

# WASHTENAW FEDERAL CREDIT UNION VISA TERMS AND CONDITIONS AGREEMENT

The information about costs of the card described in this application is accurate as of August 20, 2010. This information may have changed after that date. To find out what may have changed, write us at Washtenaw Federal Credit Union, 424 S. Mansfield Street, Ypsilanti, MI 48197-5165 or phone us at (734) 484-5100.

In this Agreement, the words "you" and "your" refer to the person(s) who are contractually liable for any debt owed under the Account. If there are two or more such persons, each of them agree to be fully liable for any debt owed under the Account individually (severally) and together (jointly).

You agree with Credit Union as follows:

**1. Definitions.** In relation to your Account and this Agreement, the following words shall have the meaning indicated:

- "Account"** means the Visa open end line of credit account approved by Credit Union for your use.
- "Agreement"** means this Visa Borrower Agreement.
- "Annual Percentage Rate"** means the cost of your credit expressed as a yearly rate as set forth in Section 5 below.
- "Application"** means your request to the Credit Union for the establishment of an Account in a manner approved by the Credit Union.
- "Authorized User"** means any person(s) permitted by you to obtain credit under your Account, whether or not named in your Application, or any person(s) to whom you lend your card.
- "Billing Cycle"** means the time period that expires between regular Monthly Billing Statements.
- "Card"** means any Visa credit card issued to you by the Credit Union pursuant to this Agreement which bears the service marks owned and licensed by Visa USA.
- "Cash Advance"** means cash credit extended by the Credit Union to you in the form of a loan of money made when you present the Card to the Credit Union or to another participating financial institution, including cash credit extended to you via an automated teller machine.
- "Closing Date"** means the date of the last day of a Billing Cycle.
- "Credit Limit"** means the maximum amount of credit available to you on your Account as set by the Credit Union from time to time.
- "Credit Purchases"** means extensions of credit from the Credit Union to you (other than Cash Advances) for Credit Purchases of merchandise or services through participating merchants, including mail or phone purchase orders of merchandise effected by using the account number on a Card. Any Late Charge, Overlimit Fee, or Returned Payment Charge is also defined to be a Credit Purchase.
- "Credit Union"** means Washtenaw Federal Credit Union or any other person or entity to which the Credit Union assigns this agreement or any of its rights under this Agreement.
- "Finance Charge"** means the cost of credit extended to you on your Account as determined by the Credit Union expressed as a dollar amount.
- "Grace Period"** means the time period in which the New Balance on a Monthly Billing Statement must be paid in full to avoid the further assessment of a Finance Charge. The Grace Period begins on the day following the Closing Date of a Billing Cycle and extends until the Payment Due Date.
- "Monthly Periodic Rate"** means 1/12th of the Annual Percentage Rate as set forth in the Schedule of Fees and Charges.
- "Monthly Billing Statement"** means the statement sent to you on a monthly basis reflecting all charges and credits to your Account for each Billing Cycle.
- "New Balance"** means the total New Balance together with New Credit Purchases, Cash Advances, accrued Finance Charge and other fees and charges, less payments and credits, posted to your Account during a Billing Cycle.
- "New Credit Purchase(s)"** means the Credit Purchase(s) posted to your Account during the Billing Cycle reflected on your most recent Monthly Billing Statement.
- "Payment Due Date"** means the date specified on your Monthly Billing Statement as the Payment Due Date for payment to the Credit Union on your Account.
- "Preauthorized Charges"** means Credit Purchases for which you have given your preauthorization for a merchant or other person to debit your Account at specified times, which is the same amount as that shown on the "New Balance" on your Monthly Billing Statement for the immediately preceding Billing Cycle.
- "Schedule of Fees and Charges"** means the Schedule shown at the end of this Agreement, including all amendments to that Schedule, which lists the costs associated with your Account.
- "Unauthorized Use"** means the use of your Card by a person who does not have actual, implied, or apparent authority to use that Card. If you receive a benefit from the use of a Card by another or if a Card is used by an Authorized User, such use will not be regarded as Unauthorized Use.

**2. Account Access.** You may access your Account by using your Card or account number to make Credit Purchases and to obtain Cash Advances up to your Credit Limit, unless your Account is in default or has been terminated. If the Credit Union issues you a Personal Identification Number, you may also use your Card to obtain Cash Advances via automated teller machines which accept your Card usage for that purpose. You agree that you will not use your Account for any transaction that is illegal under applicable federal, state, or local law.

**3. Promise to Pay.** You promise to pay to Credit Union all amounts charged to your Account by you or by any Authorized User who has access to your Account, with actual, apparent or implied authority for use of your Account, including Preauthorized Charges according to the required minimum monthly payment schedule. Your liability will extend throughout the term of this Agreement and until all issued and outstanding Cards are returned to the Credit Union and all Preauthorized Charges are cancelled by you. If you lend your Card to another person, you will have given that person actual, implied, or apparent authority to use your Card and you will be liable for all Credit Purchases and Cash Advances made by that person on your Account until the Card is returned to you or the Credit Union. If more than one person is obligated under this Agreement, the Credit Union may accept directions and written notices from any one of those persons without requiring the consent of any other persons.

**4. Lost Cards.** You will immediately notify Credit Union if you or any Authorized User loses or misplaces any Card. You may be liable for the Unauthorized Use of a Card. You will not be liable for the Unauthorized Use of a Card that occurs after you notify Credit Union of the loss, theft, or possible Unauthorized Use by reporting the loss or theft of a Card in writing at: Washtenaw Federal Credit Union, 424 S. Mansfield St., Ypsilanti, Michigan 48197, or by calling telephone number 1-800-477-7728. You will have no liability for Unauthorized Card usage unless you are grossly negligent in the handling of your Card. In any case, your liability for Unauthorized Use of a Card will not exceed \$50.

When you lose a Card as lost or stolen, we will re-order and re-issue a Card. Generally, there will be no fee for a re-issued card, however if you wish to receive a re-issued card the next business day, you agree to pay an Overnight Emergency Card Replacement Fee. This fee will be in an amount equal to the sum of (i) the expense incurred by the Credit Union to generate the card (generally between \$10 and \$12) and (ii) the courier expense incurred by the Credit Union to deliver the new Card to you (generally, between \$25 and \$37).

**5. Finance Charge.** The Finance Charges shown on your Monthly Billing Statement are figured by multiplying a Monthly Periodic Rate (see Schedule of Fees and Charges for this rate and its corresponding Annual Percentage Rate) times the Average Daily Balance of both Credit Purchases and Cash Advances as follows:

- a. Cash Advances.** A Finance Charge will be imposed on Cash Advances (including those that are Balance Transfers) from the date made. Finance Charges 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 by the Payment Due Date or until the date of payment if after the Payment Due Date. The Finance Charge for a Billing Cycle is computed by applying the Monthly Periodic Rate to the Average Daily Balance of Cash Advances, which is determined by dividing the sum of the daily balances during the Billing Cycle by the number of days in the Billing Cycle. Each daily balance of Cash Advances is determined by adding to the outstanding unpaid balance of Cash Advances at the beginning of each day of the Billing Cycle any new Cash Advances posted to your Account, and subtracting any payments as received or credits as posted to your Account, but excluding any unpaid finance charges.
- b. Credit Purchases.** A Finance Charge will be imposed on Credit Purchases only if you elect not to pay the entire new balance shown on your Monthly Billing Statement for the previous Billing Cycle by the Payment Due Date. If you elect not to pay the entire New Balance shown on your previous monthly statement by the Payment Due Date, 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 except that if during the previous Billing Cycle you paid all amounts owing in full by the Payment Due Date, then in the current Billing Cycle you will have a free interest period on the amount of the New Balance of Purchases remaining from the previous Billing Cycle that is paid by the Payment Due Date based on your payment allocation method. Finance Charges 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 by the Payment Due Date or until the date of payment if after the Payment Due Date. The Finance Charge for a Billing Cycle is computed by applying the Monthly Periodic Rate 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 Billing Cycle. Each daily balance of Credit Purchases is determined by adding to the outstanding unpaid balance of Credit Purchases at the beginning of each day 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.
- c. Annual Percentage Rate.** The ANNUAL PERCENTAGE RATE for all transactions on your account is 9.9%, which corresponds to a Monthly Periodic Rate of 0.825%.
- d. Delinquency Rate.** At any time any minimum payment on your account is 30 days or more past due, Credit Union may send you 45 days advance notice that Credit Union will increase the ANNUAL PERCENTAGE RATE to a Delinquency Rate of 16.9%, corresponding to a Monthly Periodic Rate of 1.4083% if any minimum payment is more than 60 days past due at the end of the 45 day notice period. Credit Union changes your rate to the Delinquency Rate because of your account having a minimum payment more than 60 days past due at the end of the 45 day notice period, the Delinquency Rate will remain in effect until your account has been brought current and we have received six

consecutive minimum monthly payments on time. If you bring your account current and make 6 minimum monthly payments on time, your rate will revert back to 9.9%. Your rate will also revert back to 9.9% if you pay the entire new balance shown on a monthly statement on or before the due date set forth on that statement.

**6. Late Charge.** If you do not pay at least your minimum monthly Payment by the Payment Due Date shown on your Monthly Billing Statement, Credit Union may assess your Account a Late Charge in an amount as set forth in the Schedule of Fees and Charges. A Late Charge is treated as a Credit Purchase.

**7. Returned Payment Charge.** You will be charged a Returned Payment Charge for each check, draft, order, electronic fund transfer, or other item which you submit to Credit Union as a payment on your Account that is returned to Credit Union unpaid in an amount as set forth in the Schedule of Fees and Charges. A Returned Payment Charge is treated as a Credit Purchase.

**8. Fees and Charges.** In addition to the Finance Charge, Late Charge, and Returned Payment Charge, you agree to pay to the Credit Union the additional fees and charges as described and set forth in the Schedule of Fees and Charges. All fees and charges will be automatically posted to your Account and will be included in the amount shown for Credit Purchases on your Monthly Billing Statement.

**9. Information Updates.** You will provide facts to update information contained in your original Application or other financial information related to you at Credit Union's request.

**10. Credit Limit.** You will be notified of your Account's Credit Limit which will be applicable to all amounts you owe on your Account at any time. Within this overall Credit Limit Credit Union may set a lower limit for specified categories of transactions, such as cash advances. Credit Union reserves the right to increase or decrease your overall Credit Limit or the limit applicable to a specific category of transactions without notice to you at any time in its sole discretion. You will keep your unpaid balance within the Credit Limit as set by Credit Union and you will pay any amount over your Credit Limit immediately to Credit Union without demand, whether or not Credit Union authorized the transaction which caused you to exceed your Credit Limit. This does not apply if you are over your Credit Limit solely because Credit Union has reduced it and you do not use your account after you become aware of the reduction.

**11. Minimum Monthly Payment.** You will pay a minimum monthly payment equal to the greater of 2% of your Account's new balance of \$10.00, unless your New Balance is less than \$10.00, in which case the minimum monthly payment will be that balance. In addition, your minimum monthly payment will include any amount you owe in excess of your Credit Limit. You may pay any amount over your minimum monthly payment at any time without penalty. In addition to your minimum monthly payment, you agree to immediately pay to the Credit Union any amount past due or in excess of your Credit Limit. Payments must be received by the Credit Union in the manner set forth on your most current Monthly Billing Statement on or before the Payment Due Date. All payments must be made in lawful money of the United States. You will have a payment due every month on the specified Payment Due Date even if you have paid more than a regularly scheduled minimum monthly payment at any previous time.

**12. Monthly Billing Statement.** Credit Union will mail you a Monthly Billing Statement each month in which there is a debit or credit balance over \$1.00, or when a Finance Charge is imposed. Credit Union need not send you a monthly statement if Credit Union feels your Account is uncollectible or has started collection proceedings against you because you defaulted. Except where federal law requires otherwise, the Monthly Billing Statement will be final to the extent you do not object in writing within 60 days after the Credit Union has mailed the Monthly Billing Statement to you. Your right under federal law to the correction of billing errors is explained in the notice of your Billing Rights which appears at the end of this Agreement.

**13. Security Interest in Shares and Deposits.** As a condition of Credit Union granting you credit under this Agreement, you hereby agree to grant Credit Union a security interest in all present and future shares and deposits with Credit Union except Individual Retirement Accounts and other accounts which provide tax benefits under state or federal law to secure this Visa Account. Upon default under this Agreement you agree that Credit Union may apply all of your shares and deposits subject to this Agreement, unless prohibited by any law. This security interest under the Truth-in-Lending Disclosure of this Agreement as well as a statement of contract which results in collateral security between your loans with Credit Union also securing this Agreement. In addition, you grant Credit Union a purchase money security interest under the Uniform Commercial Code in any goods you purchase with your Card.

**14. Security.** If you have granted the Credit Union a security interest in any property (other than property consisting of (i) real estate that is your principal residence, and (ii) household goods as defined in the Federal Trade Commission's Credit Practices Rule) as part of any other agreement with the Credit Union, that property is also pledged by you as security for the credit extended under this Agreement, unless prohibited by any law. Your right under federal law to the correction of billing errors is explained in the notice of your Billing Rights which appears at the end of this Agreement. If a specific pledge of shares has been granted by you in a separate document, the shares pledged shall secure the credit granted to you under this Agreement in accordance with the terms of such specific pledge.

**15. Allocation of Payments.** Credit Union may select and change the method by which payments and credits are allocated to your account at its sole discretion; however, payments will be allocated to billed amounts before they are allocated to unbilled amounts (transactions incurred since your last statement) and payment amounts in excess of the required minimum monthly payment will be applied to higher rate balances before they are applied to lower rate balances. Payment for more than the minimum amount due will be accepted as a single payment for the month; the amount over the minimum is not applied toward future payments due.

**16. Default and Remedy.** You will be in default and the Credit Union may, to the extent permitted by law, terminate your Account and declare the entire unpaid balance of your Account immediately due and payable if:

- a. You do not make any payment or perform any obligation under this Agreement or any other agreement that you have with Credit Union; or
- b. You have made a false or misleading statement on your Application and/or in your representations to Credit Union while you owe money on your Account; or
- c. You should die, or be declared in any bankruptcy, insolvency, receivership, or custodial proceedings 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 Credit Union; and/or
- e. Credit Union should, in good faith, believe your ability to repay any indebtedness due under your Account is or soon will be impaired, time being of the very essence.

If you are in default Credit Union may, instead of terminating your account and declaring the entire unpaid balance due and payable, elect to suspend your credit privileges on the card which you then owe immediately due and payable. If Credit Union does so, it reserves the right to later terminate the account and declare the entire unpaid balance due and payable at any time before you cure the default by paying all past due amounts.

If more than one person is obligated under this Agreement, the Credit Union may proceed with collection action against any one of the persons obligated under this Agreement without first proceeding against or collecting from any other person. To the extent permitted by law, the Credit Union shall be reimbursed by you for all of its costs and expenses, including reasonable attorney fees, incurred in the course of collection on any amounts owed on your Account.

**17. Change of Address.** You will notify Credit Union promptly if you move or otherwise have a change of address.

**18. 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 which the foreign markets for the applicable card processing date, which rate may vary from the rate Visa itself receives, or the government mandated rate in effect for the applicable card processing date. An International Transaction Fee of 1% of the amount of the transaction, calculated in U.S. Dollars, will be imposed on all foreign transactions. A foreign transaction is any transaction that you complete or a merchant completes on your card outside of the U.S., Puerto Rico, or the U.S. Virgin Islands.

**19. Refunds and Returns.** If a merchant or other person honoring your Card agrees to give you a refund or adjustment on a Credit Purchase, you agree to accept a credit to your Account in lieu of a cash refund or cash adjustment.

**20. Disputes.** You agree to make a good faith effort to settle all disputes concerning Credit Purchases made through the use of your Card with the Merchant or other person honoring the Card. Except as provided in the notice of your Billing Rights, you agree to pay the Credit Union all amounts charged to your Account despite any such dispute.

**21. Waiver of Claims.** You waive and release Credit Union from all defenses, rights, and claims you may have against any person or company honoring a Card or other access device or not permitting a Credit Purchase or Cash Advance, except where such rights cannot be waived under the Fair Credit Billing Act (see your Billing Rights). If your account is available to provide overdraft protection to a deposit account under a separate Overdraft Protection Request/Agreement, you hold Credit Union harmless from any and all claims which might otherwise arise if an advance is not processed to cover an overdraft regardless of whether or not credit was available under your Account.

**22. Cancellation.** You may cancel this Agreement with Credit Union or revoke any Authorized User's status at any time by Notifying Credit Union in writing and returning any affected Card. You understand and agree that Notifying Credit Union has up to ten (10) days after such notice to effectuate your cancellation or revocation of Authorized User's status. You remain obligated to Credit Union for All Credit Purchases or Cash Advances made prior to or up to ten (10) days after such cancellation or revocation, otherwise you remain obligated to repay any unpaid balance according to this Agreement.

**23. Change in Terms.** From time to time, Credit Union may amend this Agreement by mailing a written notice of the amendment to you at the last address shown for you on your most recent statement. If the terms Credit Union is changing require advance notice by law, it will comply with the requirements of that law.

**24. Delay in Enforcement.** The Credit Union does not lose any of its right under this Agreement if it delays enforcing them.

**25. Effect of Unenforceable Provision.** If any provision of this Agreement is determined to be unenforceable or invalid, all other provisions shall remain in full force and effect.

**26. Provision Captions.** The captions and catchlines used in this Agreement are for convenience of reference only and in no way define, limit, or describe the scope or intent of any provision of this Agreement.

**27. Applicability.** This Agreement applies to your Visa Account with the Credit Union.

**28. Assignability.** You shall have no right to transfer your Account or to assign this Agreement. The Credit Union, however, shall have the right to assign and transfer, at any time and in its sole discretion, this Agreement or any or all of its right under this Agreement to any other person or entity.

**29. Ownership of Card(s).** Any Card(s) issued in relation to your Account is the property of the Credit Union and upon demand of Credit Union, you will surrender it to Credit Union or its authorized agent or destroy it by cutting it in half.

**30. Skip Payment.** At Credit Union's option, you may be permitted to skip a minimum monthly payment for one or more months without penalty. Finance Charges will, however, continue to accrue on your unpaid balance during such time, and your next minimum monthly payment will be calculated according to this Agreement.

**31. Governing Law.** Except to the extent that federal law controls, this Agreement is controlled by the laws of the State of Michigan.

## SCHEDULE OF FEES AND CHARGES

Cash Advance Fee	.....3% of transaction, minimum \$5.00; maximum \$75.00
Late Charge	.....\$20.00 or the amount of your scheduled Minimum Payment, whichever is less.
Returned Payment Charge	.....\$25.00 or the amount of the required Minimum Payment due immediately prior to the date on which the payment is returned, whichever is less.
Expedited Payment Fee	.....\$5.00
International Transaction Fee	.....1% of foreign transactions
Overnight Emergency Card Replacement Fee	..... Actual Cost - \$37.00 - \$49.00
Document Copy Fee	.....\$1.50
Statement Copy Fee (per month)	.....\$1.00

## YOUR BILLING RIGHTS

### KEEP THIS NOTICE FOR FUTURE USE

Washtenaw Federal Credit Union  
424 S. Mansfield St.  
Ypsilanti, Michigan 48197  
Phone: (734) 484-5100

This notice contains important information 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:

Washtenaw Federal Credit Union  
424 S. Mansfield St.  
Ypsilanti, MI 48197

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 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 our own 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 or electronically at:

Washtenaw Federal Credit Union  
424 S. Mansfield St.  
Ypsilanti, MI 48197

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.