



# VISA CREDIT CARD AGREEMENT

COMPLETE SHADED AREAS

Members Credit Union • P.O. Box 5297, Winston-Salem, NC 27113-5297 • Phone (336) 748-4800

MEMBER \_\_\_\_\_ JOINT MEMBER (if any) \_\_\_\_\_ Account No. \_\_\_\_\_

As evidenced by your signature below, you hereby apply for a Visa Credit Card to be used to make charges against your Unsecured Credit Line sub-account under your LOANLINER plan and agree to the terms and conditions herein. In this Agreement the words **you** and **your** mean each and all of those who apply for the card or who sign this Agreement. **Card** means the Visa Credit Card and any duplicates and renewals we issue. Everyone who receives, signs or uses a card issued under this Agreement must be a member of Members Credit Union. Account means your Unsecured Credit Line account with us as described in your LOANLINER Credit Agreement and Truth-In-Lending Disclosure. **We, us** and **ours**, means the Members Credit Union.

- 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 Unsecured Credit Line 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 this responsibility continues until the card is recovered. 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 judgement 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 a party to this Agreement and is also jointly responsible for all charges on the account, including yours.
- Lost Card Notification.** If you believe the card has been lost or stolen, call us immediately. During business hours (8:00 AM - 5:00 PM, Mon.-Fri.) call us at (800) 951-8000 or locally at (336) 748-4800. If not during business hours, call 1-800-991-4965. (This number is available 24 hours a day.)
- Liability for Unauthorized Use.** You understand that your total liability to the Credit Union shall not exceed \$50.00 for any Card transaction resulting from the loss, theft or other unauthorized use of the Card that occurs prior to the time you give notice to the Credit Union.
- Credit Line.** The credit line referred to herein is the Unsecured Credit Line you have applied for under our LOANLINER plan. If your application is approved, we will notify you of its amount when we issue the card. Advances may be made on this account in two ways: (1) Through a direct advance request to the Credit Union, or (2) By use of the card(s) issued in conjunction with the account. You agree not to let the account balance exceed your approved Credit Line. If you do **exceed** your approved Credit Line, we may impose a **Penalty Fee** of 5% of the amount by which you exceeded your Credit Line, or \$25.00, whichever is greater. This penalty fee may be imposed for each transaction which exceeds your approved Credit Line. In addition, we reserve the right to cancel authorization for the use of your Visa Credit Card and refuse any other obligations to make advances to you on your behalf. Each payment you make on the account will restore your Credit Line by the amount of the payment which is applied to the principal. You may request to increase your Credit Line only by written application to us, which must be approved by our credit committee. By giving you written notice, our credit committee 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 the Agreement, or our adverse reevaluation of your creditworthiness. 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 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, but only concerning your credit account with the Credit Union.
- Variable Interest Rate.** The Annual Percentage Rate for all advances and existing balances will change on the first day of each calendar quarter (January, April, July and October) to reflect any change in the Two-Year Treasury Bill Index. This index will be determined by using the weekly Two-Year Treasury Bill rate for the 12-week period immediately preceding the 3rd month of the prior quarter. The Annual Percentage Rate will be rounded to the next highest ¼%, plus the 9.75%. The credit union reserves the right to change the Index with proper notification. The Annual Percentage Rate will not exceed the rate permitted under NC State law. An increase in the Annual Percentage Rate will take the form of more payments of the same amount.  
The Annual Percentage Rate for the current calendar quarter as of the date of this Agreement is \_\_\_\_\_% with a corresponding Daily Periodic Rate (the Annual Percentage Rate divided by 365) of \_\_\_\_\_%.
- Finance Charges.** Cash advances and purchases are subject to Finance Charge from the date of posting to your account. The Finance Charge is the interest you pay for funds advanced to cover card charges. There is no "free period" but you can reduce the Finance Charge by making your payments as promptly as possible. For each day since your last payment, the unpaid balance of your account is multiplied by the daily periodic rate for the account. The sum of these amounts is the Finance Charge you owe at the time of your payment. The balance used to compute the Finance Charge is the actual balance of your account each day after payment and credits have been subtracted and other charges have been added.
- Monthly payment.** Every month you must pay at least the Minimum Payment which will be indicated along with the due date on your monthly statement. Your monthly statement will also show your Previous Balance, the current transactions on your account, your New Balance and the available credit on your account. Your Minimum Payment will be 3% (rounded to the next highest dollar) of your New Balance, or \$30, whichever is greater, or the Total New Balance, if it is less the \$30. At any time and without penalty you may repay all or part of what you owe; however, you must make at least the minimum payment due each month. Payments are due on the last day of each month. If your minimum payment is not received within 15 days of the due date, you may be subject to a Late Charge of 3% of the amount overdue. By separate agreement, you may authorize us to charge the minimum payment to your share account with us. Your payments will be applied in the following order to any of these costs you owe: Collection costs, penalty fees for exceeding your approved credit limit, late charges, finance charges, unpaid balance due. Any unpaid part of the finance charge will be paid by later payments and will not be added to your unpaid balance.
- Default.** You will be in default if you fail to make a minimum payment within 15 days of the due date. You will be in default if you break any promise you made under this Agreement. 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 involving you, your death, or if the value of our security interest materially declines. We have the right to demand immediate payment of your full account balance if you default, subject to our giving you any notice required by law. To the extent permitted by law, you will also be required to pay our collection expenses, including court costs and reasonable attorney's fees.
- Using the Card.** To make a purchase or cash advance, present the card to a participating Visa plan merchant, to us, or to another financial institution, and sign the sales or cash advance draft which will be imprinted with your card. The monthly statement will identify the merchant or financial institution at which transactions were made, but sales, cash advances, credit or other slips cannot be returned with the statement. You will retain the copy of such sales slips furnished at the time of the transaction in order to verify the monthly statement. The Credit Union may make a reasonable charge for photocopies of slips you may request.
- 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 refund it on your written request if it is \$1 or more.
- 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 made in accordance with the operating regulation for international transactions established by Visa International, Inc.
- Plan Merchant Dispute.** 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 or services you 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 dispute you must resolve directly with the plan merchant.
- Security Interest.** To secure your account, you grant us a purchase money security interest under the Uniform Commercial Code in any goods you purchase with the card. If you default, we will have the right to recover any of these goods which have not been paid through our application of your payments in the manner described in your LOANLINER Credit Agreement and Truth-In-Lending Disclosure. However, with respect to this account only, unless you are in default or sign a separate agreement pledging a specific amount of your shares or other deposits, we will not assert any statutory right we may have to prevent withdrawal of your unpledged shares or other deposits below the unpaid balance of your Unsecured Credit Line Account. However, if you give or have given us a specific pledge of your Credit Union shares or other deposits by signing a separate agreement, or otherwise, or any other security interest in all your debts, your account will also be secured by your pledged shares (deposits) and by the property described in those other security agreements, except for your home.
- Other Provisions.** We can delay enforcing any of our rights under this Agreement without losing them.
- Effect of Agreement.** This Agreement is the contract which applies to all transactions on your Card even though the sales, cash advance, credit or other slips you sign 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 include in our notice, amendments will apply to your existing balance as well as to future transactions.
- Copy received.** You acknowledge receipt of a copy of this Agreement and the LOANLINER Credit Agreement and Truth-In-Lending Disclosure describing the terms and conditions for your Unsecured Credit Line account incorporated by reference herein.

Signature of Member \_\_\_\_\_ Signature of Joint Member (if any) \_\_\_\_\_ Date \_\_\_\_\_

MCU Form No. 51  
Rev. 1/06

## **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 Visa Credit Line Statement**

If you think your statement is wrong, or if you need more information about a transaction on your statement, write us at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first statement 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 the payment due on your Visa Credit Line 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 statement 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 statement that are not in question.

If we find that we made a mistake on your statement, 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 days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your statement. 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 statement was correct.