



VISA[®] CREDIT CARD AGREEMENT AND DISCLOSURE

NOTICE: See pages 5 and 6 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: (a) the person or persons who use or authorize the use of, or (b) who sign an application for an Arrowhead Credit Union VISA[®] Credit Card. (“Card”) means the Arrowhead 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 Arrowhead Credit Union. **If you do not agree with the terms and conditions of this Agreement, please destroy the Card at once by cutting it in half and mail it back to the Credit Union with your written instructions to close the Account.**

- 1. Using the Account.** If your application for a VISA[®] Credit Card Account is approved, the 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 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 8. 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. 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. This means the Credit Union can enforce this Agreement against any of you individually or all of you collectively.
- 5. Authorized Users.** An Authorized User is a person to whom we have issued a card on your Account at your request. An Authorized User may charge transactions on your Account in the same manner as you. You will remain responsible for all charges on your Account, including those incurred by an Authorized User. You may add or remove an Authorized User from your Account by notifying the Credit Union in writing and allowing the Credit Union a reasonable opportunity to act on your request. The Credit Union may limit the number of Authorized Users on your Account.

Certain information about your Account will be accessible to an Authorized User, including their transactions, your credit limit, and the amount of credit available to them. A card limit is the maximum amount that can be charged to an Authorized User card each month.

By using or activating a card on your Account, an Authorized User agrees to be bound to the terms of this VISA® Credit Card Agreement, and further agrees that: a) the card issued to him or her is for his or her use exclusively and will not be used by any other person; b) the card issued to him or her will not be used for any illegal, improper or unlawful purpose; c) all security requirements, including those designed to protect PINs or other security codes, will be complied with; d) any suspected loss of theft of the card will be reported promptly; and e) he or she consents to the collection, use and disclosure of personal information.

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. FICO® Score; Your Monthly Periodic Statement. You acknowledge that, by your acceptance of the Arrowhead Credit Union Terms of Service, you are providing Arrowhead Credit Union with “written instructions” under the Federal Fair Credit Reporting Act, and authorization under the California Consumer Credit Reporting Act, allowing Arrowhead Credit Union to provide your FICO® Score to you, from your personal credit profile from Experian for your own use and educational review purposes. In particular, you understand that your FICO® Score will be displayed on your monthly periodic statement and updated on a monthly basis. Further, to the extent that any co-obligor or other party has access to your periodic statements, they are deemed permitted by you to view your FICO® Score.

8. Finance Charges. A **FINANCE CHARGE** will be imposed on purchases, balance transfers and cash advances 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 purchases, balance transfers and cash advances from the previous statement closing date and on the new purchases, balance transfers and cash advances 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® CREDIT CARDS

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 a standard variable (floating) rate based upon an index plus a Margin. The **ANNUAL PERCENTAGE RATE** and the corresponding Monthly Periodic Rate will apply to purchases, balance transfers and cash advances.

Index

The Index is Prime Index (“Index”). Information about this Index is published in the “Money Rates Table” of the *Wall Street Journal*. If the Index ceases to be published, the Credit Union will choose a new Index and give you notice of its choice.

Rate Changes

The **ANNUAL PERCENTAGE RATE** may change on the first day of each month. These are known as Rate Change Dates. The Index value used for a given billing cycle will be the value published on the Rate Change Date or the most recently published value published before the Rate Change Date. If more than one rate is published, the Index will be the highest of the rates published.

Determination of Annual Percentage Rate

The Credit Union will add a Margin based on your credit score to the Index to get the **ANNUAL PERCENTAGE RATE** applicable to your Account for the billing cycle.

Notification of the margin for which you have been approved will be provided on the Account Opening Disclosure sent to you upon completion of the credit review and approval.

ANNUAL PERCENTAGE RATE for the billing cycle will be divided by twelve (12) to get the corresponding Monthly Periodic Rate for the billing cycle. An increase or decrease in the Index value will lead to an increase or decrease in your **ANNUAL PERCENTAGE RATE** and the corresponding Monthly Periodic Rate applicable to your Account.

Limitations on Changes

There is no limit on the amount by which the rate may change in any one-year period. There is no maximum **ANNUAL PERCENTAGE RATE** that can apply.

Annual Percentage Rate Example

Based upon an Index value of 3.50%, which was the value of the Index on **February 1, 2016**, plus a margin of 6.74% (your margin may be different based on your credit score), your Account would be subject to a **FINANCE CHARGE** (interest) at an **ANNUAL PERCENTAGE RATE** of 10.24%, with a corresponding Monthly Periodic Rate of 0.8533%.

On each subsequent Rate Change Date, the **ANNUAL PERCENTAGE RATE** and the corresponding Monthly Periodic Rate will be calculated according to the formula described above.

PENALTY ANNUAL PERCENTAGE RATE FOR VISA® CREDIT CARDS

Whenever the minimum monthly payment shown on your statement is sixty (60) days past due or whenever a payment has been returned and causes your account to be sixty (60) days past due, the entire balance on your account will be subject to a **FINANCE CHARGE** (interest) at the **PENALTY ANNUAL PERCENTAGE RATE** and a corresponding Monthly Periodic Rate which will be a standard variable (floating) rate based upon the Prime Index ("Index") plus a Margin as determined by your credit score. Information about this Index is published in the "Money Rates Table" of the *Wall Street Journal*. If the Index ceases to be published, the Credit Union will choose a new Index and give you notice of its choice. The interest rate adjustment will take effect on the effective date shown in the notice sent to you informing you of the rate increase. The **PENALTY ANNUAL PERCENTAGE RATE** will apply until you make six (6) consecutive minimum payments on or before the payment due date. If you do not make six (6) consecutive minimum payments on or before the payment due date, we may keep the **PENALTY ANNUAL PERCENTAGE RATE** on your account indefinitely.

Notification of the Margin will be provided on the Account Opening Disclosure sent to you upon completion of the credit review and approval.

9. Other Charges. The following Other Charges will be added to your account, as applicable:

- ANNUAL CARDHOLDER FEE: None
- OVER LIMIT FEE: None
- LATE PAYMENT FEE: We reserve the right to charge a late payment fee of \$15 to your account each billing period that the minimum monthly payment is not paid within fifteen (15) days after the date the payment is due.
- RETURNED PAYMENT FEE: None
- CASH ADVANCE FEE (**FINANCE CHARGE**): None
- BALANCE TRANSFER FEE (**FINANCE CHARGE**): None
- FOREIGN TRANSACTION FEE: 1% of each transaction in U.S. dollars (transactions made in foreign currency) and 0.8% of each transaction in U.S. dollars (transactions made in foreign currency, billed in U.S. dollars). **See Paragraph 17 for further details.**

10. 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 3.00% 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.

11. 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.

12. Liability for Unauthorized Use. 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 735, San Bernardino, CA 92402-0735; or by calling us at 800.743.7228; or by emailing us at info@arrowheadcu.org.

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.

13. Limitations to Liability for VISA® Transactions. If there is an unauthorized use of your VISA® Credit Card or a Plus network or Interlink transaction, and the transaction takes place on the VISA® network, then your liability will be zero (\$0.00). This provision limiting your liability does not apply to VISA® Corporate Card or VISA® Purchasing Card Transactions, ATM cash disbursements processed on non-VISA® or non-Plus networks, or non-VISA® PIN-less debit transactions. Additionally, your liability with respect to unauthorized transactions may be greater than the above zero (\$0.00) liability limit, to the extent allowed under applicable law, if the credit union reasonably determines, based on substantial evidence, that you were grossly negligent or fraudulent in the handling of your account or card.

14. Overdraft Privilege. You agree that if, pursuant to any overdraft privilege on a Credit Union Checking Account, there is an overdraft of your Checking Account, the amount of overdraft will be added to the outstanding balance of your VISA® Classic Account subject to the **FINANCE CHARGE** set forth in Paragraph 8. Further, you will be subject to all terms and conditions of this Agreement. The VISA® Classic Credit Account must be current and not over the credit limit for funds to transfer to the Checking Account. Overdrafts are not allowed for the purpose of making loan payments, including VISA® payments, at the Credit Union, ATM or in-branch teller cash withdrawals. The Checking Account referred to herein is also subject to a separate agreement between you and the Credit Union. Where the terms of any other agreement between you and the Credit Union conflict with the terms of this agreement, the terms of this agreement will control.

15. 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.

16. 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 (6) months.

17. 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%) 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.

18. 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.

19. 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.

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

21. 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.

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

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

Additional Disclosures Applicable to Convenience Checks

Convenience Checks. We may send you Convenience Checks which can be used to obtain cash or pay for goods or services up to the amount of your available credit limit unless the amount will cause you to exceed your credit limit. In such cases these Convenience Checks will be charged against your credit limit, processed as cash advances and accumulate **FINANCE CHARGES** 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, pursuant to paragraph 8. Convenience Checks may only be used by the person whose name is printed on them. You may not use Convenience Checks to pay any amount which you owe us under this Agreement. We will not return any paid credit checks to you.

Using the Convenience Check. To make a purchase, present your Convenience Check to any participating merchant. To request a Cash advance, present your Convenience Check to us or any participating financial institution.

Reasons Not to Honor a Convenience Check. We may decline to honor your Convenience Check if you are over your credit limit, you are in default, your Account privileges have been canceled, or your card has expired.

Stop Payment of Convenience Checks. You may stop payment on a Convenience Check by notifying us in writing at the address shown on your monthly statement or by calling us at 800.743.7228. If you call, you must confirm the request in writing within fourteen (14) days. A written stop payment order will remain in effect for six (6) months and then it will lapse unless renewed in writing.

**YOUR BILLING RIGHTS
KEEP THIS NOTICE FOR FUTURE USE**

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

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: Arrowhead Credit Union, P.O. Box 735, San Bernardino, CA 92402-0735.

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: Arrowhead Credit Union, P.O. Box 735, San Bernardino, CA 92402-0735. 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.

