



CREDIT CARD AGREEMENT

NOTICE: See reverse side for important information regarding your rights to dispute billing errors.

In this Agreement the words *you* and *your* mean each and all of those who apply for the card or who sign this Agreement. *Card* means the VISA Credit Card and any duplicates and renewals we issue. Everyone who receives, signs or uses a card issued under this agreement must be a member of this Credit Union. *Account* means your VISA Credit Card Line-of-Credit account with us. *We, us* and *ours* means this Credit Union.

1. Responsibility. If we issue you a card, you agree to repay all debts and the FINANCE CHARGE arising from the use of the card and the card account. For example, you are responsible for charges made by yourself, your spouse and minor children. You are also responsible for charges made by anyone else to whom you give the card, and this responsibility continues until the card is recovered. You cannot disclaim responsibility by notifying us, but we will close the account for new transactions if you so request and return all cards. Your obligation to pay the account balance continues even though an agreement, divorce decree or dissolution of marriage or other court judgment to which we are not a party may direct you or one of the other persons responsible to pay the account. Any person using the card is jointly responsible with you for charges he or she makes, but if that person signs the card, he or she becomes a party to this Agreement and is also jointly responsible for all charges on the account, including yours.

2. Lost Card Notification. If you believe the Card has been lost or stolen, you will immediately call the Credit Union at: (573) 636-5338; or FCS Security 24 hrs. a day at: (800) 991-4961.

3. Liability for Unauthorized Use. You understand that your total liability to the Credit Union shall not exceed \$50.00 for any Card transactions resulting from the loss, theft or other unauthorized use of the Card that occurs prior to the time you give notice to the Credit Union. Such liability does not apply when the Card is used to make an electronic fund transfer.

4. Credit Line. If we approve your application, we will establish a self-replenishing Line of Credit for you and notify you of its amount when we issue the card. You agree not to let the account balance exceed this approved Credit Line. Each payment you make on the account will restore your Credit Line by the amount of the payment which is applied to principal. You must request an increase in your Credit Line only by written application to us, which must be approved by our credit committee or loan officer. By giving you written notice our credit committee may reduce your Credit Line from time to time, or with good cause, revoke your card and terminate this Agreement. Good cause includes your failure to comply with this Agreement, or our adverse reevaluation of your credit worthiness. You may also terminate this Agreement at any time, but termination by either of us does not affect your obligation to pay the account balance. The cards remain our property and you must recover and surrender to us all cards upon our request and upon termination of this Agreement.

5. Credit Information. You authorize us to investigate your credit standing when opening, renewing or reviewing your account, and you authorize us to disclose information regarding your account to credit bureaus and other creditors who inquire of us about your credit standing.

6. Monthly Payment. We will mail you a statement every month showing your Previous Combined Balance of purchases and cash advances, the current transactions on your account, the remaining credit available under your Credit Line, the Total New Balance, the FINANCE CHARGE due to date, and the Minimum payment required. Every month you must pay at least the Minimum Payment within twenty-five (25) days of your statement closing date. You may, of course, pay more frequently, pay more than the Minimum Payment, or pay the Total New balance in full, and you will reduce the FINANCE CHARGE by doing so. The Minimum Payment will be either: (a) 5% of your Total New Balance, or \$25.00, whichever is greater, or (b) your Total New Balance, if it is less than \$25.00 plus (c) any portion of the Minimum Payment(s) shown on prior statement(s) which remains unpaid. In addition, at any time your Total New Balance exceeds your

Credit Line, you must immediately pay the excess upon our demand. We will apply your payments first to previously billed and unpaid FINANCE CHARGE on purchases; then to previously billed and unpaid FINANCE CHARGE on cash advances; then to previously billed purchases, then to cash advances; and then to new purchases, whether or not billed on the monthly statement. However, any payment equal to, or greater than, the Previous Balance of Purchases will be applied first to that balance and any FINANCE CHARGE thereon so as to avoid continuing accrual of FINANCE CHARGE on that amount. Purchases and cash advances will be paid off in the order they were posted to your account. If two or more purchases were posted on the same day, your payment will be applied to the smallest first.

7. Finance Charges. You can avoid a FINANCE CHARGE on purchases by paying the full amount of the New Balance of Purchases each month within twenty-five (25) days of your statement closing date. Otherwise, the New Balance of Purchases, and subsequent purchases from date they are posted to your account, will be subject to a FINANCE CHARGE. Cash advances are always subject to a FINANCE CHARGE from the date they are posted to your account. FINANCE CHARGE (interest) is calculated at the periodic rate of 1.158% per month (ANNUAL PERCENTAGE RATE OF 13.9%) on the average daily principal balances of purchases and cash advances in the account. The principal balances of purchases and cash advances are determined each day during the statement period, beginning with the principal portion of your Previous Balances, reduced by payments you make and credits we apply, and increased by purchases and cash advances you make and debit adjustments we make during the statement period. The daily principal balances are totalled, and divided by the number of days in the statement period, to produce an average daily principal balances to which the periodic rate is then applied.

8. Default. You will be in default if you fail to make any required Minimum Payment by the due date shown on your monthly statement. You will also be in default if your ability to repay us is materially reduced by a change in your employment, an increase in your obligations, bankruptcy or insolvency proceeding involving you, your death or your failure to abide by this Agreement, or if the value of our security interest materially declines. We have the right to demand immediate payment of your full account balance if you default, subject to our giving you any notice required by law. The extent permitted by law, you will also be required to pay our collection expenses, including court costs and reasonable attorneys' fees.

9. Fees. Holder agrees to pay a late fee equal to \$5.00 for each payment in default of 15 days or more.

10. Using the Card. To make a purchase or cash advance, there are two alternative procedures to be followed. One is for you to present the card to a participating VISA plan merchant, to us or to another financial institution, and sign the sales or cash advance draft which will be imprinted with your card. The other is to complete the transaction by using your Personal Identification Number (PIN) in conjunction with the card in an Automated Teller Machine or other type of electronic terminal that provides access to the VISA system. The monthly statement will identify the merchant, electronic terminal or financial institution at which transactions were made, but sales, cash advance, credit or other slips cannot be returned with the statement. You will retain the copy of such slips furnished at the time of the transaction in order to verify the monthly statement to the extent permitted by law. **The credit union may make a reasonable charge for photocopies of any documents you request.** However, the documentation charge will not be imposed if you request is in connection with a written notice of a billing error.

11. **Returns and Adjustments.** Merchants and others who honor the Card may give credit for returns or adjustments, and they will do so by sending us a credit slip which we will post to your account. If your credits and payments exceed what you owe us, we will hold and apply this credit balance against future purchases and cash advances, or if it is \$1 or more, refund it on your written request.

12. **Foreign Transactions.** Purchases and cash advances made in foreign countries and foreign currencies will be billed to you in U.S. Dollars. The conversion rate to dollars will be made in accordance with the operating regulations for international transactions established by VISA International, Inc.

13. **Plan Merchant Disputes.** We are not responsible for the refusal of any plan merchant or financial institution to honor your card. We are subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the card only if you have made a good faith attempt, but have been unable to obtain satisfaction from the plan merchant, and: (a) your purchase was made in response to an advertisement we sent or participated in sending you; or (b) your purchase cost more than \$50 and was made from a plan merchant in your state or within 100 miles of your home. Any other disputes you must resolve directly with the plan merchant.

14. **Security Interest.** To secure your account, you grant us a purchase money security interest under the Uniform Commercial Code in any goods you purchase through the account. If you default, we will have the right to recover any of these goods which have not been paid for through our application of your payments in the manner described in paragraph 6. With respect to this account only, we may assert any statutory right we may have if you are in default to prevent withdrawal of your unpledged Credit Union shares (deposits) below the unpaid balance of your account. You hereby pledge to us and grant us a security interest in all shares on deposit (except in Individual Retirement Accounts) with us now and in the future to secure your account. If you default, you authorize us to apply these shares in payment of any amount due on your account or under this Agreement.

15. **Illinois Residents.** Residents of Illinois may contact the Illinois Commissioner of Banks and Trust Companies for comparative information on interest rates, charges, fees and grace periods. State of Illinois – CIP, P.O. Box 10181, Springfield, Illinois, 62791, 1-800-634-5452.

16. **Delayed Enforcement.** Our failure to exercise any of our rights when your Account is in default does not mean that we are unable to exercise those rights upon later default. We will not lose any of our rights under this Agreement if we delay taking action for any reason. We may accept late or partial payments, as well as payments marked "payment in full" or with other restrictive endorsements without losing any of our rights under this Agreement. Any payment amount in excess of the Minimum Payment will not be applied in satisfaction of future Minimum Payments.

17. **Cancellation.** At our discretion and at any time, we can suspend or terminate your Account or revoke your Card and list your Account in warning bulletins without notice or liability, whether or not your Account is in default under this Agreement. All Cards are owned by us. At our request you must return all cards cut in half, including Cards you gave to others. You can cancel your Account by giving us a Notice of Cancellation in writing and returning all cards cut in half. Cancellation of your Account will not affect your liability to us for credit we have extended to you or arising from any Card usage prior to Cancellation or thereafter.

18. **Authorization.** Purchases and Cash Advances above certain amounts require our approval. Our prior approval may be required in other circumstances as well. These approvals are called "Authorizations." We may limit the number of authorizations we will give your Account in one day. In the event our Authorization system is not fully operational, we may not be able to give our approval for transactions even though they would not exceed your Credit Limit. You agree that neither we nor our Authorization agent shall be liable for not giving Authorizations in such case.

19. **Illegal Use of Card or Account.** *The use of your Card or Account for an illegal transaction or an illegal purpose is strictly prohibited.* If you use your Card or Account for an illegal transaction or an illegal purpose, then 1) you will be in default and subject to the terms of Paragraph 8 – Default; 2) at our discretion and at any time thereafter, we can suspend or terminate your Account and/or revoke your Card, subject to the terms of Paragraph 17 – Cancellation; and, 3) you waive your right to bring any legal action against us arising out of or relating to such illegal use or any activity directly or indirectly related to such use. You hereby agree to indemnify and hold us harmless from any suits or other legal action, or any other liability, directly or indirectly arising out of or resulting from such illegal use, including, where permitted by law, court costs and reasonable attorney's fees.

20. **Effect of Agreement.** This Agreement is the contract which applies to all transactions on your account even though the sales, cash advance, credit or other slips you sign may contain different terms. We may amend this Agreement from time to time by sending you the advance written notice required by law. Your use of the card thereafter will indicate your agreement to the amendments. To the extent the law permits, and we indicate in our notice, amendments will apply to your existing account balance as well as to future transactions.

21. **Governing Law.** Except to the extent it is governed by Federal laws, this agreement and your account with us are governed by the laws of the state of Missouri. If any part of this agreement is unenforceable, this will not make any other part of this agreement unenforceable.

22. **Copy Received.** You acknowledge receipt of a copy of this Agreement.

X _____
Applicant – Member Signature

X _____
Co-Applicant – Member Signature

Guarantor

By _____

Title _____

Date _____

LOST OR STOLEN CARDS . . . CALL
Employment Security Credit Union (573) 636-5338
or FCS Security (24 hours a day) 800-991-4961.