

CREDIT CARD AGREEMENT AND DISCLOSURES

THIS IS YOUR AGREEMENT AND DISCLOSURE STATEMENT WITH NEW HORIZON FEDERAL CREDIT UNION. PLEASE READ IT CAREFULLY AND KEEP IT FOR YOUR RECORDS. IT SUPERSEDES ALL PRIOR AGREEMENTS AND DISCLOSURE STATEMENTS RELATING TO YOUR ACCOUNT. YOU DO NOT HAVE TO SIGN THIS AGREEMENT. YOUR AGREEMENT TO ALL OF THESE PROVISIONS, AS AMENDED FROM TIME TO TIME INCLUDING THE CARD ISSUED BY US, WILL BE SHOWN BY YOUR APPLICATION FOR THE CARD, YOUR ACCEPTANCE OF THE CARD, OR YOUR USE OF THE CARD, WHICHEVER OCCURS FIRST.

1. Definitions Used to Understand Your Agreement with Us: In this Agreement, the word "Card" means either one or more VISA credit cards and any duplicates, renewals or substitutions we issue. The words, "you," "your," and "yours" mean all cardholders (borrowers and co-borrowers); anyone any cardholder permits to use the Card(s); as well as any authorized user for whom an additional Card(s) is issued to the extent of their purchases and cash advances, as well as transactions by anyone they permit to use the Card(s). The word "cardholder" means any applicant or co-applicant to whom a Card is issued by us. The words "Credit Union," "we," "us," and "our" mean ABC Federal Credit Union. The words "Convenience Checks" mean one or more checks that we may send to you to access your Credit Card Account. "Applicable Law" shall include: "(i) Visa U.S.A. Inc. Bylaws, Visa U.S.A. Inc. Operating Regulations, Visa U.S.A. Inc. Certificate of Incorporation, Visa International Bylaws, and Visa International Operating Regulations; and (ii) any and all laws, treaties, rules, regulations, or regulatory guidance of the government of the United States, any state thereof, or of any applicable foreign government or state thereof, as the same may be amended and in effect from time to time.

2. Your Pledge of Shares and Security Interest for Your Loan Advances:

BY SIGNING AN APPLICATION, ACCEPTANCE OR AUTHORIZED USE OF ANY CREDIT CARDS, YOU GRANT AND PLEDGE A CONSENSUAL LIEN TO US ON ALL SHARES TO SECURE PAYMENT OF YOUR OBLIGATIONS ON THIS ACCOUNT. IN ADDITION, YOU ACKNOWLEDGE OUR STATUTORY LIEN RIGHTS UNDER THE FEDERAL CREDIT UNION ACT; YOU AGREE THAT SUCH A LIEN IS IMPRESSED AS OF THE DATE THAT THIS ACCOUNT IS OPENED; AND YOU AGREE THAT WE CAN APPLY THE SHARES PLEDGED AT THE TIME OF ANY DEFAULT ON THIS ACCOUNT WITHOUT FURTHER NOTICE. "Shares" for the purpose of your pledge to secure your obligations to the Credit Union means all deposits in any share savings, share draft, club, certificate, P.O.D., revocable trust or custodial account(s), whether jointly or individually held -- regardless of contributions, that you have on deposit now or in the future. Your pledge does not include any I.R.A., Keogh, tax escrow, irrevocable trust or fiduciary account in which you do not have a vested ownership interest.

SECURITY AGREEMENT: "Non-Purchase-Money Security Interests" Payments on your Account are secured by any security interest in any property securing your other obligations to the Credit Union, whether existing now or in the future, except your household goods and your primary residence. "Purchase-Money Security Interests" You hereby grant Credit Union security interest in all property purchased/acquired by you or any authorized user pursuant to the use of this Account, including a purchase-money security interest in any household goods purchased/acquired with an extension of credit upon this Account. These *Purchase-Money Security Interests* shall secure faithful performance of all obligations arising under this Agreement; and the Credit Union shall have all of the rights of a secured party in accordance with Article Nine of the Uniform Commercial Code and/or other applicable law.

3. How to Use this Account: You must sign the Card in order to use it. You can purchase or lease goods and services ("Purchases") from any merchant who honors your Card up to your maximum credit limit by presenting your Card and signing a sales slip or writing a Convenience Check for the amount of the Purchase. You may also use the Card to obtain cash loans ("Cash Advances") up to your maximum credit limit from financial institutions that accept the VISA credit card, and by use of preprinted Convenience Checks that the Credit Union may issue to you. You agree not to present your Card, obtain a Cash Advance or write a Convenience Check for any extension of credit in excess of your available Credit Limit (the difference between your outstanding balance and your maximum credit limit) on your account. Certain purchases and cash advances require authorization prior to completion of the transaction. In some cases, you may be asked to provide identification. If our system is not working, we may not be able to authorize a

authority for such use and from which you receive no benefit. Authority includes, but is not limited to, any authorized users permitting another person to use any Card(s). Further, all user's are obligated to us for all charges they make, authorize or permit. The Credit Union can accept late or partial payments as well as payments that are marked with "paid in full" or other restrictive endorsements, without losing any of our rights under this Agreement. You must pay the Credit Union in U.S. dollars drawn on funds on deposit in the United States. If you make payment with other currencies or from an institution domiciled outside the United States, then your payment will not be credited until the funds have been collected by us in U.S. dollars. The Credit Union will determine the method of applying payments and credits to your account, which will in all respect comply with any specific requirements of applicable laws.

Unless otherwise required by specifically applicable laws, for payments received by mail by 5:00 PM EST, you will receive credit that day; and for payments made in any other manner, including in person, your account will be credited the day payment is received.

To protect you and us, the Credit Union, in its sole discretion, may place a temporary freeze on all or part of the credit available to you for new purchases or cash advances under this agreement any time the Credit Union receives a large payment (\$1,000.00 or more), by a method other than cash, certified funds or electronic transfer. In such cases, the Credit Union may freeze your credit line until payment is actually collected by us.

8. Minimum Payment Due: You can pay off your account balance in full each month or you can pay in monthly installments. If you do not pay your balance in full, you agree to pay at least a minimum payment of 2% of your New Balance (rounded to the nearest whole dollar) or \$20.00, whichever is greater at the end of each statement period. If the New Balance shown on your periodic statement is \$20.00 or less, you agree to pay this amount. Unless the Credit Union takes other action as a result of a default under this Agreement, the Minimum Payment Due will also include any amount that is past due and any amount by which your new balance exceeds your credit limit. Payments and credits will be applied first to pay billed but unpaid finance charges; annual fee (if applicable); late charges, and other fees or charges provided for herein; and next to unpaid cash advances; and then to your unpaid purchase balance. You must pay at least the minimum payment each month, but you may pay more than that amount at any time without a penalty. The sooner you pay your new balance, the less you will have to pay in finance charges. The "Payment Due Date" will be shown on your periodic statement.

Grace Period For Repayment Of The Balance For Purchases: Grace period for repayment of the balance for purchases is approximately 25 days from the close of the billing cycle. See your statement for billing cycle date.

9. Returns and Adjustments Regarding Your Transaction with Merchants: Merchants and others who honor your Card may give credit for returns or adjustments, and they will do so by sending the Credit Union a credit slip which will be posted to your Account. If your credits and payments exceed what you owe the Credit Union, the amount will be applied against future purchases and cash advances. If the credit balance amount is \$1.00 or more, it will be refunded upon your written request or automatically after six months.

10. Additional Charges for Transactions in a Foreign Currency and "Cross-Border" Transactions.

Currency Conversion Fee: If you effect or authorize a transaction with your access device in a currency other than US Dollars, VISA will convert the charge into a US Dollar amount. The VISA currency conversion procedure includes use of either a government mandated exchange rate, or a wholesale exchange rate selected by VISA, as applicable. The exchange rate VISA uses will be a rate in effect on the day the transaction is processed. This rate may differ from the rate in effect on the date of the purchase or the date the transaction was posted to your account. A Currency Conversion Fee of up to 2% will be applied to transactions that are converted from foreign currencies to U.S. dollars. ***Cross-Border Transaction Fee:*** In addition, VISA charges us a Cross-Border Assessment up to 1% on each transaction on all cross border transactions regardless of whether there is a currency conversion. For purposes of this Section, "cross-border transaction" shall include both (a) transactions initiated in a foreign country which are subsequently settled in the United States, and (b) transactions initiated in the United States but which are ultimately settled in a country outside of the United States. The Credit Union will assess these fees to you to reimburse it for the fee it is required to pay for each of your transactions subject to these terms. The Cross-Border transaction fee will be shown separately on your periodic billing statement. The Currency Conversion Fee, if it applies to the transaction, will be included in the transaction amount posted on your statement.

15. Additional Benefits/Card Enhancements: The Credit Union may from time to time offer additional services to your Account, such as travel accident insurance, purchase rewards or rebates at no additional cost to you. You understand that the Credit Union is not obligated to continue or to offer such services and may withdraw or change them at any time. If these benefits are withdrawn prior to any accrued use by you, the Credit Union will have no obligation to provide the benefit or enhancement, or any other compensation or consideration.

16. Merchant Disputes: The Credit Union is not responsible for the refusal of my merchant or financial institution to honor your Card except as set forth in the Special Rules for Credit Card Purchases set forth at the end of this Agreement.

17. What Happens When You Exceed Your Credit Limit: The Credit Union does not charge an Over-the-Limit Fee.

18. Late Payment Fee: Credit Union will charge your account a late payment fee of \$35.00 for each billing period in which your minimum payment is not received within ten (10) days of your payment due date. This fee may be added to your account balance, or collected from you on demand.

19. Returned Payment or Insufficient Funds Fee: Credit Union will charge your account a \$35.00 fee if your payment by any method, including check, electronic transfer, home banking transaction or otherwise, is not honored, collected by us, or if we must return it to you because it cannot be processed for any reason. This fee may be added to your account balance, or collected from you on demand.

20. Charge for Copies, Research and Card Replacement: If you ask for a copy of any document, such as a sales slip, Convenience Check, or billing statement, a charge of \$20.00 per hour may be imposed for the time it takes to research and locate the document. In addition, a copying fee of \$2.00 per copy will be imposed. However, no charge will be imposed in connection with any actual or asserted billing error. We will charge a \$10.00 fee to replace a lost card.

21. Card Recovery Fee: None.

22. Fees for MTSS: Until we post an amendment, we will not charge you any fees for the MTS Services. Once we begin charging fees we will normally deduct fees and charges automatically from your Card balance at the time a fee or charge is incurred for MTSS sent or received.

23. Your Responsibility and Liability for Unauthorized Use and Lost or Stolen Cards or Convenience Checks: If your Card or Convenience Checks are lost or stolen, or if you are afraid someone used or may use them without your permission, you must notify the Credit Union at once by calling 1-888-745-8897. If notice is given orally, you will promptly confirm it in writing. The Credit Union may require you to provide us certain information in writing to help us investigate any unauthorized use. Further, you agree to cooperate and assist us or any government or law enforcement agent or agency in investigating, collecting or pursuing any other rights (civil and criminal) relating to any unauthorized use. In this regard, you agree to file an appropriate police report when asked to do so. Do not use the Card or the Convenience Checks after you have notified the Credit Union, even if you find them or have them returned to you.

You are liable for all transactions that you authorize. *No Liability:* You will have no liability for unauthorized use of your Card, Convenience Checks or other Access Devices for non-ATM transactions made over the VISA Network if the following conditions are met: (1) You have not been grossly negligent; and (2) You have not committed, participated in or conspired to commit any fraudulent act or scheme involving the use of your VISA credit card account. *Limited Liability:* For transactions on other networks or ATM transactions, you may be liable for unauthorized transactions using your Card, Convenience Checks or other Access Devices that occur before we are notified. However, your liability for unauthorized use on networks other than VISA will not exceed \$50.00. In any case, you will not be liable for any unauthorized use after notifying us of the loss, theft or unauthorized use of your Card, Convenience Checks or other Access Devices.

24. Our Liability for Failure to Complete Transactions: If we do not complete a transaction pursuant to any request, and/or in the correct amount, we may be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

credit record with them. The instructions will include the name, address, and phone number of each such agency, along with other pertinent information.

29. When Your Account may be Closed and Effects of Account Closing: Any individual cardholder without the consent of other cardholders may close your Account at any time by notifying us in writing as indicated in this Agreement. Credit Union may close your account or suspend your Card privileges or Convenience Checks at any time without prior notice. Credit Union may also reissue a different Card or different checks at any time. You must return the Card or the Convenience Checks to the Credit Union upon request. You agree that the Card and all Convenience Checks remain the property of Credit Union. Each Card we issue will have an expiration date. Upon expiration of your Card your account will automatically terminate; or the Credit Union, in its sole discretion, may extend your Agreement and issue a new card with a new expiration date. If your account is closed, expires or your credit privileges are terminated or suspended, you will remain responsible for paying all amounts you owe us according to the terms of this Agreement. Without limiting the foregoing, the Credit Union has the right to terminate your line of credit or any part of the services provided pursuant to this Agreement and to demand the return of all cards, access checks and other access devices if the Credit Union, in its sole discretion, feels that it is insecure for any reason whatsoever; including but not limited to mismanagement of your account, failing to safeguard any access device, creation of any credit balances by you that may increase the risk of loss or exposure of the Credit Union or failing to cooperate with the Credit Union or others with regard to any claim of unauthorized use or any other defense to payment under applicable law.

30. Changing This Agreement: The Credit Union may change the terms of this Agreement, including the Annual Percentage Rate, at any time. Except where limited by applicable law, the new terms, including, but not limited to, increasing the finance charge or the way the Credit Union calculates finance charges, late charges, and the minimum payment due, will apply both to new purchases and cash advances and to the existing outstanding balance of your account as of the day of the change. In accordance with applicable law, the Credit Union will notify you of any increased charge or change by writing to you at the most recent address shown for you on the Credit Union's records.

31. The Effect of any Delay in Enforcement or Waiver: The Credit Union may delay or waive enforcement of any of the provisions of this Agreement, including any agreement to make timely payments, without losing its right to enforce the same provision later or any other provisions of this Agreement. You waive the right to receive notice of any waiver or delay or presentment, demand, protest or dishonor. You also waive any applicable statute of limitations to the full extent permitted by law and any right you may otherwise have to require the Credit Union to proceed against any person before suing you to collect. You understand that the Credit Union will not be liable for a merchant's or other parties' refusal to honor your Card whether due to an error by the Credit Union, the merchant, the Credit Union's authorized agent, or other third party.

32. Additional Terms of Agreement: To the extent not prohibited by applicable law, the terms, interpretation and enforcement of any claim or dispute arising under this Agreement, as well as all parties' rights and duties, will be governed by Ohio State law regardless where you may reside or use your account. Further, this Agreement is the contract which governs all transactions on your Account even though sales, cash advances, credit or other slips may contain different terms.

You may not transfer or assign your account or Card to any other person. The Credit Union may assign or transfer this Account, your Account balance, or this Agreement to another person, who will have all of our rights hereunder. This Agreement is binding on your heirs and legal representatives. If there are joint obligors or authorized users for this credit plan, each of you will have the right to use the Account to obtain loans pursuant to the terms hereof. Any one obligor's elections, transactions and directions to the Credit Union shall be binding upon all obligors. Each of you will be liable for all obligations owing on the Account whether borrowed by you or otherwise and whether within or beyond the credit limit. Your liability will be joint and several. Either party has the right to cancel this Agreement. Further each of you is responsible for all amounts borrowed by any authorized user(s). Authorized users and other users may also be required to repay the amount owed for charges they make; however, you remain, at all times, primarily responsible for all amounts owed. All Cards, billing statements and notices will be mailed or delivered to the address given on the application for either applicant unless you direct otherwise in writing. If any law or judicial ruling makes any part, provision, sentence or section of this Agreement unenforceable, the remainder will continue in full force and effect.

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 the bill that are not in question.

If we find that we made a mistake on your statement, you will not have to pay the FINANCE CHARGES related to any questioned amount. If we didn't make a mistake, you may have to pay FINANCES 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 us and the date that it is due.

If you fail to pay the amount we think you owe us, 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 report 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 report you to that the matter has been settled between you and 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 the statement was correct.

SPECIAL RULE FOR CREDIT CARD PURCHASES:

If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right:

1. You must have made the purchases in your home state or, if not within your home state, within 100 miles of your current mailing address; and
2. The purchase must have been more than \$50.00.
3. These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

If you feel that you need Counseling or Debt Management services, please contact Money Management International (MMI) toll free at 1-877-271-1764.

CONTACT INFORMATION

**New Horizon Federal Credit Union
VISA Department
180 2nd St. SW
Barberton, Ohio 44203
330-745-8897**

Toll Free
1-888-745-8897

**To Report a Lost or Stolen Card or Other Access Device After Hours
Call: 1-800-423-7503**

**Internationally To Report a Lost or Stolen VISA® Card
Call: (608) 836-2613 (Collect)**