



OVERDRAFT LINE OF CREDIT AGREEMENT AND CONSUMER CREDIT DISCLOSURE

COMPLETE SHADED AREAS

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

Member and Joint Member (if any) _____ Member Acct. No. _____

NOTICE: Both members of a joint account must sign this Agreement before a Credit Line will be granted to be used in conjunction with the account.

DEFINITIONS: In this Agreement, the words you and your mean each and all of those who apply for and/or use the Visa Debit Card established in conjunction with your Visa Credit Line, and those who sign this Agreement. Credit Union, we, us and our means Members Credit Union. Card means your Visa Debit Card, and any duplicates or renewals we issue. Checking Account means your credit union checking account, as identified by account number herein. Credit Line means your Overdraft Line of Credit with Members Credit Union.

EFFECT OF AGREEMENT: Contingent upon your approval for a Visa Credit Line and your signing this Agreement, you authorize us to establish a credit line for you, subject to the terms of this Agreement and the Visa Debit Card Agreement. This Agreement is the contract which applies to all transactions involving your credit line, even though the sales, cash advance or credit slips you may sign when using your card 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 your credit line thereafter will indicate your agreement to the amendments. To the extent the law permits, and we indicate in our notice, amendments will apply to your existing account balance, as well as to future transactions.

Therefore, it is agreed that:

- 1. Responsibility. If we grant you a credit line, you agree to repay all debts and the FINANCE CHARGE and penalty charges arising from the use of your credit line account. This means that you are responsible for charges made by yourself and those made by anyone else to whom you give authority to access your credit line through the use of your Visa Debit Card and/or credit union checks. You cannot disclaim responsibility by notifying us, but we will prohibit new transactions and close out your credit line if you so request and return all your Cards. Your obligation to pay the account balance continues even though a divorce decree or other judgement to which we are not a party may direct you, or one of the other persons responsible, to pay the account. Any person who accesses your credit line is jointly responsible with you for charges he or she makes, but if that person signs a Card issued in conjunction with your credit line, he or she becomes a party to this Agreement, and is also jointly responsible for all charges on the account, including yours.
2. Credit Line. If we approve your application, we will establish a self-replenishing line of credit for you and will notify you of its amount when we issue your Visa Debit Card. You agree not to let the account exceed your approved credit line. If you should exceed your credit line, you will be subject to a penalty charge, and other measures we may take as described in this Agreement. Each payment you make on your account will restore your credit line by the amount which is applied to the balance. You may request an increase in your credit line, 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 Cards 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 will not affect your obligation to pay the account balance.
3. Using Your Credit Line. You may receive advances from your credit line in two ways: (1) As overdraft protection advances for checks and Card withdrawals according to the provisions which you agreed to in your Visa Debit Card Agreement, and (2) By requesting a direct advance from your credit line by means of a request voucher or other similar instrument provided by or approved by the credit union.
4. Penalties for Exceeding Your Credit Line. Should you exceed your credit line, we may impose a penalty charge of 5% of the amount you are over your credit line or \$25.00, whichever is greater. This penalty may be imposed for each transaction which exceeds your approved credit line. This penalty will be added to your account balance and subject to Finance Charges according to the provision of this Agreement. In addition, we reserve the right to cancel authorization for the use of your Visa Debit Card and refuse any other obligation to make advances to you or on your behalf.
5. Monthly Statements. We will send you a statement every month showing your Previous Balance of advances, the current transactions on your account, the remaining credit available under your credit line, the New Balance of advances, the Total New Balance, the FINANCE CHARGE due to date, and the Minimum Payment required.
6. Finance Charges. Your account will be subject to a FINANCE CHARGE (interest) on the average daily balance of your account, which includes the balance of advances, past due FINANCE CHARGES and payments, and any penalty charges which may be imposed. The principal balance is determined each day during the month, beginning with the Previous Balance, reduced by payments you make and credits we apply, and increased by advances and debit adjustments we make during the month. The daily balances are totaled and divided by the number of days in the month to produce the monthly average daily balance subject to Finance Charges. Advances and other debits are thus subject to a FINANCE CHARGE from the date of posting to your account until paid. There is no "grace period," but you can reduce the average daily balance subject to Finance Charges by making payments as promptly as possible.
7. Variable Interest Rate. The Annual Percentage Rate (APR) for all new advances and existing balances will change on the 1st day of each quarter (January, April, July, October) to reflect any change in the Two-Year Treasury Bill Index. This Index is 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 APR will be rounded to the next highest 1/4% plus 9.75%. The Credit Union reserves the right to change this Index as necessary with proper notification. The APR will not exceed the rate permitted under NC state law. An increase in the APR 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 _____ %.

- 8. Monthly Payments. Every month you must pay at least a Minimum Payment amount which will be indicated on your statement. The Minimum Payment due will be 3% (rounded to the next highest dollar) of the Total New Balance of your account or \$30.00, whichever is greater, or the Total New Balance if it is less than \$30.00. We will add any FINANCE CHARGE owing on your account to the account balance before applying payments. Payment will be due on the last day of the month following the date of the statement on which your payment is listed, i.e. a minimum payment listed on June 30 statement will be due on July 31. If you fail to make payment in full within the required time, a LATE CHARGE of 3% of the amount overdue may be charged to your account. We may also declare you in default of this Agreement and subject to the remedies of default as described herein. Of course, you may pay more frequently or pay more than the Minimum Payment due, and will reduce the average daily balance subject to Finance Charges by doing so. You may also pay the Total New Balance in full at any time without penalty.
9. Method of Payment. You have the choice of making payments either directly by cash or check, or by means of automatic monthly payments from your checking account. Unless you make arrangements for the direct payment, monthly payments will be made as follows: On the last day of each month, we will automatically debit your checking account for the Minimum Payment due and apply the amount as payment on your credit line balance. If there are insufficient available funds in your checking account to make full payment, we will transfer to your checking account the excess amount due from available funds in your credit union share account before taking payment. If there are insufficient available funds in your share account to cover the entire payment due, we will apply all available funds towards the payment, and notify you of the amount past due. Past due payments will be subject to collection procedures plus a 3% late charge of the amount past due. We may also suspend authorization for the use of your Visa Card and credit line, or at our discretion, declare you in default of this Agreement. If, in our judgement, you are consistently short of available funds in your draft and share account to meet your monthly Minimum Payment, and if you are an employee of a sponsor company served by the Members Credit Union, you hereby consent to our authority to request said sponsor company to increase the regular payroll deductions to your share account to an amount sufficient to cover the monthly Minimum Payment due on your credit line account.
10. Security Interest. To secure your account, you pledge credit union shares that you now own or may own in the future. However, unless you are in default, or sign a separate agreement pledging a specific amount of shares as security, we will not assert our statutory right to prevent withdrawal of your unpledged credit union shares (deposits) below the unpaid balance of your credit line account.
11. Default. You will be in default of this Agreement if you fail to make any Minimum Payment within the required time. You will also be in default if your ability to repay us is materially reduced by a change in employment, an increase in your obligations, bankruptcy or insolvency proceeding involving you, your death or your failure to abide by this Agreement, or if the value of any security interest you pledge 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, and to exercise our rights to security pledged herein. To the extent permitted by law, you will also be required to pay our collection expenses, including court costs and reasonable attorney's fees. Our acceptance of payment of arrears, or our failure to exercise our rights hereunder immediately upon your default, shall not constitute a waiver of our rights at any time thereafter for the same or subsequent default.
12. Credit Information. You authorize us to investigate your credit standing when opening, renewing or reviewing your account. You also 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 accounts with the credit union.
13. Copy Received. You acknowledge receipt of a copy of this Agreement.

X _____ X _____ Date _____
Signature of Member Signature of Joint Member (if any)
MCU Form 183 , Rev. 6/10



MEMBER AND JOINT MEMBER (if any) _____ Checking Acct. No. _____

NOTICE: Both members of a joint checking account must sign this agreement before a Visa Debit Card can be issued for the account.

DEFINITIONS: In this agreement, the words **you** and **your** mean each and all of those who apply for and/or use the Visa Debit Card and who sign this Agreement. Credit Union means Members Credit Union. **We, us, and our** means Members Credit Union. **Card** means the Visa Debit Card, and any duplicates or renewals we issue. **Checking account** means your credit union checking account, as identified by account number herein.

Credit Line means your overdraft line of credit with Members Credit Union.

EFFECT OF AGREEMENT: Contingent upon approval of your application for a Card and your signing of this Agreement, you authorize us to issue you a Visa Debit Card and Personal Identification Number (PIN) to be used to make withdrawals and payments from your checking account. Even though the sales, cash advance, credit, or other slips you sign or receive when using the Card, the account number on the Card, the PIN, or any combination of the three may contain different terms, this Agreement is the contract which solely applies to all transactions involving the Card. The credit union may amend this Agreement from time to time by providing you written notice at least 21 days prior to the effective date of the amendment if prior notice is required by law or in any other manner required or permitted by law. Your use of the Card or account number on the Card thereafter will indicate agreement to the amendments. This Agreement also supersedes any agreement you have previously made with the credit union concerning overdraft protection transfers from your checking account.

Therefore, it is agreed that:

1. **Card Withdrawals.** Use of the Card, the account number on the Card, the PIN, or any combination of the three for payments, purchases, or to obtain cash advances with merchants, financial institutions, or others who honor the Card ("Card withdrawal") is an order by you for the withdrawal of funds from your credit union checking account. Each Card withdrawal by you (or by anyone else to whom you give the Card) may be charged to your checking account and will be treated as though it were a regular check except that:
 - a. The credit union may charge withdrawals to your checking account in any order it determines, and if funds are not sufficient to cover all withdrawals, we may pay Card withdrawals and dishonor regular checks if they are not covered by the overdraft protection provision you have selected and agreed to; and
 - b. The credit union cannot honor stop payment requests on Card withdrawals.
2. **Refusal to Honor Card.** Even though your checking account may have a balance sufficient to cover a requested Card withdrawal, electronic terminals, merchants, financial institutions, and others who accept the Card or the account number on the Card may not be able to determine your actual balance. Therefore, the credit union is not liable for the refusal or inability of such terminals or persons to honor the Card or complete a Card withdrawal, or for their retention of the Card.
3. **Lost Card Notification.** If you believe the Card, the account number, the PIN, or any combination of the three has been lost or stolen or that someone has transferred or may transfer money from your checking account or other accounts without permission, you will call us immediately at (336) 748-4800 or 800-951-8000. (Business hours: Monday-Friday, 8:00 A.M. - 5:00 P.M. Eastern time.) If the credit union is closed, you may call toll free (866) 333-4740. We may impose a reasonable charge for the replacement of lost or stolen cards.
4. **Returns and adjustments.** Merchants and others who honor the Card may give credit for returns or adjustments, and they will do so by initiating a credit to us, and we will credit that amount to your checking account.
5. **Transaction Slips.** The monthly statements for your checking account will identify the merchant, financial institution, or electronic terminal at which Card withdrawals were made, but sales, cash advance, credit, or other slips cannot be furnished with the statement. You will retain the copy of each slip 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 request.

6. **Foreign Transactions.** Card withdrawals made in foreign countries and foreign currencies will be charged to your checking account in U.S. dollars. The conversion rate to dollars will be made in accordance with the operating regulations for international transactions established by Visa International, Inc. through whose facilities card withdrawals are handled.
7. **Liability for Unauthorized Use.** Your liability to the credit union, or responsibility for Card withdrawals made from the checking account, resulting from the loss, theft or other unauthorized use of the Card, account number on the Card, the PIN, or any combination of the three shall, subject to applicable law, be limited as follows:
 - a. For Card withdrawals that are not electronic funds transfers and that occur before you notify the credit union, \$50;
 - b. For Card withdrawals that are made by electronic funds transfers, the lesser of the actual loss, or \$50, if you notify the credit union within two business days after learning of the loss or theft; up to \$500 if you fail to notify the credit union within two business days; and up to the entire account balance if you fail to notify the credit union within 60 days after a statement, showing an unauthorized transfer, was mailed to you.
8. **Card Ownership.** The Card will remain the property of the credit union, and you agree to surrender the Card to us at any time that we so request.
9. **Overdraft Protection Provisions.** In the event that there are insufficient funds in your checking account to cover a check or a Card withdrawal, you authorize the credit union to handle such in the manner indicated below (**check only one**):

- Advances from Share Product Only.**
- Advances from Credit Line Only.**
- Advances from Credit Line, Then From Share Product.**
- Advances from Share Product, Then From Credit Line.**

Share Product Code ____ Sub # ____

- The credit union will advance, in \$25 increments, available funds from your credit union regular share (savings) account and/or overdraft line of credit, in the order indicated above, to cover the amount due.
- ♦ **Available Funds.** For the purpose of overdraft protection transfers, "available funds" in your regular share or checking account mean those funds which are not already committed to monthly loan payments, loan collateral, pre-authorized transfers to other accounts, and the \$25.00 minimum deposit requirement, etc. In addition, the number of overdraft protection transfers and/or telephone requested transfers that will be permitted each month will be limited to the number of electronic funds transactions permitted by Regulation D of the Federal Reserve System. Share account funds will not be available for overdraft protection should the number of funds transfers exceed this limit.
 - ♦ **Penalty Charge for High Credit Line Balance Resulting from Card Withdrawal Overdrafts.** In the event that a Card withdrawal results in an overdraft which cannot be entirely covered by available funds in your share account and/or available Credit Line, we may grant you a temporary increase in credit above your approved limit to cover the excess amount due. Each time you incur such a high credit line balance, we will also impose a Penalty Charge of 5% of the amount you have exceeded your credit limit, or \$25.00, whichever is greater. We will send you a written notification of the amount you must pay in order to reduce your credit line balance to your approved credit limit. This payment will be due immediately; however, if not sooner paid by you, subsequent deposits to your checking and/or share account may be applied toward payment of your high credit limit balance. In addition, if payment is not made promptly, we may suspend authorization for your Visa Debit Card until payment is made in full. We also reserve the right to pick up your Card and cancel your Visa Debit Card and Credit Line account.
 - ♦ **Checks Not Covered by Overdraft Protection Provisions.** In the event that a check results in an overdraft which cannot be covered entirely by available funds according to your selection of an overdraft protection above, then the item will be returned to the payee, and your checking account will be charged a returned item fee.

X _____
Signature of Member
X _____
Signature of Joint Member (if any)

Date

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.