

VISA CLASSIC CREDIT CARD

Agreement and Disclosure



DISCOVERY

FEDERAL CREDIT UNION

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CLASSIC VISA CREDIT CARD AGREEMENT AND DISCLOSURE

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

DEFINITIONS. In this Agreement the references to "We," "Us," "Our" and "Credit Union" mean DISCOVERY FEDERAL CREDIT UNION. The words "You" and "Your" mean each person who accepts this Agreement or uses the VISA Credit Card. The words "Card" and "Credit Card" mean any VISA Credit Card issued to You by Us and any duplicates or renewals. 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 tense.

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, convenience checks, 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.

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 at participating financial institutions. 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.

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.

LIEN ON SHARES. You grant and consent to a lien on Your shares with Us (except for IRA and KEOGH Accounts) and any dividends due or to become due to You from Us to the extent You owe any unpaid Credit Card balances.

LINE OF CREDIT LIMITS. You will be notified of each specific credit limit for each credit card for which You are approved. Unless You are in default, any credit limits established for You will generally be self-replenishing as You make payments. You will keep your unpaid balance within Your credit limit set by Us, and You pay any amount over Your credit limit on Our demand whether or not We authorize the advances which caused You to exceed Your credit limit. Even if Your unpaid balance is less than Your credit limit, You will have no credit available during any time that any aspect of Your Account is in default.

JOINT ACCOUNTS. Each borrower will be responsible, jointly and severally, for the repayment of any amounts owed. If any Account access device, such as a Personal Identification Number (PIN), is issued You understand that any such Account access device(s) 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.

MINIMUM MONTHLY PAYMENTS (PAYMENT SCHEDULE).

Though You need only pay the minimum monthly payments, You understand that you have the right to repay at anytime without penalty. You also understand that You will only be charged periodic finance charges to the date You repay your entire balance. You may make larger payments without penalty. Any partial payment or repayment will not delay Your next scheduled payment. All payments to Us must be in lawful money of the United States. We may apply each payment to whichever Card We wish. As permitted by law, the order in which We apply payments is at Our discretion. Any unpaid portion of the finance charge will be paid by subsequent payments and will not be added to Your principal balance. You understand that any delay in the repayment of Your unpaid balance will increase Your periodic finance charges and any acceleration in the repayment of Your unpaid balance will decrease Your periodic finance charges. VISA minimum payments will be an amount equal to 3.00% of Your new unpaid VISA balance at the end of each billing cycle, subject to the lesser of \$20.00 or Your balance, plus any portion of the minimum payments shown on prior statement(s) which remains unpaid, plus any amount that exceeds any approved credit limit. You may, by separate agreement, authorize Us to charge Your payment to Your Share or Share Draft Account.

LATE CHARGE. If Your payment is five (5) or more business days late, You will be charged \$35.00.

OTHER FEES AND CHARGES. You will be charged the following fees associated with the use of Your Card: (a) \$20.00 for any check (or other negotiable instrument used for payment) which is returned unpaid; (b) \$20.00 for each replacement card you request.

FINANCE CHARGES. In the case of any transactions under Your VISA credit card, the balances subject to the periodic finance charge are the average daily transaction balances outstanding during the month (new and previous). To get the average daily balance, We take the beginning balance each day, add any new purchases, cash advances, insurance premiums, debit adjustments or other charges and subtract any payments, credits and unpaid finance charges. That gives Us the daily balance. 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 Monthly Periodic Rate. 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, the new balance of purchases, and subsequent purchases from the date they are posted to Your Account, will be subject to a finance charge. Cash advances are always subject to a finance charge from the later of the date they are posted to Your Account or from the first day of the billing cycle in which the cash advance is posted to Your Account.

**THE MONTHLY PERIODIC RATE IS 1.0825%
(CORRESPONDING ANNUAL PERCENTAGE RATE 12.99%).**

PERIODIC RATE. On a regular basis, You will receive a statement showing all transactions on Your Account including amounts paid and borrowed since Your last statement. We will mail 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 Federal Truth-In-Lending Act.

OUR RESPONSIBILITIES TO HONOR CONVENIENCE

CHECKS. We are under no obligation to honor Your convenience checks if: (a) by paying a convenience check, You would exceed Your credit limit; (2) Your cards or convenience checks have been reported lost or stolen; (3) Your Account has been cancelled or has expired. If a postdated convenience check is paid and, as a result, any other convenience check is returned unpaid, We are not responsible for any resulting loss or liability.

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 deposits 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.
- (f) You declare bankruptcy.

Upon any occurrence of default, We may, to extent permitted by law, cancel Your rights under this Agreement, require the return of all access devices, and declare the entire balance of Your Account immediately due and payable, without prior notice or demand.

COLLECTION COSTS. In the event collection efforts are required to obtain payment on this Account, to the extent permitted by law, You agree to pay all court costs, private process server fees, investigation fees or other costs incurred in collection and reasonable attorney fees incurred in the course of collecting any amounts owed under this Agreement or in the recovery of any collateral.

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.

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 45 days in advance. 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 rate applicable to Your unpaid balance and/or future advances.

CREDIT INSURANCE. If available, 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 balance. If You elect to do so, You will be given the necessary disclosures and documents separately.

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

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

UPDATING AND DISCLOSING FINANCIAL INFORMATION. You will provide facts to update information contained in your original Account 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 or any particular Credit Card of 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.

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

OWNERSHIP. Your Card remains Our property and may be cancelled by Us at any time without notice. You agree to surrender Your card and to discontinue its use immediately upon Our request.

ISSUANCE OF A PERSONAL IDENTIFICATION NUMBER. We will issue a Personal Identification Number (PIN) for use with participating Automated Teller Machines (ATM's). 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 Funds Transfer, the terms and conditions of Your Electronic Funds Transfer Agreement may also affect Your rights.

EFFECT OF AGREEMENT. Even though the sales, cash advance, credit or other slips You may sign or receive when using Your 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 of the loss, theft, or possible unauthorized use by calling the Credit Card Security Department at (800) 299-9842 or by writing them at P.O. Box 30495, Tampa, FL 33630. In any case, Your liability will not exceed \$50.00.

REFUSAL TO HONOR CARDS OR CONVENIENCE CHECKS. We are not liable for the refusal or inability of merchants, financial institutions and others to accept the cards or convenience checks, or electronic terminals to honor the cards or complete a card withdrawal, or for their retention of the cards or convenience checks.

FOREIGN TRANSACTIONS. Purchases and cash advances made in foreign countries and foreign currencies will be billed as follows: 1.0% for multi-currency and 0.8% for single-currency transactions. The conversion rate to dollars will be at the wholesale market rate or the government mandated rate, whichever is applicable, in effect one day prior to the processing date.

TRANSACTION SLIPS. Your monthly statement will identify the 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.

LOST CARDS OR CONVENIENCE CHECKS. To report lost or stolen credit cards or convenience checks, You will immediately call the Credit Card Security Department at (800) 299-9842 or by writing them at P.O. Box 30495, Tampa, FL 33630.

CREDITS. If a merchant who honors Your Card gives You credit for returns or adjustments, they will do so by sending Us a slip which 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 six (6) months.

YOUR BILLING RIGHTS KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about Your rights and Our responsibilities under the Federal Truth-In-Lending Act.

NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT

If You think Your statement is wrong, or if You need more information about a transaction on Your statement, write Us on a separate sheet at Our address shown in this Agreement. Write to Us as soon as possible. We must hear from You no later than 60 days after We sent You the first statement on which the error or problem appeared. You can telephone Us, but doing so will not preserve Your rights.

In Your letter, give Us the following information:

1. Your Name and Account number
2. Dollar amount of the suspected error
3. 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 bill automatically from Your Share or Share Draft Account, You can stop the payment on any amount You think is wrong. To stop the payment, Your letter must reach Us three business days before the automatic payment is scheduled to occur.

YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE

We must acknowledge Your letter within 30 days, unless We have corrected the error by then. Within 90 days, We must either correct the error or explain why We believe the statement is correct.

After We receive Your letter, We cannot try to collect any amount You question, or report You as delinquent. We can continue to bill You for the amount You question, including finance charges, and We can apply any unpaid amount against Your credit limit. You do not have to pay any questioned amount while We are investigating, but You are still obligated to pay the parts of Your statement that are not in question.

If We find that We made a mistake on Your statement, You will not have to pay any finance charges related to any questioned amount. If We didn't make a mistake, You may have to pay Finance Charges, and You will have to make up any missed payments on the questioned amount. In either case, We will send You a statement of the amount You owe and the date that it is due.

If You fail to pay the amount that We think You owe, We may report You as delinquent. However, if Our explanation does not satisfy You and You write Us within 10 days telling Us that You still refuse to pay, We must tell anyone We reported You to that You have a question about Your statement and, We must tell You the name of anyone We reported You to. We must tell anyone We reported 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 \$50.00 of the questioned amount, even if Your statement is 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 \$50.00.

These limitations do not apply if We own or operate the merchant, or if We mailed You the advertisement for the property or services.

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