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MASTERCARD AGREEMENT AND DISCLOSURE

This Agreement will establish the terms and conditions of your credit card agreement with Acclaim Federal Credit Union. In this Agreement, the words “you” and “your” mean any person receiving and using the card and that by using the card for the first “you” agree to all terms and conditions in this agreement. “Card” means the Classic MasterCard and/or Gold MasterCard credit card and any duplicates and renewals the Credit Union issues. “Account” means your Classic MasterCard and/or Gold MasterCard credit card account with the Credit Union. “Credit Union”, “we”, “us”, and “our” mean Acclaim Federal Credit Union. You must be a member of the Credit Union to apply for a credit card. Except to the extent that Federal Law is applicable, the laws of the State of North Carolina shall govern the validity, construction and enforcement of this Agreement and all matters arising out of the issuance and use of the Card.

•**USING THE ACCOUNT:** Upon your approval for an account, the Credit Union will establish a line of credit for you and notify you of your credit limit. You agree that your credit limit is the maximum amount (purchases, cash advances, finance charges, plus “other charges”) which you will have outstanding on your account at any time. If you are over your credit limit, you must pay the amount you are over before payments will begin to restore your credit limit. You may request an increase in your credit limit only by a method acceptable to the Credit Union. The Credit Union has the right to reduce your credit limit, refuse to make an advance and/or terminate your account at any time for any reason not prohibited by law.

•**USING YOUR CARD:** You understand that by using your credit card constitutes acknowledgement of receipt and agreement to the terms of the credit card agreement between you and the Credit Union. You may use your card to make purchases from merchants and others who accept MasterCard credit cards. You may also obtain cash advances from the Credit Union, automated teller machines (ATMs) and from other financial institutions that accept MasterCard credit cards. (Not all ATMs accept MasterCard cards.) Your MasterCard personal Identification Number (PIN) is needed to obtain cash advances from an ATM. You agree that you will not use your card for any transaction that is illegal under applicable federal, state, or local law.

•**RESPONSIBILITY:** You promise to pay any and all charges (purchases and cash advances) incurred by you or by any person whom you authorize to use the Credit Card issued to you, and any fees or charges incurred in the recovery of a credit card, retrieval or transaction data, or collection of this account in accordance with the terms and conditions issued by MasterCard, and in accordance with the policies established by the Credit Union

Your obligation to pay the amount owed on your account continues until paid in full even though an agreement, divorce decree or other court judgment to which the Credit Union is not a party may direct someone else to pay the account balance.

•**JOINT ACCOUNT:** If more than one person applies for the card, each person on the account must sign the agreement (by signing on the application.) Each is individually responsible for all amounts owed on the account and is jointly and severally responsible for all amounts owed. This means the Credit Union can enforce the Agreement against any of you individually or all of you together. Each may obtain credit advances without the knowledge of the other and both are obligated to repay all advances and purchases made to the account. You agree to notify the Credit Union of any address change.

•**FINANCE CHARGES:** New purchases posted to your account during a billing cycle will not incur a finance charge for that billing cycle if you had a zero or credit balance at the beginning of that billing cycle or you paid the entire New Balance on the previous cycle’s billing statement by the Payment Due Date of that statement; otherwise a finance charge will accrue from the date a purchase is posted to your account. To avoid an additional finance charge on the balance of purchases, you must pay the entire New Balance on the billing statement by the Payment Due Date of that statement. A finance charge begins to accrue on cash advances from the date you get the cash advance or from the first day of the billing cycle in which the cash advance is posted to your account, whichever is later.

The finance charge is calculated separately for purchases and cash advances. For purchases, the finance charge is computed by applying monthly periodic rate to the average daily balance of purchase. To get the average daily balance of purchases, we take the beginning outstanding balance of purchases each day, add any new purchases, and subtract any payments and/or credits. This gives us the daily balance of purchases. Then, we add all the daily balances of purchases for the billing cycle together and divide the total by the number of days in the billing cycle. This gives us the average daily balance of purchases.

For cash advances, the finance charge is computed by applying the monthly periodic rate to the average daily balance of cash advances. To get the average daily balance of cash advances, we take the beginning outstanding balance of cash advances each day, add in any new cash advances, and subtract any payments and/or credits that we apply to the cash advance balance. This gives us the daily balance of cash advances. Then, we add all the daily balances of cash advances for the billing cycle together and divide the total by the number of days in the billing cycle. This gives us the average daily balance of cash advances.

Classic MasterCard – The monthly periodic rate for purchases, cash advances and balance transfers is 1.075%, which is an **ANNUAL PERCENTAGE RATE** of 12.90%.

Gold MasterCard – The monthly periodic rate for purchases, cash advances and balance transfers is 0.9083%, which is an **ANNUAL PERCENTAGE RATE** of 10.90%.

If you are sixty (60) days delinquent in making a payment, the monthly periodic rate on your Account will increase to 1.50% corresponding to an **ANNUAL PERCENTAGE RATE** of 18.00%.

•**CROSS-COLLATERAL:** If you have other loans with us, or take out other loans with us in the future, collateral securing those loans will also secure your obligations under this Agreement.

•**OTHER CHARGES:**

Over-the-Limit Charge – If the balance of your account exceeds your approved credit limit, there will be NO OVER-THE LIMIT CHARGE ASSESSED to your account.

Replacement Cards – There may be a \$10 fee for each replacement Card. There will also be a \$5 charge for each sales draft or statement you request except when the request is made with a billing error dispute; and a \$25 charge for any Rush items requested.

Returned Check Fee – There will be a \$25 charge for each payment by check returned for non-sufficient funds. However, if this event causes the account to report delinquent, you will only be charged one fee for a single event.

Late Fee – If your payment is late you will be charged a late fee equal to your minimum payment, but not to exceed \$25.

Statement Copy Fee – You will be charged a \$5 fee for each sales draft or statement you request, except when the request is made with a billing error dispute.

The fees and charges will be handled by the Credit Union as an adjustment to the account balance and will not be charged a Finance Charge.

•**MONTHLY PAYMENTS:** Each payment you make on the account will restore your credit limit by the amount of the payment that is applied to the principal amount of purchases and cash advances. At any time your total new balance exceeds you credit limit, you must immediately pay the amount over your credit limit.

•**A PAYMENT IS REQUIRED EACH MONTH;** therefore, you must pay at least minimum payment shown on your statement by the date specified on your monthly statement or no later than twenty-five (25) days from the statement closing date. You can repay any outstanding balance prior to maturity in whole or in part at your option without penalty. Your monthly payment must be made directly to the address shown on your statement. If available, you may have your minimum payment automatically deducted from your checking account.

The minimum periodic payment required for Classic MasterCard and Gold MasterCard will be 3.00% of your total new balance, subject to a minimum of \$10 or your Account balance, plus any portion of minimum payments shown on prior statements which remain unpaid and any other applicable charges. You will also be required to pay any amounts over your credit limit or past due amounts.

Subject to applicable law, your payments may be applied to what you owe the Credit Union in any manner the Credit Union chooses.

•**CREDIT BALANCES:** If there is a credit balance due you, you may request in writing a full refund of this credit balance of our address shown in this Agreement.

PLEDGE OF SHARES: YOU PLEDGE AN GRANT TO THE CREDIT UNION A SECURITY INTEREST IN ALL INDIVIDUAL AND JOINT ACCOUNTS YOU HAVE WITH US NOW AND IN THE FUTURE TO SECURE YOUR CREDIT CARD ACCOUNT(S) TO THE EXTENT OF THAT PORTION OF THE LOAN BALANCE THAT MAY BE IN DEFAULT OR EXCEEDS YOUR CREDIT LIMIT, INCLUDING COSTS OF COLLECTION AND REASONABLE ATTORNEY'S FEES. YOU AUTHORIZE US TO APPLY THE BALANCE IN THESE ACCOUNT(S) TO PAY ANY AMOUNTS DUE UNDER THIS AGREEMENT IF YOU SHOULD BE IN DEFAULT.

•DEFAULT: You will be in default: (1) if you fail to make any minimum payment or other required payment by the date that is due, (2) if you break any promise you make under this Agreement, (3) if you die, file for bankruptcy or become insolvent, that is, unable to pay your obligations when they become due, (4) if any attachment or garnishment proceedings are initiated against you or your property, (5) if you default on any other indebtedness to the Credit Union, (6) if you make any false or misleading statement in any credit application or credit update, (7) if something happens that the Credit Union believes may substantially reduce your ability to repay what you owe.

When you are in default, the Credit Union has the right to demand immediate payment of your full account balance without notice. If immediate payment is demanded, you will continue to pay Finance Charges, at the periodic rate charged before default, until what you owe has been paid, and any shares that were given as security will be applied towards what you owe.

If collections efforts are required by the Credit Union, you agree to pay all costs and expenses incurred in the collection of any sum due, and in addition, if the holder hereof, after default, shall place this note in the hands of an attorney or collection agency, for collection, to pay reasonable attorney's fees, interest and fines due on his note at the time of the employment of such attorney or collection agency.

•CREDIT INFORMATION: You understand that the Credit Union will review your accounts periodically, and you hereby give your permission to and authorize the Credit Union to investigate and reassess your creditworthiness. You authorize the Credit Union to obtain information concerning your credit history from all available sources now and in the future. You authorize the Credit Union to disclose information regarding your account to credit bureaus and creditors who inquire about your credit standing. If your account is eligible for emergency cash and/or emergency card replacement services, and you request such services, you agree that we may provide personal information about you and your account that is necessary to provide you with the requested service(s).

•LIABILITY FOR UNAUTHORIZED USE: You may be liable for the unauthorized use of the card. You will not be liable for unauthorized use that occurs after the issuer is notified, orally or in writing at the address shown in this Agreement. If your card is lost or stolen you **must** report it immediately upon discovery of event.

•LOSS OR THEFT OF CARD: If your Card, PIN or Account Number are lost or stolen, you should immediately call (800) 808-723 twenty-four (24) hours a day, seven (7) days a week.

•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 claim) 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 purchases cost more than \$50.00 and was made in your state or within 100 miles of your home.

•CHANGING OR TERMINATING YOUR ACCOUNT: You agree that the Credit Union may change the terms of this Agreement from time to time after giving you any advance notice required by law at your last known address. To the extent the law permits, and indicated in the notice to you, the change will apply to your existing account balance as well as to future transactions. Your use of the card after receiving notice or a change will also indicate your agreement to the change.

You may request an increase in your credit limit either by written application or by phone. The Credit Union has the right to reduce or terminate your credit limit at any time. You understand and acknowledge that such action shall not affect your obligation to pay any outstanding balance PLUS any finance and other charges you owe under this Agreement. Accounts that have been inactive for one (1) year may be subject to termination at the renewal date. The card(s) 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.

•FOREIGN TRANSACTIONS: When you use your Card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount and debited from your account. The currency conversion rate used to determine the transaction amount in US dollars is either 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, plus 1 percent (1%) of the transaction amount, which may be billed separately on your account or included in the transaction amount. This 1% adjustment is made for all international transactions regardless of whether there is a currency conversion associated with the transaction. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

•EFFECT OF AGREEMENT/WAIVER: 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. The Credit Union can delay enforcing any of its rights any number of times without losing them. Each provision of this agreement must be considered as part of the total agreement and cannot in any way be severed from it. However, you also agree that should any part of this Agreement be found invalid, it will in no way affect the remainder of the Agreement.

•**STATEMENT OF NOTICES:** You will receive a statement each month showing transactions on your account. You are responsible for your minimum monthly payment even in the event your statement is late or returned to the Credit Union. Statements and notices will be mailed to you at the most recent address you have given to the Credit Union. Notice to any one of you will be considered notice to all.

•**PERSONAL IDENTIFICATION NUMBER (PIN):** We will furnish you with a Personal Identification Number (PIN). You agree to keep the PIN secret. You also agree you won't write the PIN on the Card or anything you keep with the card. Your use of the PIN and Card in getting a cash advance or making a purchase is agreed to constitute your signature for purposes of such transaction.

YOUR BILLING RIGHTS

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 transaction on your bill, write us on a separate sheet at the address listed 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 60 days after we send you the first bill on which the error problem appeared. You can telephone us, but doing so will not presser your rights.

In your letter, give us the following information:

- 1) Your Name and Account Number
- 2) The dollar amount of the suspected error.
- 3) Describe the error and explain, if you can, why you believe there is an error. If you need information, describe the term you are not sure about.

If you have authorized us to pay your credit card bill automatically from your savings or share draft account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three (3) business days before the automatic payment is scheduled to occur.

Your Rights and Our Responsibilities After We Receive your Written Notice

We must acknowledge your letter within 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 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 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 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 to that you have a question about your bill. And, we must tell anyone we report you to that the matter has been settled between us when it finally is settled.

If we don't follow these rules, we can't collect the first \$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 purchase 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.

- a) 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
- b) The purchase price must have been more than \$50.00

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