

# CREDIT CARD HOLDER AGREEMENT & DISCLOSURE

VERMILLION FEDERAL CREDIT UNION  
105 E CHERRY ST.  
VERMILLION, SD 57069

## **Cardholder Agreement and Disclosure Statement for Your VFCU Credit Card**

This is your contract. Please read it and keep it for your records because when you signed the credit card application form, you've agreed to its terms. We agree to follow them also.

In this Agreement/Disclosure the words "you" and "your" mean each and all of those who agree to be bound by this Agreement/Disclosure; "Card" means the MasterCard credit card and any duplicates, renewals, or substitutions the Credit Union issues to you; "Account" means your MasterCard credit card line of credit account with the Credit Union, and "Credit Union" means Vermillion Federal Credit Union or anyone to whom the Credit Union transfers this Agreement/Disclosure. Whenever used herein, the masculine pronoun shall refer with like effect to the feminine, and if any Account is a joint account, the singular person, whenever used herein in relation to Member, shall be read as plural.

- **USING YOUR ACCOUNT** — If you are approved for an Account, the Credit Union will establish a line of credit for you and notify you of your credit limit. You agree that your credit limit is the maximum amount (purchases, cash advances, finance charges, plus "other charges") that you will have outstanding on your Account at any time. If you are over your credit limit, you must pay the amount you are over before payments will begin to restore your credit limit. You may request an increase in your credit limit only by a method acceptable to the Credit Union. The Credit Union has the right to reduce your credit limit, refuse to make an advance and/or terminate your Account at any time for any reason not prohibited by law.
- **PLEDGE AGREEMENT** — (Applies to SECURED CARDS ONLY) As a condition to receive your Secured credit card, you authorize VFCU to open a Security Deposit Account in your name(s). Your approved credit limit will be equal to your initial deposit amount. To ensure repayment of your obligations on the Secured credit card, including fees and interest, you assign, transfer, pledge, and grant a security interest to VFCU in all current and after-acquired funds in the Security Deposit Account. You understand that the pledged funds will not be accessible for withdrawal. Upon any default under the credit card agreement or in the event your Secured credit card is terminated for any reason, you agree that VFCU has the right to collect and withdraw any part or the full amount on deposit in the Security Deposit Account without notice to you and apply the funds toward any outstanding balance on your Secured credit card account. Any funds remaining in the Security Deposit Account after doing so will be transferred to your primary savings account.
- **USING YOUR CARD** — You may use your Card to make purchases from merchants and others who accept MasterCard Cards. However, you may not use your Card to initiate any type of electronic gambling transaction through the Internet. If you wish to pay for goods or services over the Internet, you may be required to provide card member security information (CVV/CVC number or other enrolled security measures) before you will be permitted to complete the transaction. In addition, you may obtain cash advances from the Credit Union and from other financial institutions that accept MasterCard Cards, and from some automated teller machines (ATMs). To obtain cash advances from an ATM, you must use the Personal Identification Number (PIN) that is issued to you for use with your Card. You agree that you will not use your Card for any transaction that is illegal under applicable federal, state or local law.
- **LIMITATIONS** — You may make purchases up to your available balance, with a limit of \$5,000.00 in a 24-hour period. Your daily cash withdrawal limit may be up to \$500.00. The withdrawal limit pertains to a 24-hour period. 3 invalid PIN attempts will freeze/lock your card from further use for 24 hours. Secured funds that have not cleared or settled after 4 business days will be released, but it does not guarantee that they can't or won't settle at a later time. All valid credit card authorizations have 30 days to clear or settle against your account.

➤ **RESPONSIBILITY** — You agree to pay all charges (purchases and cash advances) to your Account that are made by you or anyone whom you authorize to use your Account. You also agree to pay all finance charges and other charges added to your Account under the terms of this Agreement/Disclosure or another agreement you made with the Credit Union. You are responsible for the use of the Card. You will not authorize or permit any person, except an authorized joint cardholder on the account to perform transaction(s). You will not disclose your Personal Identification Number ('PIN') to any person other than a joint account holder, and you both agree to keep the Card and PIN separated and to take other reasonable steps to assure that in the event the Card is lost or stolen, the finder or thief will not also obtain the PIN. If this is a joint Account, the Joint Accounts Section below also applies to your Account.

➤ **FINANCES CHARGES / BALANCE COMPUTATION** – We figure the Finance Charge on your account by applying the periodic rate to the “average daily balance” of your account including current transactions. To avoid additional Finance Charges on your purchase balance and on new purchases next month, pay the Entire New Balance on your statement within 28 days after the Statement Closing Date on your statement. Separate daily balances are kept for purchases and cash advances. We add the total of the daily balances for the statement period and divide by the number of days in the period. To get the daily balance for cash advances, we add new cash advances and subtract any payments or credits. To get the daily balance for purchases, we add new purchases and subtract any payments or credits. However, new purchases on this statement have not been added into the purchase balance if you paid the Entire New Balance on your last statement by the end of the grace period, or if you did not have a purchase balance on your last statement.

A Finance Charge will be imposed on Cash Advances from the date of the Cash Advance or from the first day of the billing cycle in which the Cash Advance is posted to your account, whichever is later and will otherwise be calculated in the same manner as explained above for Credit Purchases.

If you elect to pay your account in installments, or you do not pay in full by the due date shown on your monthly statement, you will pay a FINANCE CHARGE on the average daily balance of your unpaid purchases and advances at the current ANNUAL PERCENTAGE RATE as disclosed to you on your monthly statement.

➤ **VARIABLE RATE** – Your account is subject to a Variable Rate. Your ANNUAL PERCENTAGE RATE (APR) may increase (or decrease) if our index, published in the “Money” section of *The Wall Street Journal* on January 1<sup>st</sup> and July 1<sup>st</sup> increases (or decreases). If the *Journal* is not published on that day, then see the next publication date. The interest rate will be based on the Prime Rate as published in the “Money” section of *The Wall Street Journal* plus 7 (seven) percent.

The rate will be determined semi-annually by the index on January 1<sup>st</sup> and July 1<sup>st</sup>, adjusting February 1<sup>st</sup> and August 1<sup>st</sup>, if necessary. The ANNUAL PERCENTAGE RATE, when changed, affects your entire balance and is effective the first full statement cycle following the change in the Prime Rate. The interest rate will never be more than NCUA's rate ceiling. The rate will not change more than 4% in any year. Changes in the ANNUAL PERCENTAGE RATE will result in more (or fewer) payments. We may change the index with proper notice to you.

➤ **OTHER CHARGES** —

a. **Late Payment Fee.** We will assess a late fee of up to \$10.00 if your “Minimum Payment Due”, is not made by the date as shown on your monthly statement with a 9 day grace period.

b. **Return Check Fee.** If a check or share draft used to make a payment on your account is returned unpaid, you will be charged a fee of \$10.00 for each item returned.

c. **Card Replacement Fee.** You will be charged a fee of \$10.00 per person to replace a card.

d. **Collection Costs.** If we are forced to take collection action or any other legal action under this Agreement/Disclosure, you agree to pay all court and collection costs, reasonable attorney's fees and all similar costs on appeal.

e. **Foreign Transaction Fee.** Any charges or expenses associated with card usage or transactions originating outside of the United States will be passed through to you and charged to your Account.

➤ **PAYMENTS** — Each month you must pay at least the minimum payment shown on your statement by the date specified on the statement or no later than twenty-eight (28) days from the statement closing date, whichever is later. If your statement says the payment is “Now Due,” your payment is due no later than twenty-eight (28)

days from the statement closing date. You may pay more frequently, pay more than the minimum payment or pay the Total New Balance in full. If you make extra or larger payments, you are still required to make at least the minimum payment each month your Account has a balance (other than a credit balance). The minimum payment is 3% of your Total New Balance, or \$10.00, whichever is greater, plus the amount of any prior minimum payments that you have not made, and any amount you are over your credit limit. The Credit Union also has the right to demand immediate payment of any amount by which you are over your credit limit.

- **PAYMENT ALLOCATION** – If your payments are less than the Previous Balance those payments apply first to unpaid Finance Charges and fees, then to principal balances. If your payments equal or exceed the Previous Balance, that balance is paid prior to any cash advance balance.
- **DEFAULT** — You will be in default if you fail to make any minimum payment or other required payment by the date that it is due. You will be in default if you break any promise you make under this Agreement/Disclosure. You will be in default if you die, file for bankruptcy or become insolvent, that is, unable to pay your obligations when they become due. You will be in default if you make any false or misleading statements in any credit application or credit update. You will also be in default if something happens that the Credit Union believes may substantially reduce your ability to repay what you owe.

When you are in default, the Credit Union has the right to demand immediate payment of your full Account balance without giving you notice. If immediate payment is demanded, you agree to continue paying finance charges, at the periodic rate charged before default, until what you owe has been paid.

- **LIABILITY FOR UNAUTHORIZED USE-LOST/STOLEN CARD NOTIFICATION** — You agree to notify us immediately, orally or in writing at 105 E Cherry St., Vermillion, SD 57069 or telephone **(605) 677-5214 Monday through Friday 8:30 A.M. to 5:00 P.M. or Saturday 9:00 A.M. to 12:00 P.M.**, of the loss, theft, or unauthorized use of your Credit Card. **Twenty-four (24) hours a day, seven (7) days a week, you may contact the MasterCard helpline at (800) 808-6402 for lost/stolen cards or questions.** You may be liable for the unauthorized use of your Credit Card. You will not be liable for unauthorized use that occurs after you notify us of the loss, theft, or possible unauthorized use. You will have no liability for unauthorized purchases made with your Credit Card, unless you are grossly negligent in the handling of your card. In any case, your liability will not exceed \$50.00.
- **CHANGING OR TERMINATING YOUR ACCOUNT** — The Credit Union may change the terms of this Agreement/Disclosure from time to time. Notice of any change will be given in accordance with applicable law. If permitted by law and specified in the notice to you, the change will apply to your existing Account balance as well as to future transactions.

Either you or the Credit Union may terminate this Agreement/Disclosure at any time. You, the Member may cancel this Agreement/Disclosure at any time by notifying the Vermillion Federal Credit Union (VFCU) in writing and returning the Credit Card cut in half. Termination by you or the Credit Union will not affect your obligation to pay the Account balance plus any finance and other charges you owe under this Agreement/Disclosure. You are also responsible for all transactions made to your Account after termination, unless the transactions were unauthorized.

The Card or Cards you receive remain the property of the Credit Union and you must recover and surrender to the Credit Union all Cards upon request or upon termination of this Agreement/Disclosure whether by you or the Credit Union. The Credit Union has the right to require you to pay your full Account balance at any time after your Account is terminated, whether it is terminated by you or the Credit Union. If this is a joint Account, the Joint Account Section of this Agreement below also applies to termination of the Account.

- **CREDIT INFORMATION** — You authorize the Credit Union to investigate your credit standing when opening or reviewing your Account. You authorize the Credit Union to disclose information regarding your Account to credit bureaus and creditors who inquire about your credit standing. If your account is eligible for emergency cash and/or emergency card replacement services, and you request such services, you agree that we may provide personal information about you and your account that is necessary to provide you with the requested service(s).

- **RETURNS & ADJUSTMENTS** — 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.
- **ADDITIONAL BENEFITS / CARD ENHANCEMENTS** — The Credit Union does offer Member's Choice Payment Protection for Credit Cards through CUNA Mutual Group. The benefits offered include Single Credit Life and/or Single Credit Disability, Joint Credit Life and/or Joint Credit Disability. If you elect this protection, the premium will be added to your credit card account monthly. The premium is based on your outstanding balance. You understand that the Credit Union is not obligated to offer such services and may withdraw or change them at any time.
- **FOREIGN TRANSACTIONS** — Purchases and cash advances made in foreign currencies will be posted to your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by MasterCard from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard itself receives or the government-mandated rate in effect for the applicable central processing date. The exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

A fee of 1% of the amount of the transaction, calculated in U.S. dollars, will be imposed on all foreign transactions, including purchases, cash advances and credits to your account. 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.

- **MERCHANT DISPUTES** — The Credit Union is not responsible for the refusal of any merchant or financial institution to honor your Card. The Credit Union is subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the Card if you have made a good faith attempt but have been unable to obtain satisfaction from the merchant or service provider, and your purchase cost more than \$50.00 and was made in your state or within one hundred (100) miles of your current mailing address.
- **JOINT ACCOUNTS** — If this is a joint Account, each person on the Account, when they signed the credit card application, has agreed to the terms and conditions of this Agreement/Disclosure. Each of you will be individually and jointly responsible for paying all amounts owed under this Agreement/Disclosure. This means that the Credit Union can require any one of you individually to repay the entire amount owed under this Agreement/Disclosure. Each of you authorizes the other(s) to make purchases or cash advances individually. Any one of you may terminate the Account and the termination will be effective as to all of you.
- **EFFECT OF AGREEMENT** — This Agreement/Disclosure is the contract which applies to all transactions on your Account even though the sales, cash advances, credit or other slips you sign or receive may contain different terms.
- **NO WAIVER** — The Credit Union can delay enforcing any of its rights any number of times without losing them.
- **STATEMENTS & NOTICES** — Statements and notices will be mailed to you at the most recent address you have given the Credit Union, unless you have elected to have E-statements. Notice sent to any one of you will be considered notice to all.
- **FINAL EXPRESSION** — This Agreement/Disclosure is the final expression of the terms and conditions of this MasterCard line of credit between you and the Credit Union. This written Agreement/Disclosure may not be contradicted by evidence of any alleged oral agreement.
- **COPY RECEIVED** — You acknowledge that you have received a copy of this Agreement/Disclosure. You understand that the use of your credit card will constitute acknowledgement of receipt and agreement to the terms of the credit agreement/disclosure.

## **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 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 sixty (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 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 (3) 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 thirty (30) days, unless we have corrected the error by then. Within ninety (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 an 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 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 to us within ten (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 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.

If we don't follow these rules, we can't collect the first \$50.00 of the questioned amount, even if your bill 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 (2) limitations on this right:

- You must have made the purchase in your home state or, if not within your home state, within one hundred (100) miles of your current mailing address; and
- 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.

**INTEREST RATES AND INTEREST CHARGES:**

<b>Annual Percentage Rate (APR) for Purchases</b>	<b>11.75%</b> This APR will vary with the market based on the Prime Rate.
<b>APR for Balance Transfers</b>	<b>11.75%</b> This APR will vary with the market based on the Prime Rate.
<b>APR for Cash Advances</b>	<b>11.75%</b> This APR will vary with the market based on the Prime Rate.
<b>How to Avoid Paying Interest on Purchases</b>	Your due date is 28 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire balance by the due date each month. We will begin charging interest on cash advances and balance transfers on the transaction date.
<b>Minimum Interest Charge</b>	No Minimum Interest Charge.
<b>For Credit Card Tips from the Consumer Financial Protection Bureau (CFPB)</b>	To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a> .

**FEES:**

<b>Annual Fee</b>	<b>None</b>
<b>Transaction Fees:</b> * Balance Transfer * Cash Advance * Foreign Transaction	\$2.00 1.00% of each transaction in U.S. dollars
<b>Penalty Fees:</b> * Late Payment * Returned Payment	<b>Up to \$10.00</b> <b>\$10.00</b>

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