

# CREDIT CARD AGREEMENT AND DISCLOSURE STATEMENT

THIS IS YOUR CREDIT CARD ACCOUNT AGREEMENT AND IT INCLUDES NECESSARY FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENTS AND ANY SPECIAL INSTRUCTIONS REGARDING THE USE OF YOUR VISA I, VISA CLASSIC, VISA ADVANTAGE, VISA GOLD AND VISA PLATINUM CREDIT CARD AND/OR ANY OTHER ACCOUNT ACCESS DEVICES. PLEASE READ THIS DISCLOSURE CAREFULLY AND NOTIFY US AT ONCE IF ANY PARTS ARE UNCLEAR.

## Interest Rate and Interest Charges

<b>Annual Percentage Rate (APR) For Purchases</b>	VISA I: <b>18.00%</b> VISA Advantage: <b>13.75%-15.00%**</b> VISA Gold: <b>10.90%-11.90%**</b>	VISA Classic: <b>14.75%-16.00%**</b> VISA Platinum: <b>9.90%</b> **based on Your creditworthiness
<b>Annual Percentage Rate (APR) For Balance Transfers</b>	VISA I: <b>18.00%</b> VISA Advantage: <b>16.00%-17.00%**</b> VISA Gold: <b>12.00%-13.00%**</b>	VISA Classic: <b>16.00%-18.00%**</b> VISA Platinum: <b>9.90%</b> **based on Your creditworthiness
<b>Annual Percentage Rate (APR) For Cash Advances</b>	VISA I: <b>18.00%</b> VISA Advantage: <b>16.00%-17.00%**</b> VISA Gold: <b>12.00%-13.00%**</b>	VISA Classic: <b>16.00%-18.00%**</b> VISA Platinum: <b>9.90%</b> **based on Your creditworthiness
<b>Penalty APR And When it Applies</b>	<b>18.00%</b> This APR may be applied to Your Account if: 1) You make a late payment.  <b>How Long Will The Penalty APR Apply?</b> If Your APRs are increased for this reason, the Penalty APR applied to transactions that occur after the increase may be applied indefinitely. If the Penalty APR is later applied to transactions that occurred prior to the effective date of the initial increase (because of a delinquency in excess of 60 days past due), the subsequent increase will apply indefinitely unless 6 consecutive payments are received on or before the due date during the six-month period following such increase.	
<b>Paying Interest</b>	We will not charge You interest on purchases if You pay Your entire balance owed each month within 25 days of Your statement closing date. We will begin charging interest on cash advances and balance transfers on the transaction date.	
<b>For Credit Card Tips from the Federal</b>	To learn more about factors to consider when applying for or using a Credit Card, visit the website of the Federal Reserve Board at <a href="http://www.federalreserve.gov/creditcard">http://www.federalreserve.gov/creditcard</a> .	

## Fees

<b>Annual Fee</b>	<b>No Annual Fees</b>
<b>Transaction Fees</b> • Foreign Transaction Fee	<b>0.80%</b> of each foreign currency transaction in U.S. dollars. <b>1.00%</b> of each U.S. Dollar transaction that occurs in a foreign country.
<b>Penalty Fees</b> • Returned Payment • Late Payment • Over the Credit Limit	Up to <b>\$25.00</b> Up to <b>\$25.00</b> after 7 days Up to <b>\$20.00</b>

**How We Will Calculate Your Balance:** We use a method called "average daily balance (including new purchases)." See Your Account Agreement for details.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided in Your Account Agreement.

**DEFINITIONS.** In this Agreement, the reference to "We", "Us", "Our" and "Credit Union" mean CHAFFEY FEDERAL CREDIT UNION. The words "You" and "Your" mean each person accepting this Agreement. The words "Card" and "Credit Card" mean any VISA I, VISA Classic, VISA Advantage, VISA Gold or VISA Platinum Credit Cards issued to You by Us and any duplicates or renewals. The word "Account" means the VISA I, VISA Classic, VISA Advantage, VISA Gold or VISA Platinum Credit Card Account established for You under this Agreement. "Convenience Checks" mean the special Account access devices that We may provide for Your use from time to time. If this is a joint account, read singular pronouns in the plural.

**PROMISE TO PAY.** You understand that the following terms and conditions constitute Our Agreement with You. Your Account may be accessible through a variety of means which could include advance request forms, vouchers, checks, charge slips, Credit Cards and the like. Regardless of the access means, You promise to pay Us all amounts charged to Your Account by You or by any user who has access to Your Account, with actual, apparent or implied authority for use of Your Account, including Finance Charges and other fees or charges described herein.

Type of Credit Card	Daily Periodic Rate	Annual Percentage Rate
VISA I	.04931%	18.00%
VISA Classic	.04041%	14.75%
VISA Advantage	.03767%	13.75%
VISA Gold	.02986%	10.90%
VISA Platinum	.02712%	9.90%

**USE OF YOUR CARD.** You may use Your Card to buy goods and services in any place that it is honored and to get cash advances from Us or another financial institution. You agree not to use Your Card for illegal transactions including, but not limited to, advances made for the purpose of gambling and/or wagering where such practices are in violation of applicable state and/or federal law.

**CONSENSUAL LIEN ON SHARES.** You grant and consent to a lien on Your shares or other deposit accounts with Us (except for IRA or Keogh accounts) and any dividends due or to become due to You from Us to the extent You owe on any unpaid Credit Card balance.

**OTHER SECURITY.** Collateral (other than household goods or any dwelling) given as security under this Agreement or for any other loan You may have with Us will secure all amounts You owe Us now and in the future if that status is reflected in the "Truth-in-Lending Disclosure" in any particular Agreement evidencing such debt.

**LINE OF CREDIT LIMIT.** We will notify You of the Credit Limits given You for Your Account. We expect that You will make repeated advances on Your Account and unless You are in default, the Credit Limits established for You will generally be self-replenishing as You make payments on Your Account.

You promise to keep Your unpaid balance within the respective Credit Limits set by Us, and You will pay any amount over the Credit Limits on Our demand whether or not We authorize the advance or transactions which caused You to exceed Your Credit Limits. Even if Your unpaid balance is less than Your Credit Limits, You will have no credit available during any time that any aspect of Your Account is in default.

If You exceed Your Credit Limit We may block Your Card to prevent further charges in excess of Your Credit Limit. If Your Account balance exceeds Your Credit Limit 6 times or You are delinquent for 2 consecutive months We will permanently block Your Card. If Your Account is blocked, a request will be made for You to return Your Card(s). However, if You refuse to return Your Card(s) You will be assessed a \$65.00 charge for a Card pick-up. If Your Account has been blocked and You would like to reinstate Your Account, You will have to wait 6 months from the date the Account was blocked and the balance reduced below the limit. At such time You would then be required to complete a new application and We will re-evaluate Your creditworthiness. If Your Account is subsequently re-established You will only be permitted to exceed Your Credit Limit on 3 occasions after which Your Account could be closed without further consideration.

**JOINT ACCOUNTS.** Each Borrower will be responsible, jointly and severally, for the repayment of amounts owed. If any Account access device, such as a Credit Card, is requested and approved, You understand that any such Account access devices will be mailed only to the primary borrower at the address that We have on file for You. We may refuse to follow any instructions which run counter to this provision.

**FINANCE CHARGES.** The balances subject to the periodic Finance Charge are the average daily transactions balances outstanding during the month (including new transactions). Separate average daily balances are calculated for purchases, balance transfers and cash advances. To get the average daily balance for purchases, We take the beginning balance for purchases each day, add any new purchases, insurance premiums, debit adjustments or other charges and subtract any payments, credits and unpaid Finance or Late Charges. To get the average daily balance for balance transfers, We take the beginning balance for balance transfers each day, add any new balance transfers, debit adjustments or other charges and subtract any payments, credits and unpaid Finance or Late Charges. To get the average daily balance for cash advances, We take the beginning balance for cash advances each day, add any new cash advances, debit adjustments or other charges and subtract any payments, credits and unpaid Finance or Late Charges. This gives Us the daily balances. Then, We add up all

the daily balances for the billing cycle and divide them by the number of days in the billing cycle. The Finance Charge for a billing cycle is computed by multiplying the average daily balance subject to a Finance Charge by the Daily Periodic Rate times the number of days in the billing cycle.

You can avoid Finance Charges on purchases by paying the full amount of the entire balance owed each month within 25 days of Your statement closing date. Otherwise, Finance Charges on purchases will be calculated from the beginning of the next statement period on previously billed but unpaid purchases and on new purchases from the date they are posted to Your Account. Cash advances and balance transfers are always subject to a Finance Charge from the date they are posted to Your Account.

**MINIMUM MONTHLY PAYMENTS (PAYMENT SCHEDULE).** Though You need only pay the Minimum Monthly Payments, You understand that You have the right to repay or prepay Your Account at any time without penalty. You may make larger payments without penalty at any time. You will be charged periodic Finance Charges to the date You repay Your entire Account balance. Any partial payment or prepayment of Your Account will not delay Your next scheduled payment. All payments to Us must be in lawful money of the United States. Any unpaid portion of the Finance or Late Charge will be paid by subsequent payments and will not be added to the principal. You understand that any payment that delays the repayment of Your unpaid balance will increase Your Finance Charge and any payment that accelerates the reduction of Your unpaid balance will decrease Your Finance Charges.

Payments or credits are applied in the following order: (a) previously billed and unpaid Finance Charges on purchases; (b) previously billed and unpaid Finance Charges on cash advances; (c) any billed fees; (d) previously billed purchases; (e) cash advances; and then to (f) new purchases whether or not billed on Your monthly statement. Any amounts paid in excess of the Minimum Monthly Payment will first be applied to the balance bearing the highest rate of interest, and then to each successive balance bearing the next highest rate of interest, until the payment is depleted.

VISA I, VISA Classic and VISA Advantage Minimum Payments will be an amount equal to 3.00% of Your new unpaid Account balance at the end of each billing cycle, subject to the lesser of \$25.00 or Your balance, plus any portion of the Minimum Payments shown on prior statement(s) which remains unpaid, plus any amount that exceeds Your approved Credit Limit.

VISA Gold and VISA Platinum Minimum Payments will be an amount equal to 3.00% of Your new unpaid Account balance at the end of each billing cycle, subject to the lesser of \$50.00 or Your balance, plus any portion of the Minimum Payments shown on prior statement(s) which remains unpaid, plus any amount that exceeds Your approved Credit Limit.

You may, by separate Agreement, authorize Us to charge the Minimum Monthly Payment automatically to Your share account.

**PENALTY RATE.** If Your Account is past due three times during any 18-consecutive-month period or 60 days past due at any time, subject to applicable law, the Daily Periodic Rate applicable to future transactions will increase to 0.049315% (corresponding **ANNUAL PERCENTAGE RATE** 18.00%).

If Your Account is more than 60 days past due, subject to applicable law, the Daily Periodic Rate applicable to Your entire balance of transactions existing at that time will also increase to 0.049315% (corresponding **ANNUAL PERCENTAGE RATE** 18.00%). During the six-month period following the effective date of such increase, upon receipt of the first six consecutive required minimum periodic payments when due, the rate applicable to the balance of transactions that occurred prior to

such increase will be returned to the standard rate that would have otherwise been in effect.

**PERIODIC STATEMENTS.** On a regular basis, You will receive a printed statement showing all transactions on Your Account including amounts paid and borrowed since Your last statement. We will provide You a statement each month in which there is a debit or credit balance or when a Finance Charge is imposed. We need not send You a statement if We feel Your Account is uncollectible or if We have started collection proceedings against You because You defaulted. Each statement is deemed to be a correct statement of account unless You establish a billing error pursuant to the Fair Credit Billing Act.

**DEFAULT.** You will be in default if: (a) You do not make any payment or perform any obligation under this Agreement, or any other agreement that You may have with Us; or (b) You should die, become involved in any insolvency, receivership or custodial proceeding brought by or against You; or (c) You have made a false or misleading statement in Your credit application and/or in Your representations to Us while You owe money on Your Account; or (d) A judgment or tax lien should be filed against You or any attachment or garnishment should be issued against any of Your property or rights, specifically including anyone starting an action or proceeding to seize any of Your funds on deposit with Us; and/or (e) We should, in good faith, believe Your ability to repay Your indebtedness hereunder is or soon will be impaired, time being of the very essence.

If You are in default, We may, to the extent permitted by law, cancel Your rights under this Agreement, declare the entire unpaid balance of Your Account immediately due and payable and require the return of all access devices.

**ENFORCEMENT.** We do not lose Our rights under this or any related agreement if We delay enforcing them. We can accept late payments, partial payments or any other payments, even if they are marked "paid in full" without losing any of Our rights under this Agreement. If any provision of this or any related agreement is determined to be unenforceable or invalid, all other provisions remain in full force and effect.

**COLLECTION COSTS.** To the extent permitted by law, You agree to reimburse Us for all of Our costs and expenses, including reasonable attorneys' fees, incurred in the course of collecting any amounts owed under this Agreement.

**LATE CHARGE.** If Your payment is more than 7 days late, You will be charged the lesser of: (a) the amount of the minimum payment due; or (b) \$25.00.

**ANNUAL MEMBERSHIP FEE.** No Annual Fees.

**OVER-THE-CREDIT LIMIT FEE.** If You have affirmatively consented to allow Us to pay a transaction that would exceed Your Credit Limit and We have acknowledged Your consent as required by applicable law, subject to any limitations imposed by applicable law, You will be charged a fee for each billing cycle during which You exceed Your Credit Limit. The fee will be an amount equal to the lesser of: (a) \$20.00; or (b) the amount by which You have exceeded Your Credit Limit.

**OTHER FEES AND CHARGES.** You understand that We may charge the following fees and charges associated with the use of Your Card: (a) the lesser of \$25.00 or the required minimum payment amount for each check (or other negotiable instrument used to make Your payment) which is returned unpaid; (b) \$10.00 for each lost Card; (c) \$65.00 for each recaptured Card; and (d) \$15.00 per copy of a document requested by You, except to the extent that if Your request is related to a billing error and an error is found, We will credit any copying charges to Your Account.

**CREDIT INSURANCE.** Credit insurance is not required for any extension of credit under this Agreement. However, You may purchase any credit insurance available through Us and have the premiums added to Your outstanding Account balance. If You elect to do so, You will be given the necessary disclosures and documents separately. Credit insurance premiums will be charged to Your Account as a purchase.

**INTEGRATED DOCUMENTS.** Any separate sheet of paper labeled "Additional Disclosure - Federal Truth-In-Lending Act" which is delivered together with this Agreement or provided at a later time is an integrated part of this Agreement.

**NOTIFICATION OF ADDRESS CHANGE.** You will notify Us promptly if You move or otherwise have a change of address.

**CHANGE IN TERMS.** We may change the terms of this Agreement by mailing or delivering to You written notice of the changes as prescribed by the Federal Truth-In-Lending Act. To the extent permitted by law, the right to change the terms of this Agreement includes, but is not limited to, the right to change the periodic rate applicable to Your unpaid balance and/or future advances.

**CONSENT TO AGREEMENT.** You acknowledge receipt of a copy of this Agreement. By signing the Application for Your Account, or by using any Account access device, or by using Your Account or by authorizing another to use Your Account, You agree to and accept its terms.

**UPDATING AND DISCLOSING FINANCIAL INFORMATION.** You will provide facts to update information contained in Your original application or other financial information related to You, at Our request. You also agree that We may, from time to time, as We deem necessary, make inquiries pertaining to Your employment, credit standing and financial responsibility in accordance with applicable laws and regulations. You further agree that We may give information about the status and payment history of Your Account to consumer credit reporting agencies, a prospective employer or insurer, or a state or federal licensing agency having any apparent legitimate business need for such information.

**TERMINATION.** Either You or We may cancel Your Account at any time, whether or not You are in default. You will, in any case, remain liable to pay any unpaid balances according to the terms of Your Account.

**OWNERSHIP.** Your Card remains Our property and may be canceled by Us at any time without notice. You agree to surrender the Card and to discontinue its utilization immediately upon Our request.

**ISSUANCE OF A PERSONAL IDENTIFICATION NUMBER.** We will issue, a Personal Identification Number (PIN), upon your request, for use with participating ATMs. This PIN is confidential and should not be disclosed to anyone. You may use Your PIN to access Your Account and all sums advanced will be added to Your Account balance. In the event a use of Your PIN constitutes an Electronic Fund Transfer, the terms and conditions of Your Electronic Fund Transfer Agreement may also affect Your rights.

**EFFECT OF AGREEMENT.** Even though the sales, cash advance, receipt or other slips You may sign or receive when using the Card contain terms, this Agreement is the contract which solely applies to all transactions involving the Card.

**UNAUTHORIZED USE.** You may be liable for the unauthorized use of Your Card. You will not be liable for the unauthorized use that occurs after You notify Us orally or in writing at the address or telephone number shown in this Agreement, of the loss, theft, or possible unauthorized use. In any case, Your liability will not exceed \$50.00.

**TRANSACTION SLIPS.** Your monthly statement will identify that merchant, electronic terminal or financial institution at which transactions were made, but sales, cash advances, credit or other slips cannot be returned with the statement.

**CREDITS.** If a merchant who honors Your Card gives You credit for returns or adjustments, the merchant will do so by notifying Us and such amount will be posted to Your Account. If Your credits and payments exceed what You owe Us, We will hold and apply this credit against future purchases and cash advances, or if it is \$1.00 or more, refund it on Your written request or automatically deposit it to Your share account after 6 months.

**REFUSAL TO HONOR CARD(S) OR CONVENIENCE CHECKS.** We are not liable for the refusal or inability of merchants, financial institutions and others to accept Your Card or a Convenience Check, or electronic terminals to honor Your Card or complete a Card withdrawal, or for their retention of Your Card or a Convenience Check.

**FOREIGN TRANSACTIONS.** For transactions initiated in foreign countries and foreign currencies, the exchange rate between the transaction currency and the billing currency (U.S. dollars) will be: (a) 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 (b) the government-mandated rate in effect for the applicable central processing date. For transactions that are initiated in a foreign currency, You will be charged 1.00% of the final settlement amount. For transactions occurring in foreign countries and initiated in U.S. Dollars, You will be charged 0.80% of the final settlement amount.

**LOST OR STOLEN CARDS.** To report a lost or stolen Card You will immediately call Us at (909) 986-4552 or (626) 968-9329 during business hours or (800) 682-6075 on weekends, holidays or after Credit Union hours, or write to Us at P.O. Box 700, Upland CA 91785.

**GOVERNING LAW.** This Agreement is controlled and governed by the laws of the State of California, except to the extent that such laws are inconsistent with controlling federal law.

#### **Your Billing Rights: Keep this Document for Future Use**

This notice tells You about Your rights and Our responsibilities under the Fair Credit Billing Act.

#### **What To Do If You Find A Mistake On Your Statement**

If You think there is an error on Your statement, write to Us at Our address shown in this Agreement. In Your letter, give us the following information:

- Account information: Your name and Account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of problem: If You think there is an error on Your bill, describe what You believe is wrong and why You believe it is a mistake.

You must contact Us:

- Within 60 days after the error appeared on Your statement.
- At least 3 business days before an automated payment is scheduled, if You want to stop payment on the amount You think is wrong.

You must notify Us of any potential errors in writing. You may call Us, but if You do, We are not required to investigate any potential errors and You may have to pay the amount in question.

**What Will Happen After We Receive Your Letter**

**When We receive Your letter, We must do two things:**

- 1) Within 30 days of receiving Your letter, We must tell You that We received Your letter. We will also tell You if We have already corrected the error.
- 2) Within 90 days of receiving Your letter, We must either correct the error or explain to You why We believe the bill is correct.

**While We investigate whether or not there has been an error:**

- We cannot try to collect the amount in question, or report You as delinquent on that amount.
- The charge in question may remain on Your statement, and We may continue to charge You interest on that amount.
- While You do not have to pay the amount in question, You are responsible for the remainder of Your balance.
- We can apply any unpaid amount against Your Credit Limit.

**After We finish Our investigation, one of two things will happen:**

- If We made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
- If We do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send You a statement of the amount You owe and the date payment is due. We may then report You as delinquent if You do not pay the amount We think You owe.

If You receive Our explanation but still believe Your bill is wrong, You must write to Us within 10 days telling Us that You still refuse to pay. If You do so, We cannot report You as delinquent without also reporting that You are questioning Your bill. We must tell You the name of anyone to whom we reported You as delinquent, and We must let those organizations know when the matter has been settled between Us. If We do not follow all of the rules above, You do not have to pay the first \$50 of the amount You question even if Your bill is correct.

**Your Rights If You Are Dissatisfied With Your Credit Card Purchases**

If You are dissatisfied with the goods or services that You have purchased with Your 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 purchase. To use this right, all of the following must be true:

- 1) The purchase must have been made in Your home state or within 100 miles of Your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if Your purchase was based on an advertisement We mailed to You, or if We own the company that sold You the goods or services.)
- 2) You must have used Your Credit Card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses Your Credit Card account do not qualify.
- 3) You must not yet have fully paid for the purchase.

If all of the criteria above are met and You are still dissatisfied with the purchase, contact Us in writing at Our address shown in this Agreement.

While We investigate, the same rules apply to the disputed amount as discussed above. After We finish Our investigation, We will tell You Our decision. At that point, if We think You owe an amount and You do not pay, We may report You as delinquent.