

LOWER EAST SIDE PEOPLE'S FEDERAL
CREDIT UNION

37 Avenue B
New York, NY 10009
(212) 529-8197

VISA CARDHOLDER AGREEMENT

Effective 02/22/2010

This Agreement applies to the Card Program indicated with a √:

Gold	Classic Preferred	Classic Plus
	Classic	Secured

In this Agreement the words "you" and "your" mean each and all of those who agree to be bound by this Agreement; the words "we," "us," and "our" mean the Lower East Side People's Federal Credit Union or anyone to whom we transfer this Agreement; "Card" means the VISA credit card and any duplicates, renewals, or substitutions we issue to you; and "Account" means your VISA credit card line of credit account with us.

This Agreement includes the initial disclosures required by federal law, as well as a separate statement containing important information regarding your rights to dispute billing errors. Please retain this Agreement so you can refer to it if you have any questions regarding your Account.

1. **Using Your Account.** If you are approved for an Account, we 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, balance transfers, 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 us. We have 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.

2. **Using Your Card.** You may use your Card to make purchases from merchants and others who accept VISA 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 number security information before you will be permitted to complete the transaction. In addition, you may obtain cash advances from us and from other financial institutions that accept VISA Cards, and from some automated teller machines (ATMs). (Not all ATMs accept VISA Cards.) 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.

3. **Responsibility.** You agree to pay all charges (purchases, cash advances, balance transfers, finance charges and "other charges") 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 or another agreement you made with us. If this is a joint Account, Section 17 below also applies to your Account.

4. **Finance Charges.** A Finance Charge will be imposed on **Credit Purchases** only if you elect not to pay the entire New Balance of purchases shown on your monthly statement for the previous billing cycle within twenty-five (25) days from the closing date of that statement. If you elect not to pay the entire New Balance shown on your previous monthly statement within that twenty-five-(25)-day period, 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, and 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 or until the date of payment if more than twenty-five (25) days from the closing date. To avoid incurring an additional **Finance Charge** on the balance of Credit Purchases and on any new Credit Purchases reflected on your monthly statement, you must pay the New Balance shown on or before the Payment Date.

The **Finance Charges** for a billing cycle are computed by applying the monthly Periodic Rate of 0.740% (*Gold*), 0.740% (*Secured*), 0.863% (*Classic Preferred*), 1.110% (*Classic Plus*) or 1.356% (*Classic*) which is an **ANNUAL PERCENTAGE RATE of 9.00% (*Gold and Secured*), 10.50% (*Classic Preferred*), 13.50% (*Classic Plus*) or 16.50% (*Classic*)** to the average daily balance during the billing cycle, which is determined by dividing the sum of the daily balances during the billing cycle by the number of days in the cycle. Each daily balance is determined by adding to the Previous Balance any new Credit Purchases and Cash Advances posted to your Account, and subtracting any payments as received and credits as posted to your Account, but excluding any unpaid **Finance Charges**. Subject to the above, the grace period for the New Balance of Credit Purchases extends to the Payment Date.

The **Finance Charge on Cash Advances** begins to accrue on the date you obtain the Cash Advance or the first day of the billing cycle in which it is posted to your Account, whichever is later, and will otherwise be calculated in the same manner as explained above for Credit Purchases.

We offer five (5) different Card Programs, each of which has a different annual percentage rate. The Card

Program you qualify for will be based on your current BEACONSM credit score (which you can obtain for a fee from Equifax at *consumer.equifax.com* or by calling 888-685-1111). The **ANNUAL PERCENTAGE RATE** for Credit Purchases is subject to change quarterly and will be determined by the **Prime Rate in effect on the first Thursday of March, June, September and December** (called the "Bank Prime Loan Rate," it can be found on the website of the Board of Governors of the Federal Reserve System at *federalreserve.gov/releases/h15/update* or by calling 212-720-6130) **plus 5.75% (*Gold or Secured*), 7.25% (*Classic Preferred*), 10.25% (*Classic Plus*) or 13.25% (*Classic*)**. Changes in the annual percentage rate take effect the first day of the following month's billing cycle. There is no minimum rate nor greater than the maximum rate permitted by law. Any increase in the annual percentage rate will take the form of additional payments shown as Total Minimum payments on the statement. The **ANNUAL PERCENTAGE RATE** for Cash Advances and Balance Transfers is **18%**. In the event of delinquent or non-payment on the credit card over 90 days there will be an interest rate increase to 18% as a penalty.

In addition to the Finance Charges calculated above, a **FINANCE CHARGE** of 3% of the loan advance or fifty dollars (\$50) maximum will be charged for each Cash Advance of fifty dollars (\$50) or more.

5. **Other Charges.** The following other charges (fees) will be added to your Account, as applicable:

- Annual Fee:**
 - Gold:* None (\$0).
 - Classic Preferred, Classic Plus, or Classic:* Twenty-five dollars (\$25). This fee is waived if you performed at least four (4) transactions (Credit Purchases or Cash Advances) with your Card during the previous year.
 - Secured:* Twenty-five dollars (\$25).
- Overlimit Fee:** N/A
- Late Payment Fee:** If you are five (5) or more days late in making a payment, you will be charged a fee of thirty dollars (\$30.00).
- Returned 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 thirty dollars (\$30.00) for each item returned.
- Insufficient Funds (NSF) Fee:** If you have elected to have your monthly payments made automatically from your share (savings) or share draft (checking) account but you have insufficient funds to make the payment, you will be charged a fee of thirty dollars (\$30.00).
- Collection Costs:** You agree to pay all costs of collecting the amount you owe under this Agreement, including court costs and reasonable attorney fees.

6. **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-five (25) 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-five (25) 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 three percent (3%) of your total New Balance, or twenty dollars (\$20), whichever is greater, plus the amount of any prior minimum payments that you have not made

7. **Payment Allocation.** Subject to applicable law, your payments may be applied to what you owe us in any manner we choose.

8. **Security Interest.** If you give the Credit Union a specific pledge of shares by signing a separate pledge of shares, your pledged shares will secure your Account. You may not withdraw amounts that have been specifically pledged to secure your Account until the credit union agrees to release all or part of the pledged amount. In addition, your Account is secured by all other shares you have in any individual or joint account with the Credit Union, except for shares in an Individual Retirement Account or in any other account that would lose special tax treatment under state or federal law if given as security. These other shares may be withdrawn unless you are in default under this Agreement. You authorize the Credit Union to apply the balance in your individual or joint share accounts to pay any amounts due on your Account if you should default. Collateral securing other loans you have with the Credit Union may also secure this loan, except that a dwelling will never be considered as security for this Account, notwithstanding anything to the contrary in any other agreement.

9. **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. 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 we believe may substantially reduce your ability to repay what you owe.

When you are in default, we have 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, and any shares that were given as security for your Account may be applied toward what you owe.

10. **Liability for Unauthorized Use — Lost/Stolen Card Notification.** You agree to notify us immediately, orally or in writing at 37 Avenue B, New York, NY 10009 or by telephone at 800-325-3678 seven (7) days a week, twenty-

four (24) hours a day, of the loss, theft, or unauthorized use of your Card. You may be liable for the unauthorized use of your 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 Card, unless you are grossly negligent in the handling of your Card. In any case, your liability will not exceed fifty dollars (\$50).

11. **Changing or Terminating Your Account.** We may change the terms of this Agreement 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 we may terminate this Agreement at any time, but termination by you or us will not affect your obligation to pay the Account balance plus any finance and other charges you owe under this Agreement. 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 our property and you must recover and surrender to us all Cards upon request or upon termination of this Agreement whether by you or us. We have 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 us. If this is a joint Account, Section 17 of this Agreement also applies to termination of the Account.

12. **Credit Information.** You authorize us to investigate your credit standing when opening or reviewing your Account. You authorize us to disclose information regarding your Account to credit bureaus and creditors who inquire about your credit standing.

13. **Returns and Adjustments.** Merchants and others who honor your Card may give credit for returns or adjustments, and they will do so by sending us a credit slip which will be posted to your Account. If your credits and payments exceed what you owe us, the amount will be applied against future purchases and cash advances. If the credit balance amount is one dollar (\$1) or more, it will be refunded upon your written request or automatically after six (6) months.

14. **Additional Benefits/Card Enhancements.** We may from time to time offer additional services to your Account, such as travel accident insurance, at no additional cost to you. You understand that we are not obligated to offer such services and may withdraw or change them at any time.

15. **Foreign Transactions.** Purchases and cash withdrawals made in foreign countries and foreign currencies will be debited from your Account in U.S. dollars. The conversion rate to dollars will be determined in accordance with the operating regulations established by VISA International. Currently the currency conversion rate used to determine the transaction amount in U.S. dollars is

generally either a government-mandated rate or the wholesale rate in effect the day before the transaction processing date, increased by one percent (1%). The currency conversion 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. When Visa is not required to perform the currency conversion, the fee will be 0.8%

16. **Merchant Disputes.** We are not responsible for the refusal of any merchant or financial institution to honor your Card. We are 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 (a) your purchase was made in response to an advertisement we sent or participated in sending to you; or (b) your purchase cost more than fifty dollars (\$50) and was made in your home state or within one hundred (100) miles of your home.

17. **Joint Accounts.** If this is a joint Account, each person on the Account must sign the Agreement (by signing on the application). Each of you will be individually and jointly responsible for paying all amounts owed under this Agreement. This means that we can require any one of you individually to repay the entire amount owed under this Agreement. 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.

18. **Effect of Agreement.** This Agreement 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.

19. **No Waiver.** We can delay enforcing any of our rights any number of times without losing them.

20. **Statements and Notices.** Statements and notices will be mailed to you at the most recent address you have given us. Notice sent to any one of you will be considered notice to all.

21. **Final Expression.** This Agreement is the final expression of the terms and conditions of this VISA line of credit between you and us. This written Agreement may not be contradicted by evidence of any alleged oral agreement.

22. **Copy Received.** You acknowledge that you have received a copy of this Agreement.

23. **Signatures.** By signing in the Signature area of the application form that you completed to receive your Card, you agree to the terms of this Agreement.

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 share (savings) or share draft (checking) 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 any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay 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 fifty dollars (\$50) 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:

- (a) 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
- (b) The purchase price must have been more than fifty dollars (\$50).

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

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