

# TANDEM FEDERAL 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® credit card and any duplicates, renewals, or substitutions the Credit Union issues to you; "Account" means your Visa 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. MLA – Military Lending Act.** It is the intent of the Credit Union to fully comply with the provisions of the Military Lending Act, 10 USC 987 (the "Act"), and its implementing regulations found at 32 CFR 232, et seq. If it is determined that any provision of this contract is violative of the Act and/or its implementing regulations, that provision shall be stricken and given no force and effect.

Statement of the Military Annual Percentage Rate (MAPR). Federal law provides important protections to members of the U.S. Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the U.S. Armed Forces and his or her dependents may not exceed an Annual Percentage Rate of 36%. This rate must include, as applicable to the credit transaction or account: the costs associated with the credit; insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).

The Credit Union must provide you with Truth-in-Lending Disclosures required by Regulation Z, a statement of the MAPR applicable to the extension of credit, and a clear description of the payment obligation, which can be either a payment schedule or account opening disclosures, as applicable. These disclosures are within your loan agreement forms. These disclosures must be provided in writing and orally. You may call (586) 759-5550 to receive oral disclosures.

**2. 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.

**3. Using the Visa Card.** You may use your Card to make purchases from merchants and others who accept Visa cards. In addition, you may obtain cash advances from the Credit Union and from other financial institutions that accept Visa cards, and from some automated teller machines (ATMs), such as the Visa ATM Network, that accept Visa cards. (Not all ATMs accept Visa 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. If you wish to pay for goods or services over the Internet, you may be required to provide card number security information before you will be permitted to complete the transaction.

**4. 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 19 also applies to your Account.

**5. 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 the Credit Union in good faith reasonably believes that the prospect of payment or performance of your obligations under this agreement is impaired.

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 the 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 toward what you owe.

**6. Liability for Unauthorized Use-Lost/Stolen Card Notification.** 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. You can notify the Credit Union by calling (800) 325-3678.

**7. Security Interest.** The granting of a security interest in your shares and deposits with us is a condition for your credit card account. By signing your card, you grant us a consensual security interest in all individual and joint accounts you have with us now and in the future to secure all advances made under your credit card agreement. We may, but do not have to, allow you to withdraw a portion of your shares or deposits without affecting that security interest. Shares in an Individual Retirement Account and any other account that would lose special tax treatment under state and federal law if given as security are not subject to the security interest you have given in your shares.

**Cross-Collateral Clause.** Collateral securing other loans with us may also secure your account under this agreement. You understand and agree that the personal property security for each loan you have with us (and any and all proceeds thereof), if any, shall secure this credit card account and any and all other loans, line of credit accounts and credit card accounts you now have with us or obtain in the future with us. In addition, any personal property (and any and all proceeds thereof and all insurance proceeds and insurance premium refunds) securing other loans, line of credit accounts, and credit card accounts you now have with us or obtain in the future will also secure all funds advanced by you under this credit card account. This shall not apply to any loan, line of credit agreement or credit card agreement secured by real property or where otherwise prohibited by federal or state law or regulation.

**8. Finance Charges.** A Finance Charge will be imposed on Credit Purchases only if you elect not to pay the entire New Balance shown on your monthly statement for the previous billing cycle within 25 days from the closing date of that statement. If you elect not to pay the entire New Balance shown on your previous monthly statement within that 25-day period, a Finance Charge will be imposed on the unpaid average daily balance of such Credit Purchases from the previous statement closing date and on new Credit Purchases from the date of posting to your account during the current billing cycle, and will continue to accrue until the closing date of the billing cycle preceding the date on which the entire New Balance is paid in full or until the date of payment if more than 25 days from the closing date.

**For a Visa Classic:** The Finance Charge for a billing cycle is computed by applying the monthly Periodic Rate of 0.9916% which is an **ANNUAL PERCENTAGE RATE of 11.90%** 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. Each daily balance of Credit Purchases is determined by adding to the outstanding unpaid balance of Credit Purchases at the beginning of the billing cycle any new Credit Purchases posted to your account, and subtracting any payments as received and credits as posted to your account, but excluding any unpaid Finance Charges.

**For a Visa Gold:** The Finance Charge for a billing cycle is computed by applying the monthly Periodic Rate of 0.825% which is an **ANNUAL PERCENTAGE RATE of 9.90%** 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. Each daily balance of Credit Purchases is determined by adding to the outstanding unpaid balance of Credit Purchases at the beginning of the billing cycle any new Credit Purchases posted to your account, and subtracting any payments as received and credits as posted to your account, but excluding any unpaid Finance Charges.

**For a Secured Visa:** The Finance Charge for a billing cycle is computed by applying the monthly Periodic Rate of 0.825% which is an **ANNUAL PERCENTAGE RATE of 9.90%** 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. Each daily balance of Credit Purchases is determined by adding to the outstanding unpaid balance of Credit Purchases at the beginning of the billing cycle any new Credit Purchases posted to your account, and subtracting any payments as received and credits as posted to your account, but excluding any unpaid Finance Charges.

A Finance Charge will be imposed on Cash Advances from the date of the Cash Advance or from the first day of the billing cycle in which the Cash Advance is posted to your account, whichever is later, and will otherwise be calculated in the same manner as explained above for Credit Purchases.

**International Transaction Fee:** A fee up to 2% will be assessed on all transactions where the merchant country differs from the country of the card issuer.

**9. 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% of your Total New Balance, but not less than \$15.00, plus the amount of any prior minimum payments that you have not made, and any amounts you are over your credit limit. We may reject payments not drawn in U.S. dollars or those drawn on a financial institution located outside of the U.S.

**10. Payment Allocation.** Subject to applicable law, any payments over the required minimum payment amounts and any credits to balances on your Account will be credited to balances with the highest applicable APR first. We will then credit payments to lower rate balances in descending order of APRs. The manner in which we apply any payment to your Account balances may affect the amount of any payment applied to introductory or promotional financing balances.

**11. Other Charges.** The following other charges (fees) will be added to your Account, as applicable: **Late Payment Fee:** A late charge of up to \$35.00 will be added to your account if you are late making a payment. **Non-Sufficient Funds Charge:** If a check or share draft used to make a payment on your account is returned unpaid, you will be charged a fee of up to \$35.00 for each item returned. **Card Replacement Fee:** You will be charged \$20.00 for each replacement card that you request. **Document Copy Fee:** You will be charged \$1.00 per page for each copy of a sales draft or statement that you request (except when the request is made in connection with a billing error made by the credit union). **Attorney Costs:** You promise to pay all costs of collecting the amount you owe under this agreement to the extent permitted by law.

**12. Penalty APR.** Before we apply the Penalty APR on any type of transaction or balance, we will provide you with any notice required by law in advance that informs you which future transactions and/or outstanding balances are subject to the Penalty APR and when the APRs will increase. If we do not increase your APRs to the Penalty APR when any of the events triggering the Penalty APR occur, we reserve our right to increase your APRs to the Penalty Rate if any of these events occur in the future.

If your APRs are increased on any type of transaction due to the triggering of the Penalty APR, the Penalty APR will be applicable indefinitely to future transactions of that type that occur more than 14 days after we provide you notice about the APR increase.

If we do not receive any required minimum payment within 60 days of the date and time due, the Penalty APR will be applicable to all outstanding balances and future transactions on your Account. However, if we receive six (6) consecutive required minimum payments by the date and time due, beginning with the first payment due after the effective date of the increase, we will stop applying the Penalty APR to transactions that occurred prior to or within 14 days after we provided you with notice regarding the APR increase. For balances that we stop applying the Penalty APR to, we will apply APRs that applied prior to the imposition of the Penalty APR.

**13. 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. When required by law to advise you that you have a legal right to reject any changes we make, we will provide you with an explanation about how to do that.

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 any transaction that you initiated and we authorized prior to termination, even though the transaction is not posted until after termination.

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 19 of this Agreement also applies to termination of the Account.

**14. 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.

**15. 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.

**16. 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.

**17. Foreign Transactions.** 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.

**18. 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.

**19. Joint Accounts.** If this is a joint Account, each person on the Account must sign the Application for the Account. 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.

**20. 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.

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

**22. 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.

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

**24. 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.

**25. Final Expression.** This agreement is the Final expression of the terms and conditions of this Visa line of credit between you and the Credit Union. This written Agreement may not be contradicted by evidence of any alleged oral agreement.

## 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.

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 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. 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.