse to make an advance and/or terminate your Account at any time for any reason not prohibited by law.

2. Using the Visa and MasterCard Card. You may use your Card to make purchases from merchants and others who accept Visa and MasterCard Cards. In addition, you may obtain cash advances from the Credit Union and from other financial institutions that accept Visa and MasterCard Cards, and from some automated teller machines (ATMs), such as the Visa and MasterCard ATM Network, that accept Visa and MasterCard Cards. (Not all ATMs accept Visa and MasterCard Cards.) To obtain cash advances from an ATM, you must use the Personal Identification Number (PIN) that is issued to you for use with your card. You agree not to make or permit to be made any illegal transactions on your Account through the use of a Card, a Check or in any other manner. We may deny authorization for any internet gambling transactions.

3. Responsibility. You agree to pay all charges (purchases and cash advances) to your Account that are made by you or anyone whom you authorize to use your Account. You agree not to authorize anyone to use your Account without the prior written consent of the Credit Union. You also agree to pay all finance charges and other charges added to your Account under the terms of this Agreement or another agreement you made with the Credit Union. If this is a Joint Account, Section 17 also applies to your Account.

4. Default. You will be in default if you fail to make any minimum payment or other required payment by the date that it is due. You will be in default if you break any promise you make under this Agreement. You will be in default if you die, file for bankruptcy or become insolvent, that is unable to pay your obligations when they become due. You will be in default if you make any false or misleading statements in any credit application or credit update. You will also be in default if something happens that the Credit Union believes may substantially reduce your ability to repay what you owe.

When you are in default, the Credit Union has the right to demand immediate payment of your full Account balance without giving you notice. If immediate payment is demanded, you agree to continue paying finance charge, at the periodic rate charged before default, until what you owe has been paid, and any shares that were given as security for your Account may be applied towards what you owe.

5. Liability for Unauthorized Use-Lost/Stolen Card Notification. TELL US AT ONCE if you believe your card or any access code has been lost or stolen or if you believe that an electronic fund transfer has been made without your permission. You may be liable for the unauthorized use of your Card. You will not be liable for unauthorized use that occurs after you notify the Credit Union, orally or in writing, of the loss, theft, or possible unauthorized use. In any case, your liability will not exceed \$50. You can notify the Credit Union by calling 1-800-543-5073, or writing to Visa/Mastercard, Attn: Dept. TA-21, 11601 Roosevelt Blvd., St. Petersburg, FL 33716.

6. Security Interest. As a condition of us granting you credit under this agreement you hereby agree to grant us a security interest in all present and future shares and deposits with the credit union except Individual Retirement Accounts and other accounts which provide tax benefits under federal or state law to secure this Visa/Mastercard account. Upon default you agree that we may apply all of your shares and deposits to pay amounts due on the account. You also agree to grant us a security interest in collateral (other than real estate or your residence) securing other loans to secure credit under this agreement.

7. Finance Charges.

For a **Classic Visa or Mastercard**, the Finance Charge for a billing cycle is computed by applying the monthly Periodic Rate of 1.16% which is an ANNUAL PERCENTAGE RATE of 13.96% to the average daily balance of Credit Purchases, which is determined by dividing the sum of the daily balances during the billing cycle by the number of days in the cycle.

For a **Gold Visa or Mastercard**, the ANNUAL PERCENTAGE RATE will be determined on a yearly (12 month) billing cycle. The discount interest rate on 3 month U.S. Treasury Bills (the "Auction High") published each week during each calendar month will be averaged to produce the average Auction High for each month. The monthly averages so calculated for the 12 calendar months ending each December 31st will be averaged to produce the 12 Month Average Auction High (the "12 Month Average"). The ANNUAL PERCENTAGE RATE in effect for the yearly billing cycle will equal the sum of the 12 Month Average plus 7.0 percentage points (rounded up to the next percentage) but not less than 9.96% nor more than 15.96%. The FINANCE CHARGE on Credit Purchases and Cash Advances for each billing cycle will be computed by applying a Periodic Rate equal to 1/12 of the ANNUAL PERCENTAGE RATE in effect for each billing cycle on the respective AVERAGE DAILY BALANCES for Credit Purchases and Cash Advances. The ANNUAL PERCENTAGE RATE and the Periodic Rate may increase if the Auction High increases, and any such increase in the ANNUAL PERCENTAGE RATE will become effective for the billing cycle beginning after December 31st. If the ANNUAL PERCENTAGE RATE and the Periodic Rate increase, the FINANCE CHARGE and the minimum payment amount may increase. Each change in the ANNUAL PERCENTAGE RATE and the Periodic Rate will apply to any balance outstanding on January 1st, the effective date of such change, as well as to future Credit Purchases and Cash Advances.

For a **Platinum Visa or Mastercard**, the ANNUAL PERCENTAGE RATE will be determined on a yearly (12 month) billing cycle. The discount interest rate on 3 month U.S. Treasury Bills (the "Auction High") published each week during each calendar month will be averaged to produce the average Auction High for each month. The monthly averages so calculated for the 12 calendar months ending each December 31st will be averaged to produce the 12 Month Average Auction High (the "12 Month Average"). The ANNUAL PERCENTAGE RATE in effect for the yearly billing cycle will equal the sum of the 12 Month Average plus 4.50 percentage points (rounded up to the next percentage) but not less than 8.96% nor more than 15.96%. The FINANCE CHARGE on Credit Purchases and Cash Advances for each billing cycle will be computed by applying a Periodic Rate equal to 1/12 of the ANNUAL PERCENTAGE RATE in effect for each billing cycle on the respective AVERAGE DAILY BALANCES for Credit Purchases and Cash Advances. The ANNUAL PERCENTAGE RATE and the Periodic Rate may increase if the Auction High increases, and any such increase in the ANNUAL PERCENTAGE RATE will become effective for the billing cycle beginning after December 31st. If the ANNUAL PERCENTAGE RATE and the Periodic Rate increase, the FINANCE CHARGE and the minimum payment amount may increase. Each change in the ANNUAL PERCENTAGE RATE and the Periodic Rate will apply to any balance outstanding on January 1st, the effective date of such change, as well as to future Credit Purchases and Cash Advances.

8. Payments. Each month you must pay at least the minimum payment shown on your statement by the date specified on the statement or no later than 25 days from the statement closing date, whichever is later. If your statement says the payment is "Now Due," your payment is due no later than 25 days from the statement closing date. You may pay more frequently, pay more than the minimum payment or pay the Total New Balance in full. If you make extra payments or larger payments, you are still required to make at least the minimum payment each month your Account has a balance (other than a credit balance). The minimum payment is 3.0% of your Total New Balance, but not less than \$10.00, plus the amount of any prior minimum payments that you have not made, and any amount you are over your credit limit. The Credit Union also has the right to demand immediate payment of any amount by which you are over your credit limit.

9. Payment Allocation. Subject to applicable law, your payments may be applied to what you owe the Credit Union in any manner the Credit Union chooses.

Electronic Check Conversion/Electronic Returned Check Fees. If you pay for purchases or bills with a check or share draft, you may authorize your check or share draft to be converted to an electronic funds transfer. You may also authorize merchants or other payees to electronically debit your account for returned check fees.

10. Other Charges for Visa/Mastercard Credit Card Programs Late Charge: If the minimum payment due under this Agreement is not paid within 25 days after the date it is due, we may impose a late charge of \$10.00. The late charge will be imposed at our discretion and the timing of the late charge will be a matter of processing convenience, but will in no event be charged before the 25th day after the date the payment is due. No late charge will be imposed after this Agreement has, due to default as specified in the Agreement, become due and payable in full. **Finance Charge Cash Advance:** A finance charge will be assessed on cash advances from the date of the cash advance, or the first day of the billing cycle in which the cash advance is posted, whichever is later, and will continue to accrue until payment in full is posted. **International Transaction Fee:** Up to 1% International Transaction Fee will be assessed on all transactions where the merchant country differs from the country of the card issuer.

11. Changing or Terminating Your Account. The Credit Union may change the terms of this Agreement from time to time. Notice of any change will be given in accordance with applicable law. Use of your Card after receiving notice of a change will indicate your agreement to the change.

If permitted by law and specified in the notice to you, the change will apply to your existing Account Balance as well as to future transactions.

Either you or the Credit Union may terminate this agreement at any time, but termination by you or the Credit

Union will not affect your obligation to pay the Account balance plus any finance and other charges you owe under this Agreement. You are also responsible for all transactions made to your Account after termination, unless the transactions were unauthorized.

The Card or Cards you receive remain the property of the Credit Union and you must recover and surrender to the Credit Union all Cards upon request or upon termination of this Agreement whether by you or the Credit Union. The Credit Union has the right to require you to pay your full Account balance at any time after your Account is terminated, whether it is terminated by you or the Credit Union. If this is a Joint Account, Section 17 of this Agreement also applies to termination of the Account.

12. Credit Information. You authorize the Credit Union to investigate your credit standing when opening or reviewing your Account. You authorize the Credit Union to disclose information regarding your Account to credit bureaus and creditors who inquire about your credit standing.

13. Returns and Adjustments. Merchants and others who honor your Card may give credit for returns or adjustments, and they will do so by sending the Credit Union a credit slip which will be posted to your Account. If your credits and payments exceed what you owe the Credit Union, the amount will be applied against future purchases and cash advances. If the credit balance amount is \$1 or more, it will be refunded upon your written request or automatically after six months.

14. Additional Benefits/Card Enhancements. The Credit Union may from time to time offer additional services to your Account, such as travel accident insurance, at no additional cost to you. You understand that the Credit Union is not obligated to offer such services and may withdraw or change them at any time.

15. Foreign Transactions.

For a **Classic Visa, Visa Gold or Visa Platinum:** Purchases and cash advances made in foreign countries and foreign currencies will be billed to you in U.S. dollars. The exchange rate for transactions in a foreign currency will be 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 the government mandated rate in effect for the applicable central processing date. The currency exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

For a **MasterCard Classic, MasterCard Gold or MasterCard Platinum:** MasterCard's currency conversion procedure includes use of either a government-mandated exchange rate, or a wholesale exchange rate selected by MasterCard, and that the government-mandated exchange rate or wholesale exchange rate MasterCard uses for a particular transaction is the rate MasterCard selects for the applicable currency on the day the transaction is processed, which may differ from that applicable to the date the transaction occurred or when it is posted to the cardholder's account.

16. Merchant Disputes. The Credit Union is not responsible for the refusal of any merchant or financial institution to honor your Card. The Credit Union is subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the Card if you have made a good faith attempt but have been unable to obtain satisfaction from the merchant or service provider (unless a local law states that you do not have to make such an attempt), and (a) your purchase was made in response to an advertisement The Credit Union sent or participated in sending to you; or (b) your purchase cost more than \$50 and was made in your state or within 100 miles of your home.

17. Joint Accounts. If this is a joint Account, each person on the Account must sign the Agreement. Each of you will be individually and jointly responsible for paying all amounts owed under this Agreement. This means that the Credit Union can require any one of you individually to repay the entire amount owed under this Agreement. Each of you authorizes the other(s) to make purchases or cash advances individually. Any one of you may terminate the Account and the termination will be effective as to all of you.

18. Effect of Agreement. This Agreement is the contract which applies to all transactions on your Account even though the sales, cash advances, credit or other slips you sign or receive may contain different terms.

19. No Waiver. The Credit Union can delay enforcing any of its rights any number of times without losing them.

20. Statement and Notices. Statements and notices will be mailed to you at the most recent address you have given the Credit Union. Notice sent to any one of you will be considered notice to all.

21. Copy Received. You acknowledge that you have received a copy of this Agreement.

22. Signatures. By signing in the Signature area of the application form that was attached to this agreement when you received it, you agree to the terms of this Agreement. You should detach this Agreement from the application and retain it for your records.

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 the address listed on your bill. Write to us as soon as possible. We must hear from you 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. 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.

In case of errors or questions about electronic funds transfers from your accounts or if you need more information about a transfer on the statement or receipt, telephone us at (800) 765-0113 or send us a written notice to Members Credit Union, Attn: Card Services Department, PO Box 795, Traverse City, Michigan 49685-0795.

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 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 your 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.

*At the date this application was printed (shown in the lower right-hand corner - this side) the information listed above was accurate. Because the rates and terms are subject to change, the member should contact the credit union for any change in the information since it was printed. Call Toll-Free (800) 765-0113.