

# Credit MasterCard® Agreement

(Effective Date: March 1, 2018)



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## 1. INTRODUCTION.

This Agreement covers your Credit MasterCard® account, issued by the American Lake Credit Union ("Credit Union"). In this Agreement the words "you," "your," "yours," "applicant," and "Borrowers" mean any person who signs the application for this Account, any joint obligor, guarantor, authorized user, or the person whose name is embossed on the Card. The words "we," "our," and "Credit Union" mean the American Lake Credit Union. The word "Card" means any one or more credit cards issued under the Credit Union's Credit Card program. If you sign a written or online application for this Account or sign or use any Card or PIN, or allow others to use the Card or PIN, you and they will have accepted this Agreement just as if you and they signed it, and you and they, jointly and severally, will be bound by the terms and conditions of this Agreement and the accompanying Account Disclosures ("Agreement") which will govern your Account.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT.** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means to you: When you open a credit card account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

## 2. ACCOUNT ACCESS.

**a. Purchases and Cash Advances.** You must sign the Card to use it. Once you have signed the Card, you can use it for consumer purposes (personal, family, household) to make purchase and cash advance transactions subject to the amount of your credit line. You may use your Card to purchase goods and services any place your Card is honored by participating merchants. No purchase amount may exceed the amount of your credit line. You may use your Account to get cash advances from the Credit Union and from participating financial institutions or automated teller machines (ATMs).

**b. Balance Transfers.** After account opening you may request credit card balance transfers of your account balances at another institution. Balance transfer transactions will be treated as cash advances for interest accrual. We may offer rate discounts on balance transfers during the first 30 days after your account opening as set forth on your Account Disclosures.

**c. Access Checks.** If we approve, you may obtain advances under your Account by writing preprinted Credit Access checks ("Access Checks") that we supply to you. Your use of loan checks will be shown as cash advances on your monthly statement. We may not honor your loan check if: your check is post-dated; payment of the check would exceed your Credit Limit; a check is signed by persons without authorized access; your Account has been terminated or suspended, or any checks have been reported lost or stolen. You may stop payment on a loan check if you provide the Credit Union with the exact information describing the check. If you give us incorrect information, we will not be responsible for failing to stop payment. You understand

there may be a charge for each stop payment order requested. Our liability for a wrongful dishonor is limited to your actual charges; however, a check dishonor for the reasons stated above is not a wrongful dishonor. Only the person whose name is printed on an Access Check may sign it. All Access Checks must be written in U.S. dollars. We will not certify an Access Check. You may write these checks for up to \$0 per day providing your total outstanding balance does not exceed your available credit limit and your credit card remains in good standing. We are entitled to return a check unpaid if there is not enough available credit on your account to pay it, if you are in default under this Agreement, if your card or Access Checks have been reported lost or stolen, or if the Access Check is post-dated. An Access Check may not be used to make a payment on your Account. We will have no liability for any Access Check returned in excess of your credit line.

## 3. YOU PROMISE TO PAY.

You promise to pay the Credit Union all such amounts, plus any Interest Charges, which arise from the use of the Card or Account by you or any other person, and to be jointly and severally liable with such a person, unless such other person does not have actual, implied, or apparent authority for such use, and you received no benefit from the use. You promise to pay the Credit Union either by direct payment or by automatic transfers from savings or checking.

## 4. CREDIT LINE.

This Agreement will constitute a revolving line of credit for an amount which will be the credit line under your Account. You may access your credit line through Card purchases, cash advances, balance transfers and loan checks. We will advise you of the amount of your credit line on your statement. That amount will be the maximum amount you may have outstanding at any one time. You agree not to attempt to obtain more credit than the amount of your credit line. We retain the right to increase or decrease your credit line at any time for any reason. Any increase or reduction on the limit of your credit line will be shown on your monthly statement or by separate notice together with any changes in the applicable minimum monthly payments. Your eligibility for this credit line is determined by our loan policy and may be terminated at our sole discretion, without demand or notice. You may close your credit line at any time by notifying the Credit Union in writing and returning all Cards cut in half. If you terminate this Agreement or if we terminate or suspend your credit privileges, the provisions of this Agreement and your liability hereunder shall otherwise remain in full force and effect until you have paid the Credit Union all sums due under this Agreement and returned all Cards.

## 5. MINIMUM MONTHLY PAYMENT.

You agree that you will pay each month not less than the minimum monthly payment on or before the scheduled monthly due date. The minimum monthly payment will be 2% of your outstanding balance ("New Balance") or \$20.00, whichever is greater. If your outstanding balance is \$20.00 or less, you agree to pay the balance in full. The total minimum payment due each month is the minimum monthly payment, any amounts past due and any overlimit amounts. We can accept late payments or partial payments, or checks, drafts, or money orders marked "payment in

full” without prejudice to our rights under this Agreement, which are hereby explicitly reserved. A credit posting from a merchant or reversal of fees does not constitute a minimum monthly payment. Your payments may be allocated at the Credit Union’s discretion to pay off lower rate balances, such as promotional offers, before higher rate balances, such as cash advances or purchases. However, payments in excess of the minimum payment will be allocated first to higher rate balances, as applicable. From time to time, we may allow you to skip your minimum monthly payment due. If you choose to skip that payment, Interest Charges will continue to accrue in accordance with this Agreement. Payments received at: the American Lake Credit Union, PO Box 98979, Lakewood, WA 98496 at or before 12 PM Pacific Time on any business day will be credited to your Account as of that date; payments received by mail at that address after 12 PM Pacific Time, on a weekend or federal holiday will be posted to your Account as of the next business day. You may make your payment in person at a Credit Union branch at any time during the Credit Union’s general hours of operation on business days and the payment will be credited to your Account as of that date. Payment crediting to your Account may be delayed up to five days if your payment is received by mail at any other address or not accompanied by the remittance portion of your Account statement.

## 6. SECURITY INTEREST

By signing your application, to secure your Account, you granted us a purchase money security interest under the Washington Uniform Commercial Code in any goods you purchase through your Account. If you default, we will have the right to recover any of these goods that have not been paid for through application of your payments in the manner described in Section 4. In addition, you granted us a security interest in all your shares and deposits, present and future, and all accounts (except Individual Retirement Accounts and Keogh Accounts) with the Credit Union to secure your Account and agree, upon default, the Credit Union may apply all that is secured to pay any amounts due under this Agreement, without further notice to you. **You further agree that collateral securing other loans with the Credit Union (except loans secured by real property) also secures this Account.**

## 7. MONTHLY STATEMENTS.

Each month we will send you a statement showing purchases, cash advances, payments, and credits made to your Account during the billing cycle, as well as your “New Balance,” any Interest Charge and any late charge or other charges. Your statement also will identify the minimum monthly payment you must make for that billing period and the date it is due. You agree to retain, for statement verification, copies of transaction slips resulting from each purchase, each advance, and other transactions on your Account. Unless you notify the Credit Union of a billing error as described below, you accept your monthly statement as an accurate statement of your Account with the Credit Union.

## 8. CIRCUMSTANCES UNDER WHICH AN INTEREST CHARGE WILL BE IMPOSED.

The total outstanding balance of purchases, cash advances and balance transfers in the Account on the closing date of a billing cycle, including any fees and Interest Charges will be shown on the Periodic Statement for that billing cycle as the “New Balance.”

**a. Cash Advances.** An Interest Charge will be imposed on cash advances (including Access Check advances) from the date each cash advance is posted until such advances are paid. There

is no time period within which to pay to avoid a periodic Interest Charge on cash advances and Access Check cash advances.

**b. Balance Transfers.** An Interest Charge will be imposed on balance transfer advances from the date each advance is posted until such advances are paid. There is no time period within which to pay to avoid a periodic Interest Charge on balance transfer advances.

**c. Purchases.** An Interest Charge will be imposed on the portion of purchases included in the new balance that remains unpaid 27 days after the closing date. This “grace period” allows you to avoid an Interest Charge on purchases for a billing cycle. However, to the extent you do not pay your entire New Balance shown on your statement on or before the Payment Due Date shown on your statement each month, your Interest Charge will accrue from the date purchases are posted to your account.

## 9. METHOD USED TO DETERMINE THE BALANCE ON WHICH THE INTEREST CHARGE COMPUTED.

We figure the Periodic Interest Charge on your Account by applying the Periodic Rate to the “Average Daily Balance” of the account including current purchases, cash advances and balance transfers on your Account. To get the “Average Daily Balance” we take the beginning purchase, cash advance, balance transfer balances on your Account each day, add any new purchases, cash advances or balance transfers and subtract any payments or credits, unpaid Interest Charges and unpaid late charges. The Interest Charge is determined by multiplying the average daily balance by the number of days in the billing cycle and applying the Periodic Rate to that amount. However, to the extent you do pay your entire New Balance shown on your statement on or before the Payment Due Date shown on your statement each month, you will not pay any Interest Charges on your Purchases.

## 10. PERIODIC RATE AND CORRESPONDING ANNUAL PERCENTAGE RATE.

The Interest Charge imposed during the billing cycle will be determined by multiplying the Average Daily Balance by the Periodic Rate for purchases, cash advances, and balance transfers. The Annual Percentage Rate is fixed for all cards as follows:

7.99% - 19.99% - based on your creditworthiness

When the Annual Percentage Rate applies based on your creditworthiness, the Credit Union will review your payment history, transaction patterns, credit score and activity, and other economic factors to determine the rate to which you qualify. Your Periodic Rate and Annual Percentage Rate for purchases, cash advances and balance transfers will be disclosed to you on the Account Disclosures accompanying this Agreement and will be shown on each monthly statement. The “Total Interest Charge” shown on your monthly statement consists of the periodic Interest Charge on purchases, cash advances and balance transfers.

## 11. CONDITIONS UNDER WHICH OTHER CHARGES MAY BE IMPOSED.

We may impose the following fees and charges on your Account:

**a. Late Fee.** If we do not receive your minimum payment within 10 days of the due date, we may impose a Late Fee of \$20.00.

**b. Returned Payment Fee.** If any check we receive from you as payment on your Account is returned to the Credit Union unpaid or for any Access Check drawn on your Account is returned unpaid, we may impose a returned item fee of \$25.00.

**c. Overlimit Fee.** If you consent, we may impose an overlimit fee of \$20 for exceeding your approved credit limit by more than \$1.00. You may be charged this fee for each subsequent month until your new balance is below the approved credit limit.

**d. Document Copy Fees.** If you request a copy of a credit card statement or receipt, we may charge your Account \$2.50 per copy. . These charges cover the costs of locating, copying, and delivering the documents to you. If a request is related to a billing error and an error is found, we will reverse any photocopying charges.

**e. ATM Fees.** If you use an ATM to obtain a cash advance and the ATM is not operated by the Credit Union, you may be charged an ATM surcharge by the ATM operator or an ATM network utilized for such a transaction. The ATM surcharge may be charged to your account if you complete the transaction.

**f. Currency Conversion/Foreign Transaction Fee.** Purchases and cash advances made in foreign countries will be billed to you in US dollars. The currency conversion rate for international transactions as established by MasterCard® International is a rate selected by MasterCard® from the 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. MasterCard® USA charges us a 1.00% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, you will be charged a foreign transaction fee of 1.00% of the transaction amount for any card transaction made in a foreign country.

**g. Attorney's Fees and Costs.** If you default on any part of this Agreement, you agree to pay the Credit Union all costs to collect your Account, including court costs and reasonable attorney fees and collection agency costs whether or not there is a lawsuit, and fees on any appeal and fees for bankruptcy proceedings, appeals, and any post judgment collection services, if applicable.

## 12. CONDITIONS OF CARD USE.

The use of your Card and Account are subject to the following conditions:

**a. Ownership of Cards.** Any Card or Access Checks that we supply to you are our property and must be returned to us or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the Card, immediately according to our instructions. The Card may be repossessed at any time at our sole discretion without demand or notice. You cannot transfer your Card or Account to another person. You may not use the Card for any illegal or unlawful transactions and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness.

**b. Honoring the Card.** Neither we nor merchants authorized to honor the Card will be responsible for the failure or

refusal to honor the Card or any other credit instrument or device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your Account in lieu of a cash refund.

**c. Notices.** All notices will be sent to your address as shown on your account. You agree to advise the Credit Union promptly if you change your mailing address.

**d. Security of Access Code.** The personal identification number (PIN) or access code that you select is for your security purposes. The access code is confidential and should not be disclosed to third parties or recorded. You are responsible for safekeeping your access code. You agree not to disclose or otherwise make your access code available to anyone not authorized to sign on your accounts. If you authorize anyone to have or use your access code, you understand that person may review all of your account information and make account transactions. Therefore, we are entitled to act on transaction instructions received using your access code and you agree that the use of your access code will have the same effect as your signature authorizing transactions. If you authorize anyone to use your access code in any manner that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union and changing your access code immediately. You are responsible for any transactions made by such persons until you notify the Credit Union that transactions and access by that person are no longer authorized and your access code is changed. If you fail to maintain or change the security of these access codes and the Credit Union suffers a loss, we may terminate your electronic funds transfer and account services immediately.

## 13. DEFAULT.

You will be in default under this Agreement if any of the following occur: (a) any minimum monthly payment is not made when due; (b) you become insolvent, bankrupt, or you die; (c) you violate any part of this Agreement, or any other agreement with the Credit Union; or (d) if we reasonably deem ourselves insecure on your credit line. We will notify you in writing of any such action as soon as practical if it occurs. Upon default, we may declare the entire unpaid balance immediately due and payable, and you agree to pay that amount plus any attorney's fees and costs including collection agency costs incurred by the Credit Union. We can delay enforcing any right under this Agreement without losing that right or any other right. A negative credit report reflecting on your credit record may be submitted to a credit-reporting agency if you fail to fulfill the terms of this Agreement.

## 14. CREDIT INFORMATION AND REPORTING NEGATIVE INFORMATION.

You authorize us to release information to others (e.g., credit bureaus, merchants, and other financial institutions) regarding the status and history of your credit line. You agree to provide us, at any time we deem necessary, with a current financial statement and updated credit information upon request. We may investigate your credit directly or through a credit reporting agency. We may report negative information about your account to credit reporting agencies including: late payments, missed payments or any default condition.

## 15. REPORTING UNAUTHORIZED USE, LOSS OR THEFT OF CARD OR ACCESS CHECKS.

You agree to notify the Credit Union immediately of the loss, or the theft, or the use without your permission, of any Card or Access Checks that we provide to you. You may be liable for the unauthorized transactions that occur. You will need to notify: American Lake Credit Union, P.O. Box 98979, Lakewood, WA 98496 or telephone 253.584.0079 or 800.244.0874, orally or in writing of loss, theft, or possible unauthorized use. If you notify the Credit Union of your lost or stolen Credit Card promptly after discovery, you may not be liable for any losses related to credit transactions. This zero liability will apply provided you were not grossly negligent or fraudulent in handling your Card; otherwise your liability for unauthorized Credit MasterCard(r) transactions shall not exceed \$50.

## 16. BILLING ERRORS NOTICE—YOUR RIGHTS FOR CREDIT CARD TRANSACTIONS.

**a. Notify the Credit Union in Case of Errors or Questions About Your Statement.** This notice contains important information about your rights and our responsibilities for Credit MasterCard® transactions under the Fair Credit Billing Act. If you think your statement is wrong, or if you need more information about a transaction on your statement, write to the Credit Union at the address listed above 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 the Credit Union, 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 Credit MasterCard® transaction 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 Account Statement automatically from your checking 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.

**b. 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 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 charge you for the amount you question, including Interest 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 Interest Charge related to any questioned amount. If we did not make a mistake, you may have to pay Interest 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 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 to whom we reported you. We must tell anyone we report you to that the matter has been settled between you and the Credit Union when it finally is. If we don't follow these rules, we cannot collect the first \$50 of the questioned amount, even if your statement was correct.

**c. 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:

- i. 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
- ii. The purchase price must have been more than \$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.

## 17. AMENDMENTS.

We reserve the right to amend the terms of this Agreement at anytime as permitted by and subject to any limitations and notice requirements of applicable law.

## 18. GOVERNING LAW.

This Agreement will not take effect until it is approved by the Credit Union. This Agreement shall be governed by the laws of the State of Washington.

## 19. NOTICE AND AGREEMENT.

You understand and agree to the terms and conditions in this Credit MasterCard® Agreement. You acknowledge that you have received a copy of the Agreement. This Agreement is a final expression of the agreement between you and the Credit Union. This Agreement may not be contradicted by evidence of any oral agreement or alleged oral agreement and contains the terms applicable to the credit transaction.

**20. Military Lending Disclosures.** The following disclosures are provided and apply to the borrower who is a Covered Member as described below.

- a. Borrower Certification of Active Duty.** By requesting a Credit Card each borrower certifies to the Credit Union that borrower: (i) is a Covered member as a member of the Armed Forces who is currently serving on active duty (under a call or order not less than 30 days) Active Guard or Reserve duty; and (ii) borrower is the Covered Member or is a dependent of the Covered Member. Borrower(s) authorize the Credit Union to verify their status as a Covered Member or dependent by obtaining information from the database of the Department of Defense or from a consumer report obtained from a consumer reporting agency.
- b. Military Annual Percentage Rate.** Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36%. This rate must include, as applicable to the credit transaction or account: the costs

associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for a credit card account); and any participation fee charged (other than certain participation fees for a credit card account).

- c. **Payment Obligation.** Your payment obligation under your Credit Card Account is set forth in Sec. 3 and 5 above in the Credit Card Agreement.
- d. **Security Interest.** The Credit Union's security interest in all your Credit Union shares or deposits pursuant to the Credit Card Agreement will not apply your Credit Card Account. A security interest in shares or deposits granted in connection with any other credit card account, loan or line of credit does not secure the Credit Card Account identified above, in spite of any provision that collateral securing one loan secures all of your other Credit Union obligations. However, if you establish a deposit or share account specifically in connection with your Credit Card Account, funds deposited in that account after you establish the Credit Card Account are subject to our security interest as set forth above in the Credit Card Agreement.
- e. **Credit Union Toll-Free Telephone Number** – 800.244.0874. Call this number for verbal information about the Military Annual Percentage Rate and your payment obligation.