



CREDIT CARD AGREEMENT



P.O. Box 279, Three Rivers, CA 93271

NOTICE: See reverse side for important information regarding your rights to dispute billing errors. SEE THE ACCOUNT OPENING DISCLOSURE WHICH ACCOMPANIES THIS AGREEMENT

In this Agreement, the words ("you") and ("your") mean the person or persons who use or authorize the use of, or who sign an application for, a Valley Oak Credit Union Visa® Credit Card. ("Card") means the Valley Oak Credit Union Visa® credit card and any duplicates and renewals the Credit Union issues to you. ("Account") means your Visa® credit card line of credit account with the Credit Union. ("Credit Union") means Valley Oak Credit Union.

Military Lending Act Notice

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 percent. 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 specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).

1. Using the Account. If your application for a Visa credit card account is approved, the Valley Oak Credit Union will establish a line of credit for you and notify you of its amount when the card is sent to you. You agree not to let your account balance exceed your approved credit limit. Each payment you make on the account will restore your credit limit by the amount of the payment which is applied to the principal amount of purchases and cash advances. You may request an increase in your credit limit only by written application submitted to the Credit Union. The Credit Union has the right to reduce or terminate your credit limit at any time.

2. Using the Card. You may use your card to purchase goods and services in person, online, and by mail or telephone from merchants and others who accept Visa credit cards. In addition, you may obtain cash advances from the Credit Union, from other financial institutions or select merchants participating in the Visa program and from automated teller machines (ATMs), such as Visa ATM Network, that provide access to the Visa system. (Not all merchants or ATMs provide such access.) You will need to use your Personal Identification Number (PIN) to obtain a cash advance from an ATM.

3. Illegal Use of Visa Credit Card. You agree that your Visa Credit Card Account will not be used to make or facilitate any transaction(s) that are or might be construed to be illegal pursuant to applicable law, rule or ordinance, including but not limited to gambling. Said use, including any such authorized use, will constitute an event of default under this Agreement. You agree that the Credit Union has no liability, responsibility or culpability whatsoever for any such use by you or any authorized user(s). You agree that you are responsible for repayment of any and all debts incurred for these transactions. You further agree to indemnify and hold the Credit Union harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.

4. Responsibility. You agree to pay all charges (purchases and cash advances) to your account made by you or anyone who you authorize to use your account. You also agree to pay all other charges added to your account, pursuant to Paragraph 7. Your obligation to pay the amount owed on your account continues until paid in full even though an agreement, divorce decree or other court judgement to which the Credit Union is not a party may direct someone else to pay the account balance. Each of you who signs the application for a card, or who use the account is individually and jointly responsible for all amounts owed on the account.

5. Finance Charges. For Credit Purchases - A FINANCE CHARGE will be imposed on Credit Purchases only if you elect not to pay the entire New Balance shown on your monthly statement for the previous billing cycle by the Payment Due Date shown from the closing date of that statement. If you elect not to pay the entire New Balance shown on your previous monthly statement by the Payment Due Date shown, a **FINANCE CHARGE** will be imposed on the unpaid average daily balance of such Credit Purchases from the previous statement closing date and on the 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 the Payment Due Date shown from the closing date

We figure the **FINANCE CHARGE** on your account by applying the periodic rate to the "average daily balance" of your account. To get the "average daily balance" we take the beginning balance of your account each day, add any new purchases, and cash advances, and subtract any unpaid other finance charges and any payments or credits. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

Visa Accounts

Your **Visa Account** will be subject to a **FINANCE CHARGE** (interest) at an **ANNUAL PERCENTAGE RATE** and a corresponding Monthly Periodic Rate which will be determined by your credit score. The **ANNUAL PERCENTAGE RATE** and the corresponding monthly Periodic Rate will apply to both purchases and cash advances. Notification of the **ANNUAL PERCENTAGE RATE** for which you have been approved will be provided on the Visa Approval Letter and Account Opening Disclosure sent to you upon completion of the credit review and approval.

6. Change in Terms; Changing or Terminating Your Account. The Credit Union may change the terms of this Agreement, including your **ANNUAL PERCENTAGE RATE**, from time to time for any reason not inconsistent with applicable law after giving you any advance notice required by law. Your failure to exercise any right you may have to reject the change in terms in a timely manner will indicate your agreement to the change. Except as restricted or prohibited by law, any change in terms will apply to your existing account balance as well as to future transactions. Either the Credit Union or any one of you may terminate this Agreement at any time, but 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. The 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 whether by you or the Credit Union.

7. Other Charges. The following Other Charges will be added to your account, as applicable. All fees or charges associated with the Visa Credit Card Account are disclosed in our Fee Schedule, as amended from time to time, a copy of which accompanies this Agreement.

- **COPIES:** If you request a copy of any document, we may charge your account a fee. If your request is related to a billing error and an error is found, we will credit any copying charges to your account.
- **LATE PAYMENT FEE:** We reserve the right to charge a late payment fee of \$10.00 to your account each billing period that the minimum monthly payment is not received by 10 days after the due date.
- **RETURN PAYMENT FEE:** A fee will be assessed for each Visa payment check that is returned to the Credit Union.
- **CASH ADVANCE FEE (FINANCE CHARGE):** You will be charged a cash advance fee.
- **RESEARCH FEE:** If you request research on your account or authorize others to request it, we will charge you a per hour research fee. We will not charge this fee if you are making an inquiry about an error on your bill.
- **CARD REPLACEMENT FEE:** A fee will be assessed if your Visa Credit Card needs to be replaced due to damage, loss or theft.
- **PIN REPLACEMENT FEE:** A fee will be assessed if you request a PIN replacement.

8. Monthly Payment. Each month you must pay at least the minimum payment shown on your statement by the Payment Due Date shown. You may, of course, pay more frequently, pay more than the minimum payment, or pay the Total New Balance in full. If you make extra payments or larger payments, you are still required to make at least the minimum payment each month your account has a balance. The minimum payment is 2.0% of your Total New Balance but not less than \$25.00, plus the amount of any prior minimum payments that you have not paid. In addition, if at any time your Total New Balance exceeds your credit limit, you must immediately pay the excess upon demand. Subject to applicable law, your payments will be applied to what you owe the Credit Union in any manner the Credit Union chooses.

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 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 immediately terminate this Agreement and require repayment of your outstanding account balance plus any finance and other charges you owe under this Agreement. To the extent permitted by law, you will also be required to pay the Credit Union's collection expenses, including court costs and attorneys' fees.

10. Liability for Unauthorized Use; Lost or Stolen Card Notification. If you notice the loss or theft of your credit card or a possible unauthorized use of your card, you should write to us immediately at: P.O. Box 279, Three Rivers, CA 93271, or call us at (800) 543-5073.

You will not be liable for any unauthorized use that occurs after you notify us. You agree to cooperate fully in any investigation the Credit Union may conduct in connection with the loss, theft, or possible unauthorized use of your card.

11. Limitations to Liability for Visa Transactions. If there is unauthorized use on your consumer Visa Credit Card your liability will be zero (\$0.00). This provision limiting your liability does not apply to either Visa Corporate Card Transactions, Visa Purchasing Card Transactions, Anonymous Visa Prepaid Card Transactions, ATM cash disbursements or non-Visa PIN-less debit transactions. Additionally, your liability with respect to unauthorized transactions may be greater than the above limit, to the extent allowed under applicable law, if the Credit Union reasonably determines, based on substantial evidence, that you were negligent or fraudulent in the handling of your account or card.

12. 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. Pursuant to state law, you are hereby notified that 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 your credit obligations.

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

14. Foreign Transactions. Foreign Transactions in Foreign Currency Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars. Transactions processed outside of the United States, or in a foreign currency may be charged a foreign transaction fee, regardless of whether there is a currency conversion associated with the transaction. The conversion rate in

dollars will be a rate selected by Visa from a range of rates available in wholesale currency markets for the applicable Central Processing Date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable Central Processing Date in each instance, plus a one percentage point (1.0%) fee charged by the Issuer.

Foreign Transactions in U.S. Currency- Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. Transactions processed outside of the United States, in U.S. dollars, may be charged a foreign transaction fee of point eight percent (0.8%), regardless of whether there is a currency conversion associated with the transaction.

15. Merchant Disputes. The Credit Union is not responsible for the refusal of any merchant or financial institution to honor the 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 (a) your purchase was made in response to an advertisement the Credit Union sent or participated in sending to you; or (b) your purchase cost more than \$50 and was made in your state or within 100 miles of your home.

16. 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.

17. No Waiver. The Credit Union can delay enforcing any of its rights any number of times without losing them.

18. Statements and Notices. You will receive a statement each month showing transactions on your account. Statements and notices will be mailed to you at the most recent address you have given the Credit Union. Notice sent to any one of you will be considered notice to all. You agree to promptly notify the Credit Union if you change your mailing address.

19. Transfer of Account. You cannot transfer or assign your account to any other person.

20. Governing Law. This Agreement and your account shall be governed by California law without regard to any conflict of law rules.

YOUR BILLING RIGHTS - KEEP THIS NOTICE 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: Valley Oak Credit Union, P.O. Box 279, Three Rivers, CA 93271

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 error 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: Valley Oak Credit Union, P.O. Box 279, Three Rivers, CA 93271. 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.