

Credit Card Agreement



TRUE NORTH
FEDERAL CREDIT UNION

1. INTRODUCTION.

This Agreement and the disclosure provided to you at the time you opened your account ("The Disclosure") cover your VISA Credit Card account ("Account"), issued by True North Federal Credit Union ("Lender"). 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," "us," "our," and "Lender" means the True North Federal Credit Union. The word "Card" means any one or more credit cards issued under the Credit Union's VISA programs and the terms of this Agreement applies to all the Credit Union's Credit Card programs except as specifically provided in this Agreement. If you sign an 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 following terms and conditions which will govern this Account.

2. ACCOUNT ACCESS.

You may use your Card for purchases, cash advances, or balance transfers. We may also provide you with convenience loan checks to use from time to time. However, you agree not to use the Card or convenience loan checks for any illegal transactions or purposes.

- a. **Purchases and Cash Advances.** You must sign the Card to use it. Once you have signed the Card, you can use it to buy or lease goods or services, wherever the Card is honored, up to the full amount of your credit line. You may use your Account to get cash advances from us. You may also use your Card to get a cash advance from participating financial institutions or automated teller machine (ATM). You may use your Card to purchase goods and services any place your Card is honored by participating merchants. No purchase may exceed the available credit line. The Credit Union reserves the right to refuse any transaction that would draw upon insufficient funds.
- b. **Balance Transfers.** If you transfer a balance to your Account, the available credit on your Account will be reduced by the amount you transfer. Total balances may not exceed your available credit limit. Balance transfers are posted as cash advances and at the current cash advance rate on your monthly statement. We reserve the right to decline to process any partial or full balance transfer request.
- c. **Convenience Loan Checks.** If we approve, you may obtain advances under your Account by writing preprinted convenience loan checks that we supply to you. We may also provide you with convenience loan checks to use to make balance transfers to your Account. Your use of convenience loan checks will be shown as cash advances on your monthly statement. We may not honor your convenience loan check if: your convenience loan check is post-dated; payment of the convenience loan check would exceed your Credit Limit; a convenience loan check is signed by person without authorized access; the amount of the convenience loan check is less than the minimum required amount; your Account has been terminated or suspended, or any drafts have been reported lost or stolen. You may stop payment on a convenience loan check if you provide us with the exact information describing the convenience loan 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 dishonor for the reasons stated above is not a wrongful dishonor. Only the person whose name is printed on a convenience loan check may sign it. All convenience loan check must be written in U.S. dollars. We will not certify a convenience loan check. You may write these convenience loan checks for any amount 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 it 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 convenience loan checks have been reported lost or stolen, or if the convenience loan check is post-dated. Over-the-credit limit fees may be charged as applicable. A convenience loan check may not be used to make a payment on your credit card account. The Credit Union shall have no liability for any convenience loan check returned in excess of your credit line.

3. YOU PROMISE TO PAY.

You promise to pay us all such amounts, plus any Interest Charges, which arise from 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 us either by direct payment or by automatic transfers from shares or payroll deduction.

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 Credit Card purchases, cash advances at participating merchants and convenience loan checks. You may also conduct balance transfers on your account that will reduce your available credit line. 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. However, if you temporarily exceed your credit line, you agree to pay any over-the-

credit limit fees and repay the excess immediately, even if we have not yet billed you. Obtaining such credit does not increase 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 us 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 us all sums due us 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. Minimum monthly payments include all amounts over limit, past due, late charges, over limit fees (if applicable) and the minimum regular payment. The minimum regular payment will be two percent (2%) of your new, unpaid outstanding balance ("New Balance") at the end of each billing cycle or \$25.00, whichever is greater. If your outstanding balance is \$25.00 or less, you agree to pay the balance in full. A credit posting from a merchant or reversal of fees do not constitute a minimum monthly payment. You may pay in full for all your purchases, balance transfers and cash advances each month, or you may repay in monthly installments. We can accept late payments or partial payments, or checks, drafts, and money orders marked "payment in full," without prejudice to our rights under this Agreement, which are hereby explicitly reserved. Payments will be applied first to unpaid interest charges, then to any fees, then to the balance. Your payments may be allocated at our discretion to pay off lower rate balances, such as promotional offers, before higher rate balances, such as cash advances, balance transfers or purchases. Payments in excess of the minimum monthly 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. All payments should be mailed to us at the remittance address shown on your monthly statements. Payments received at that address at or before 5:00 PM Alaska Time on any business day will be credited to your account as of the date received; payments received at that address after 5:00 PM Alaska Time on any business day, on a weekend or federal holiday will be posted to your Account as of the next business day. Payments received at one of our branch offices at or before 5:00 PM Alaska Time on any business day will be credited to your account as of that date; payments received by mail at that address after 5:00 PM Alaska Time, on a weekend or federal holiday will be posted to your Account as of the next business day. 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.

You grant the Credit Union a security interest under the Alaska Uniform Commercial Code in any goods purchased through your Credit Card Account. You agree that all collateral you have given the Credit Union to secure other loan obligations (except dwelling secured loans), in the past and in the future, will secure your obligations under this Agreement. In addition, by signing the Card Application, you have given us a security interest in all your shares and deposits, present and future, and all accounts (except Individual Retirement Accounts) with the Credit Union you 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.

7. MONTHLY STATEMENTS.

Each month we will send you a statement showing purchases, cash advances (which include balance transfers), 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 transaction on your Account. Unless you notify us of a billing error as described below, you accept your monthly statement as an accurate statement of your Account with us.

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

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

- a. **Cash Advances and Balance Transfers.** An Interest Charge will be imposed on cash advances and balance transfers from the date each cash advance or balance transfer is obtained or the first day of the billing cycle in which it is posted to your account, whichever is later, to the date paid. There is no time period within which to pay to avoid a periodic Interest Charge on cash advances, including ATM withdrawals, balance transfers and convenience loan check transactions.
- b. **Purchases.** Your payment due date will be at least 23 days after the date of your statement. An Interest Charge will be imposed on the portion of Credit Card purchases included in the new balance that remains unpaid by the due date shown on your statement. This "grace period" allows you to avoid an Interest Charge on purchases for a billing cycle. If you do not pay your purchase transactions within the grace period, Interest Charges will accrue on the unpaid portion of your purchase balance from the first day of the billing cycle in which the payment was due, and on new purchases from the date of purchase.

9. INTEREST CHARGE CALCULATION METHOD.

The Interest Charges for a billing cycle are computed by applying the daily periodic rate to the average daily balance multiplied by the number of days in the billing cycle OR the monthly periodic rate 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 (the outstanding balance of your account at the beginning of the billing cycle) any new transactions, and subtracting any payments as received or credits as posted to your account, but excluding any unpaid Interest Charges. However, no Interest Charge is imposed on purchases to the extent payments and credits for such purchases are made by the applicable due date.

10. PERIODIC RATE AND CORRESPONDING ANNUAL PERCENTAGE RATE.

- a. **Standard Rates.** The Annual Percentage Rate(s) and corresponding Periodic Rate(s) that are used to compute the Interest Charge for your Account are based upon your credit qualification and are disclosed in the Disclosure and in your monthly billing statement. To determine the monthly periodic rate, we divide the Annual Percentage Rate by 12. Changes in the Annual Percentage Rate and monthly period rate will be shown on your periodic statement for the month in which they become effective. If your Account has a variable interest rate, the Annual Percentage Rate may increase if the Prime Rate increases. Any increase or decrease in the Annual Percentage Rate may result in changes in the number of payments required to repay the unpaid balance and/or an increase in the minimum payment due.
- b. **Introductory/Promotional Rates.** At our discretion, we may offer you an introductory or promotional Annual Percentage Rate for your Account. Any introductory or promotional Annual Percentage Rate will be subject to the terms of the offer and this Agreement. We will provide you with information on the offer, including the time period the introductory or promotional Annual Percentage Rate is in effect in the Disclosure or in other materials that we send to you about the offer after you receive your Credit Card.

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 by the close of business on the fifth day after the payment due date, we may impose a Late Fee of up to \$25.00.
- b. **Returned Item Fee.** If any check, draft, or electronic payment we receive from you as payment for any amount you owed to us is returned to us unpaid, we may impose a returned payment fee of up to \$20.00.
- c. **Card Replacement Fee.** We may impose a \$5.00 card replacement fee for each replacement card you request, regardless of the reason. An additional fee for expedited delivery may be charged.
- d. **Research and Photocopying Charges.** If you request a statement copy we may charge your Account \$3.00 per copy. If you request any other document, we may charge your account \$5.00. 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 that is not operated by the Credit Union, you may be charged an ATM surcharge. The ATM surcharge will be debited from your account if you elect to complete the transaction.
- f. **Attorney's Fees and Costs.** If you default on any part of this Agreement, you agree to pay us all costs to collect your Account, including court costs and reasonable attorney's 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.
- g. **Foreign Transaction Fee.** We may impose a foreign transaction fee of up to 2% of the transaction amount for any transaction conducted through a merchant or service provider located in a country other than the United States. The Foreign Transaction Fee is a finance charge which is imposed from the date of the transaction. Interest does not accrue on the Foreign Transaction Fee.
- h. **Stop Payment Fee.** We may impose a fee of \$18.00 should you request stop payment of a loan convenience check written on your credit card account.

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 other credit instrument or device which we supply to you is 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 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 may be illegal or unlawful.
- 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. **Currency Conversion/Foreign Transaction Fee.** Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. The non-U.S. dollar transaction amount is converted into a U.S. dollar amount by multiplying the transaction amount in the non-U.S. dollar currency by a currency conversion rate which is either a government-mandated exchange rate or a wholesale exchange rate selected by VISA for the applicable currency on the day the transaction is processed. This rate may differ from the rate in effect when the transaction occurred or when it was posted to your account.
- d. **Notices and Payments.** All notices will be sent to your address as shown on your Credit Union Account or if you agreed to delivery of e-statements to the location agreed for delivery of e-statements and notices. You agree to advise us promptly if you change your email or mailing address. All payments should be mailed to us at the remittance address shown on your monthly statements. Payments received at that address will be credited to your Account as of the date received.
- e. **Personal Identification Number.** We will issue you a Personal Identification Number ("PIN") for use with your Card at automatic teller machines ("ATMs"). These numbers are issued to you for your security purposes. These numbers are confidential and should not be disclosed to third parties. You are responsible for safekeeping your PIN. You agree not to disclose or otherwise make available your PIN to anyone not authorized to sign on your Account. To keep your Account secure, please do not write your PIN on your Card or keep it in the same place as your Card.

13. CREDIT INSURANCE/LOAN PROTECTION.

Credit insurance or loan protection coverage is not required for any extension of credit under this Agreement. However, you may purchase any credit insurance or loan protection available through us and have the premiums added to your outstanding balance. If you elect to do so, you will be given the necessary disclosures and documents separately.

14. 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 us; or (d) if we reasonably deem ourselves insecure on your credit line. We will notify you as required by law. 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 us. 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.

15. CREDIT INFORMATION/FINANCIAL STATEMENTS.

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.

16. LOSS OR THEFT OF VISA CREDIT CARD OR CONVENIENCE LOAN CHECKS.

You agree to notify us immediately of the loss, or the theft, or the use without your permission, of any Card or other credit instrument or device which we supply to you. Please notify us at: by telephone at 800.449.7728; by writing at P.O. Box 34157, Juneau, Alaska 99803; orally or in writing of loss, theft, or possible unauthorized use. After business hours or on weekends call 800.449.7728. If you notify us of your lost or stolen credit card 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 VISA Credit Card transactions shall not exceed \$50.

17. BILLING ERRORS NOTICE RIGHTS FOR CREDIT CARD TRANSACTIONS.

Keep this document for future use. This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

What To Do If You Find A Mistake On Your Statement. If you think there is an error on your statement, write to us at: True North Federal Credit Union, P.O. Box 34157, Juneau, Alaska 99803. In your letter, give us the following information:

- Account information: Your name and account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do, we are not required to investigate any potential errors and you may have to pay the amount in question.

What Will Happen After We Receive Your Letter. When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- If we made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
- If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us. If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

Your Rights If You Are Dissatisfied With Your Credit Card Purchases.

If you are dissatisfied with the goods or services that you have purchased with your 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 purchase. To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
3. You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at the above address. While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

18. AMENDMENTS.

We have the right to change any terms and conditions of this Agreement at any time, as permitted by and subject to any limitations and notice requirements of applicable law.

19. GOVERNING LAW.

This Agreement will not take effect until it is approved by us. This Agreement shall be governed by the laws of the State of Alaska.

20. NOTICE AND AGREEMENT.

You understand and agree to the terms and conditions in this VISA Credit Card Agreement. You acknowledge that you have received a copy of the Agreement, The Disclosure and the Fair Credit Billing Notice. 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.

**TRUE NORTH FEDERAL CREDIT UNION
P.O. Box 34157
Juneau, Alaska 99803
907-523-4777 or 800-627-9728**