

Cardholder
Agreement and
Disclosure Statement
for Your Auburn University
Federal Credit Union
Credit Card



**AUBURN UNIVERSITY
FEDERAL CREDIT UNION**

AUBURN UNIVERSITY FEDERAL CREDIT UNION VISA® CREDIT CARD AGREEMENT AND TRUTH-IN LENDING DISCLOSURE

In this Agreement, the words, you and your mean each and all of those who bind themselves to the Agreement. Card Means the Visa Credit Card and any duplicates and renews the Credit Union issues. Account means your Visa account with the Credit Union. Credit Union means Auburn University Federal Credit Union. This Agreement is a final expression of the terms and conditions of this VISA account between you and the Credit Union and may not be contradicted by evidence of any alleged oral agreement.

- Responsibility:** If we issue you a Card, you agree to repay all debts and the FINANCE CHARGE arising from the use of the Card and the card account and any fees or charges associated with the card account. For example, you are responsible for charges made by yourself, your spouse and minor children. You are also responsible for charges made by anyone else to whom you give the Card, and all this responsibility continues until you recover the Card, and all charges are paid. You cannot disclaim responsibility by notifying us, but we will close the account for new transactions if you so request and return all Cards. Your obligation to pay the account balance continues even though an agreement, divorce decree or other court judgment to which we are not a party may direct you or one of the other persons responsible to pay the account. Any person using the Card is jointly responsible with you for charges he or she makes, but if that person signs the Card he or she becomes party to this Agreement and is also jointly responsible for all charges on the account, including yours.
- Joint Accounts:** If this is a joint account each person on the account 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. 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 for all of you.
- Lost Card Notification:** If you believe your Card or PIN has been lost or stolen, you should immediately call 800-991-4964 at any time. You agree to follow up your call by writing to us at: Credit Card Security, PO Box 30035, Tampa, FL 33630. We may charge a reasonable fee to replace your Card.
- Liability for Unauthorized Use of Credit Card:** We may hold you liable for the unauthorized use of your card. You will not be liable for unauthorized use that occurs after you notify us orally or in writing of the loss, theft, or possible unauthorized use of your card. If the unauthorized use occurred at an ATM, your liability will not exceed \$50.00.
- Card Line:** If we approve your application, we will establish a self-replenishing Line of Credit for you and notify you of its amount when we issue the Card. You agree not to let the account balance exceed this approved Credit Line. Each payment you make on the account will restore your Credit Line by the amount of the payment which is applied to principal. You may request an increase in your Credit Line by contacting our Credit Department and complying with any request required to update your application, which must be approved by our credit committee or loan officer. By giving you written notice, we may reduce your Credit Line from time to time, or with good cause, revoke your Card and terminate this Agreement. Good cause includes your failure to comply with this Agreement or our adverse re-evaluation of your credit-worthiness. You may also terminate this Agreement at any time, but termination by either of us does not affect your obligation to pay the account balance. The cards remain our property and you must recover and surrender to us all cards upon our request and upon termination of this Agreement.
- Credit Information:** You authorize us to investigate your credit standing when opening, renewing or reviewing your account, and you authorize us to disclose information regarding your account to credit bureaus and other creditors who inquire of us about your credit standing, to the extent authorized by our By-Laws.

- Monthly Payment:** We will mail a statement every month showing your Previous Balance of purchases and cash advances on your account, the remaining credit available under your Credit Line, the New Balance of purchases and cash advances, the Total New Balances, the FINANCE CHARGE due as of the statement date, any other billed fees, and the Minimum Payment required. Every month you must pay at least the minimum payment shown on your statement by the payment due date. By separate agreement, you may authorize us to charge the minimum payment automatically to your share or draft account with us. You may of course, pay more frequently, pay more than the Minimum Payment, or pay the Total New Balance in full, and you will reduce the FINANCE CHARGE by doing so. However, if a balance remains owing, you must always pay at least the minimum payment each month. The Minimum Payment will be either (a) 2% 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 \$20.00, whichever is greater, or (b) your Total New Balance if it is less than \$20.00. In addition, at any time your Total New Balance exceeds your Credit Line, you must immediately pay the excess upon our demand. Payments are applied in the following order: (1) finance charge; (2) miscellaneous fees; (3) principal. Merchant credits are applied in the following order: (1) principal; (2) miscellaneous fees; (3) cash advance fees; (4) late fees; (5) interest due [finance charges]. When payments are made, the principal is reduced as follows: (1) purchase balance as of the last statement; (2) cash advance balance as of the last statement; (3) purchases this cycle; (4) cash advances this cycle.
- Annual Percentage Rate:** At the date these disclosures are made to you, your account will be subject to a monthly periodic rate of 9.083% which corresponds to an ANNUAL PERCENTAGE RATE of 10.90%. This rate applies to Visa Classic and Visa Gold accounts.
- Finance Charges for Purchases:** You can avoid FINANCE CHARGES on purchases by paying the full amount of the New Balances of Purchases each month within 25-days of your statement closing date. Otherwise, the New Balance of Purchases, from the date they are posted to your account, will be subject to FINANCE CHARGES. The principal balances of purchases are determined each day during the statement period, beginning with the principal portion of your Previous Balances, reduced by payments you make and credits we apply and increased by purchases you make and the debit adjustments we make during the statement period. The Daily principal balances are totaled and divided by the number of days in the statement period, to produce the average daily principal balances for purchase to which the daily rate is then applied.

- Finance Charges for Cash Advances:** You will pay interest on each cash advance from the day we charge it against your account. Interest is imposed on the average daily balance of cash advance and will continue to accrue on the unpaid average daily balance from the date made or from the first day of the billing cycle in which cash advance is posted to your account, whichever is later, and will continue to accrue until the date of payment. The FINANCE CHARGE for a billing cycle is computed by applying the monthly periodic rate to the average daily balance of Cash Advances, which is determined by dividing the sum of the daily balances during the billing cycle by the number of days in the cycle. Each daily balance of Cash Advances is determined by adding to the outstanding unpaid balance of Cash Advances at the beginning of the billing cycle any new Cash Advances received and subtracting any payments as received or credits posted to your account, but excluding any unpaid FINANCE CHARGES.
- Transaction Finance Charge:** The transaction finance charge is a one-time charge made each time a new cash advance is posted to your account. The charge for each cash advance obtained through any ATM is \$5.00. The charge for each cash advance obtained through any other source is 2% of the amount of the advance, but in no event less than \$5.00. Since Transaction Finance Charges are one-time charges that must be reflected in calculating the Annual Percentage Rate disclosure, the actual Annual Percentage Rate

- Annual Percentage Rate:** (which is based on the periodic finance charge) in any month for which a new cash advance is posted to your account.
- Fees:**
 - Over limit fee** – each time your new balance exceeds your maximum credit limit, we will charge you \$20.00
 - Replacement card fee** – we reserve the right to charge you \$10.00 to replace a card.
 - NSF checks** – we charge \$18.00 for receipt of a non-sufficient funds check.
- Late Charges:** If we do not receive at least your minimum required payment within ten (10) days after the closing date subsequent to the payment due date indicated on your billing statement, we will charge you a fee of \$20.00 for each late payment.

- Default:** You will be in default if you fail to make any Minimum Payment by the payment due date. You will also be in default if your ability to repay us is materially reduced by a change in your employment, an increase in your obligations, bankruptcy or insolvency proceedings against you or your spouse, your death or your failure to abide by this agreement or if the value of any security interest you have given us materially declines, there is an attachment, execution or levy against your property or you make an assignment for the benefit of creditors, a guardian, conservator, receiver, custodian or trustee has been appointed for you, you are generally not paying your debts as they come due, you fail to pay any other loan with us or you have made any false or misleading statement on the application for account. If you are in default, we may, without notifying you, temporarily suspend your account, close your account, cancel all credit cards and we have the right to demand immediate payment of your full account balance.
- Collection Costs:** The Credit Union may file suit to collect what you owe. If the Credit Union incurs any expenses in taking action or in protecting its rights, you agree to pay all costs of collecting the amount owed under this Agreement including reasonable attorneys' fees not in excess of fifteen percent (15%) of the unpaid debt if the amount financed hereunder exceeds \$300.00 and the debt is referred for collection to an attorney who is not our employee.
- Using the Card:** To make a purchase or cash advance, you may present the Card to a participating Visa Card plan merchant, to us or to another financial institution and sign the sales or cash advance draft which will be imprinted with your Card. You will receive a copy of the draft, which you should retain to verify your monthly statement. You can use your card to obtain cash advances up to \$360.00 per day from any authorized Auburn University Federal Credit Union Automated Teller Machine (ATM).
- Legal Transactions:** You may use your Auburn University Federal Credit Union Visa Card to conduct any transaction or obtain any Credit Union service permitted by law. You agree that the use of the Card to obtain a service or effect a transaction that is illegal under the law of any jurisdiction where originated, effected or accomplished will be a default and breach of this Agreement. We may terminate the access to the service or withdraw the right to use the Card and/or demand the return of all Visa card or access devices issued to you. If illegal use of your Card occurs, you waive the right to sue Auburn University Federal Credit Union and agree to indemnify and hold us harmless from any suits or other legal action or liability which may be asserted, directly or indirectly, against Auburn University Federal Credit Union arising out of or resulting from the illegal use of the Visa Card.
- Returns 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.

19. **Foreign Transactions:** Purchases and cash advances made in foreign countries and foreign currencies will be billed to you in U.S. dollars. The conversion rate to dollars will be determined in accordance with the operating regulations established by VISA International. Currently the conversion rate used to determine the transaction amount in U.S. dollars is generally either a government-mandated rate or the wholesale rate in effect the day before the transaction processing date, increased by 1%. The currency conversion 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.

20. **Plan Merchant Disputes:** We are not responsible for the refusal of any plan merchant or financial institution to honor your card. We are subject to claims and defenses (other than tort claims) arising out of goods and services your purchase with the Card 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, or (b) your purchase cost more than \$50 and was made from a plan merchant in your state or within 100 miles of your home. Any other disputes you must resolve directly with the plan merchant.

21. **Non Waiver of Rights:** We can delay enforcing any of rights under this Agreement without losing those rights. We can accept late payments or partial payments without losing any of our rights under this Agreement.

22. **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 terms. We may amend this Agreement from time to time by sending you the advance written notice required by law. Your use of the Card thereafter will indicate your agreement to the amendments. To the extent the law permits and we indicate in our notice, amendment will apply to your existing account balance as well as to future transactions.

23. **Acceptance of Agreement:** You understand that the use of your Visa Card will constitute acknowledgment of receipt of these disclosures and acceptance of the terms and conditions contained in the Agreement.

24. **Security:** 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 herein.

Pledge of Share Accounts: You pledge to us and grant a security interest in all joint and individual accounts you have with Auburn University Federal Credit Union now and in the future, except shares in Individual Retirement Accounts and accounts where the pledge or transfer of which would cause the loss of a tax-exempt or tax-deferred status, to secure your credit card account. You authorize us to apply the balance in these account(s) to pay any amount due under this Agreement if you should default.

25. **Governing Law:** Except to the extent Federal law is applicable, the validity, construction and enforcement of this Agreement and all matters arising out of issuance and use of the Card shall be governed by the laws of the State of Alabama. If any part of this Agreement shall be held invalid or unenforceable, then this Agreement shall be construed as if it did not contain those provisions and the Credit Union's rights and obligations shall be construed and enforced accordingly.

26. **Limitation on Lawsuits:** You agree that any lawsuit based on any cause of action for which you may have against us must be filed within one year from the date that it arises or you will be barred from filing suit. This limitation is intended to include tort, contract, and all other causes of action for which you and we may lawfully contract set limitations for bringing suit.

27. **Notice:** You agree that the address in the Visa Card application is the proper address for all notice(s) required by this Agreement and

you further understand that any changes in this address must be submitted to us in writing to be effective.

28. **Notice Regarding Telephone Contact:** You agree that the Credit Union, its agents and other service companies may without the need to seek additional confirmation from you monitor, and/or record any telephone communication with you to insure inquiries from you are handled promptly, courteously and accurately.

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 that 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 shared draft 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 in question, including finance charges, and we can apply an 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 us within ten (10) 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. We must tell anyone we report you to that the matter has been unsettled 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 or 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 service. 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.