

# University of Michigan Credit Union

## VISA Credit Card Disclosure

The information about the credit cards described in this application is accurate as of February 1, 2010. This information may have changed after that date. To find out what may have changed, call us at 1-800-968-UMCU.

In this agreement "you" and "your" mean or refer to all persons who sign the application for this VISA credit card loan plan. "Card" means the VISA Credit Card and any duplicates and renewals we issue. "Account" means your VISA Credit Card line-of-credit loan account with us. "We," "Us," or "Our" means or refers to the University of Michigan Credit Union. This agreement is a Truth-In-Lending Disclosure statement as well as a contract.

1. **ISSUANCE OF CARDS:** We will issue VISA credit cards embossed as you direct in your application for this loan plan. As soon as received, the person whose name is embossed on the card must sign it on the back. That signature must be in the same form as the name embossed on the front of the card.
2. **USE OF CARDS:** You agree not to let someone else use your card. If you do, you are agreeing with us that you authorize all use that person makes of your card. Therefore, you will be liable for all such use. If you notify us to do so, we will take prompt steps to prevent further card use. If you do not wish to be bound by this agreement, as soon as you receive your card cut it in half and return it to us. You agree that when you or any authorized user of your card(s) uses the card to make a purchase or obtain a cash advance that the terms of this agreement shall become effective.
- 3a. **USING THE CARD:** To make a purchase or obtain a cash advance, present this 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 number. You will receive a copy of the draft, which you should retain to verify your monthly statement. You may not receive a sales draft if the transaction is less than \$15.00. We will, upon request, furnish you with a copy of any draft over \$15.00 at a charge of \$10.00 per copy, and a copy of any periodic statement at a charge of \$2.00 per copy.
- 3b. The VISA Card may not be used for any illegal transaction. This includes, but is not limited to, illegal Internet gambling.
- 3c. **CASH ADVANCES FOR CHECKS:** If you have signed a Checking Account Agreement which provides for cash advances from your VISA loan plan, and we have approved this service, we will process these advances while this loan plan agreement remains in effect. To be effective, all parties on the Checking Account must complete the VISA application and be approved.
- 3d. **FEES:** Under this agreement you agree to pay the following fees:

Initial card fee:	FREE
Second card:	FREE
Replacement card fee	\$ 5.00
Inactive card reissue fee (see section 24):	\$10.00
Copy of sales draft:	\$10.00
Microfilm copies of statement prior to last statement:	\$ 2.00
Payment item returned:	\$28.00
Account research/per hour:	\$15.00
PIN reissue	FREE
Late payment fee	\$28.00
Cash advance fee	2% of

advance (minimum \$2.00, maximum \$10.00)

All fees will be posted to your VISA account. The late payment fee will occur if your minimum payment is received on or after the 10th of the month following the payment due date.

4. **CASH BACK BONUS-** All purchases made with the **VISA Platinum Card** earn a cashback bonus. Cash advances, balance transfers, and transfers for overdraft do not earn the cashback bonus. The VISA Platinum base cashback bonus is .65%. If you establish specific account relationships within this primary share account your cashback bonus will be higher. If you have one (1) specific relationship your cashback bonus will be .75%. If you have two (2) specific relationships your cashback bonus will be .85%. If you have three (3) specific relationships your cashback bonus will be .95%. If you have four (4) specific relationships your cashback bonus will be 1.05%. Credits for returned merchandise and credits for disputed transactions will be deducted from the bonus total. The bonus will be paid on December 31 of each year and will be deposited to a credit union share savings account. Closure of the VISA Platinum Loan account prior to December 31 forfeits any earned cashback bonus. The credit union reserves the right to change and/or terminate the cashback bonus at any time.

The specific account relationships that are available are:

- Automatic payment transfer for this VISA payment
- Multiple active loan relationship (two or more loans with UMCU, within this account number, including this loan relationship).
- An open active Checking Account with UMCU within this account number.
- \$5,000.00 on deposit in a Term Savings Account (TSA) or \$5,000.00 on deposit in an Individual Retirement Account (IRA) account with UMCU, within this account number.

Account relationships may be cancelled at any time. The cash back bonus will be calculated each month at a rate that coincides with the number of account relationships currently in effect for that month.

To cancel your automatic transfer payment, you must provide notice at least 5 days prior to the scheduled transfer. The Credit Union may cancel your automatic transfer if funds are not available to make the automatic transfer on your payment due date for two (2) consecutive months: however you may initiate reinstatement at any time, provided the account is current at the time of the reinstatement request.

5. **PROMISE TO REPAY:** You promise to repay us for all credit extended pursuant to authorized use of the card, plus finance charges and charges as provided in this agreement. If two persons sign the application for this loan plan, each of you is liable, separately and jointly with the other, to repay all such credit, finance charges and other charges. 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 responsible persons to pay the account.
6. **CREDIT LIMIT:** You will be advised of your credit limit under this loan plan in the notice of approval for participation in this loan plan. Each payment you make the account will replenish your credit limit by the part of that payment which is applied to principal. You agree not to use your card(s) so as to exceed this credit limit. You must submit an application to us in order to increase your credit limit.
7. **MONTHLY PAYMENT:** We will mail you monthly statements of your VISA loan account as required by law. Every month you promise to pay at least the minimum payment upon receipt of your statement. You are required to make a payment every month even if you make a payment greater than the minimum amount due. By separate agreement you may authorize us to charge a specified payment amount automatically to your Share Savings or Checking Account with us. You may 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. The minimum payment will be either (a) 4% of your total new balance, or \$25.00, whichever is greater, or (b) your total new balance, if it is less than \$25.00 plus (c) any portion of the minimum payment(s) shown on prior statements which remains unpaid. In addition, if at any time your total new balance exceeds your credit limit, you agree to immediately pay the excess.
8. **ALLOCATION OF PAYMENTS:** We will apply your payments as follows:
  - (a) To all outstanding fees and costs, then
  - (b) To total unpaid finance charges, then
  - (c) To principal balance

If a payment is not sufficient to cover the finance charge already billed on your statement(s), the remainder of that finance charge will be collected from later payments and will not be added to the daily balance of purchases or cash advances.

9. **CREDITING OF PAYMENTS:** Payments made at the address provided on the billing statement or during regular business hours at our office by 5:00 pm Eastern time will be credited as of the date of receipt.
10. **RETURNED PAYMENTS:** If your financial institution will not honor your check or we must return your check to you because it is not signed, we will charge your account a fee of \$28.00.
11. **IRREGULAR PAYMENTS:** We can accept late payments or partial payments, or checks/drafts and money orders marked "payment in full" without losing any of our rights under this agreement.
12. **ANNUAL PERCENTAGE RATE:**
  - The **VISA Classic** is subject to an **ANNUAL PERCENTAGE RATE** equal to the Prime Rate plus 5.99% OR 11.69%, whichever is higher.
  - The **VISA Platinum** is subject to an **ANNUAL PERCENTAGE RATE** equal to the Prime Rate plus 2.99% OR 8.99%, whichever is higher.
  - The Prime Rate is defined as the Wall Street Journal Published Prime (if published in a range, the highest number in the range will be used) in effect on the 4<sup>th</sup> Tuesday of the month prior to the beginning of each calendar quarter ("Index"). Changes in the Index may cause changes in the **ANNUAL PERCENTAGE RATE** as of the first day of each calendar quarter following the Index Change. Increases and decreases in the **ANNUAL PERCENTAGE RATE** will result in like increases or decreases in the Finance Charge you owe on your Account and may affect your minimum payment. This **ANNUAL PERCENTAGE RATE** does not include costs other than interest.
13. **GRACE PERIODS:** The **VISA Classic** and **VISA PLATINUM** grace periods are 27 days. The grace period is from the first of the month through the 27th of the month. In order to avoid finance charges (interest), the credit union must receive and post your payment of the previous month's entire balance on or before the 27th of the month. If only a portion of the previous month's balance is paid, the remaining balance due on the account will be subject to finance charge (interest).

### 14. METHOD OF COMPUTING FINANCE CHARGES.

**VISA Classic** and **VISA PLATINUM:** Finance charges will not accrue on your account purchase balance if you pay the entire account balance in full every month within 27 days of your statement closing date. If you fail to pay the entire balance shown on any statement within 27 days of the closing date of that statement, FINANCE CHARGE will accrue on the daily balance from the 1<sup>st</sup> day of the current billing cycle. Cash advances are always subject to FINANCE CHARGE from the date they are posted to your account. FINANCE CHARGE (interest) is calculated using the **ANNUAL PERCENTAGE RATE** currently in effect.

A periodic daily rate is calculated by dividing the **ANNUAL PERCENTAGE RATE** by 365 days. The appropriate periodic rate is applied to the daily principal balance. The daily principal is calculated separately for purchases and cash advances and is determined as follows: For each day during the statement period (billing cycle), any purchases or cash advances posted to the account that day increase the principal balances of purchases and cash advances from the previous day. Each separate daily principal balance on the loan account is then multiplied by the number of days that balance is owed times the appropriate periodic daily rate and the results are added together.

15. **RETURNS AND ADJUSTMENTS:** If merchants who honor your card process a return or adjustment, they will do so by sending us a credit, which we will post to your VISA loan account, and you agree to accept returns or adjustments in this manner. You should keep your copy of the credit slip to verify the transaction on your monthly statement. The credits posted to your VISA loan account do not count as monthly payments. You are required to make at least your minimum monthly payment each month, regardless of whether a credit was posted to your account. However, if your credits and payments exceed the balance you owe us, we will hold and apply this credit balance against future purchases and cash advances, a minimum payment would not be due and, if the amount is \$1.00 or more, we will refund it after six (6) months or upon your written request.
16. **FOREIGN TRANSACTIONS:** The exchange rate between the transaction currency and the billing currency used for processing international transactions is 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, plus 1%. Transactions made with the Card(s) in US dollars with merchants located in foreign countries will be assessed an International Service Assessment fee of .8% of the transaction amount.
17. **LOSS OR THEFT OF CARD:** You agree to notify us immediately upon discovering that your card has been lost or stolen. Phone us at: **1-800-968-UMCU (toll free number) or (734) 662-8200** during regular business hours Monday through Friday. If you can't get an answer at our phone numbers, you may call: **1-800-991-4965**.

To have a replacement card issued, write us at: University of Michigan Credit Union, P.O. Box 7850, Ann Arbor, MI 48107

You will be charged \$5.00 for each replacement card.

18. **DEFAULT:** Your loan shall be in default if any of the following things occur: (a) you do not make any payment or perform any obligation under this agreement that you have with the Credit Union; or (b) you have made a false or misleading statement in your credit application and/or in your representations to the Credit Union while you owe money on this loan; or (c) you should die, or be involved in any bankruptcy, insolvency, receivership or custodial proceeding brought by or against you; 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 the Credit Union; and/or (e) the Credit Union should, in good faith, believe your ability to repay your indebtedness hereunder is or soon will be impaired, time being of the very essence. Upon any occurrence of Default, and to the extent permitted by law, the entire balance of your loan shall be immediately due and payable, without prior notice or demand, and you understand that interest will continue to accrue at the ANNUAL PERCENTAGE RATE shown on the reverse side. If the entire balance is not paid immediately upon Default, the Credit Union may take whatever actions are permitted by law.
19. **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 our credit experience with you under this loan plan to credit bureaus and other creditors. As may be required by law you are hereby notified that a negative credit report affecting your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligation.
20. **AMENDMENTS:** From time to time, we may amend this agreement by giving you written notice of the amendment at least 45 days before it goes into effect, unless a shorter notice period is permitted by law. The notice will be sent to your last known address appearing in our records when it is sent, and will state the date upon which the amendment will become effective. Amendments to the ANNUAL PERCENTAGE RATE or to any other fees or terms to this agreement may be announced in our newsletter, MemberGuide. 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, amendments will apply to your existing account balance as well as to future transactions.
21. **EFFECT OF AGREEMENT:** This agreement contains our complete contract relating to this loan plan and applies to every transaction relating to it even though a sales or cash advance draft you sign or a credit or other slip may contain different terms.
22. **ELECTRONIC ADVANCES OR PURCHASES:** If automated teller machines or other electronic devices are available while this agreement remains in effect which make it possible for you to obtain a cash advance by use of your card in such a machine, or to make a purchase from a merchant that uses the card in an electronic terminal that accesses the VISA system, we will furnish you with a secret PERSONAL IDENTIFICATION NUMBER (PIN). You agree to keep the PIN secret. You also agree that you won't write the PIN on the card or anything you keep with the card. Your use of the PIN, together with your card, in getting a cash advance or making a purchase is agreed to constitute your signature for purposes of such transaction.

23. **PLAN MERCHANT DISPUTES:** We are not responsible for the refusal of any merchant or financial institution to honor your card. Except as provided in "Your Billing Rights" at the end of this agreement, you promise to pay what you owe us under this loan plan even if you have a dispute with a merchant who honored your card.
24. **RENEWAL:** Cards are issued with an expiration date and are renewed for a pre-determined period. **We have the right, on written notice, not to renew your card for any reason.** If there has been no activity on your VISA account for 12 consecutive months prior to renewal, you will be charged \$10.00 to renew your VISA card for two years.
25. **CHANGE OF ADDRESS:** If you move, you agree to notify us of your new address in writing. Otherwise we may send monthly periodic statements and other notices to you at the address shown for you in our records. On a joint account, we will send statements and notices to only one of you. Unless we notify you otherwise, you agree to send notices to us at P.O. Box 7850, Ann Arbor, Michigan 48107.
26. **CANCELLATION:** The cards are our property. You may cancel this agreement at any time by giving us written notice and returning the card(s) cut in half to us. We can reduce your credit limit or cancel this agreement for good cause, including your breach of this agreement, or our adverse redetermination of your creditworthiness. Cancellation by you or by us does not change your obligation to pay us what you then owe us under this loan plan. If we cancel, you promise to return the card(s) to us. We will notify you in writing if we cancel this agreement or reduce your credit limit.
27. **RESTRICTION OF CREDIT UNION SERVICES:** If this loan plan or any other loans that you have with us are past due, credit union services may be restricted.
28. **DELAY IN ENFORCEMENT:** We can delay enforcing our rights under this agreement without losing them.
29. We reserve the right to block transactions from certain merchants due to a high incidence of fraud from that merchant. You can obtain a list of affected merchants by contacting us

**The laws of the State of Michigan govern this agreement, except to the extent that federal law controls.**

**BILLING RIGHTS: 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 to 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 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 to 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 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.

**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.**