

## VISA PLATINUM CREDIT CARD DISCLOSURE AND AGREEMENT

**NOTICE:** See panel 6 for important information regarding your rights to dispute billing errors.

In this Agreement the words “you”, “your”, and Applicant mean each and all of those who apply for, receive, sign, use or authorize another to sign or use the Card and/or account issued under this Agreement. “Card” means any VISA Platinum cards and renewals the Credit Union issues to you. “Account” means your VISA Platinum card line of credit account with the Credit Union. “Credit Union”, “we”, “our”, and “us” means the Ashland Credit Union or our designee.

**1. MAXIMUM CREDIT LIMIT.** You have applied to us for a VISA Platinum Credit Card Account. The loans which the Credit Union may extend to you under this Account shall at no time exceed the assigned Credit Limits hereinafter referred to as the maximum “Credit Limit” disclosed to you on the enclosed “VISA Credit Card Acceptance Letter” and incorporated herein by reference. Any transaction which would cause you to exceed your assigned Credit Limit will be declined. You may request an increase in your Credit Limit orally or by written application, but any increase, whether by application or otherwise, in this line of credit from the then current line of credit will only be effective if and when you receive a written notice of approval of any increase. You will not let your account balance exceed your then approved Credit Limit. Provided you are in compliance with the prior sentence, each payment you make on the account will restore your then effective Credit Limit by the amount of the payment which is applied to the principal amount of purchases and cash advances. The Credit Union has the right to reduce or terminate your Credit Limit.

**2. USING THE CARD.** You may use the card issued to you to make purchases from merchants and others who accept VISA cards. Under this Agreement, all balance transfers will be treated as a purchase. In addition, you may obtain cash advances from the Credit Union, through convenience checks, from other financial institutions 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 ATMs provide such access.) You will need to use your Personal Identification Number (PIN) to obtain a cash advance from an ATM.

You warrant and agree that your Credit Card Account will not be used to make or facilitate illegal transaction(s), such as gambling, as determined by applicable law. Use of your Credit Card Account for potentially illegal transactions, such as internet gambling, will be rejected. You agree that the Credit Union will not have any liability, responsibility or culpability whatsoever from any such illegal use by you or any authorized user(s). You may not use your Card for business or commercial purposes.

**3. RESPONSIBILITY.** You agree to pay all charges (purchases, cash advances, finance and other charges and expenses permitted by this Agreement or by law) to your account made by you or anyone whom you authorized to use your account. 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.

If more than one person is an authorized user under this Agreement, each is individually responsible for all amounts owed on the account and all are jointly responsible for all amounts owed. This means the Credit Union can enforce this Agreement against any of you individually and/or all of you together.

**4. HOW TO AVOID INTEREST CHARGES.** Your account due date is at least 25 days after the close of each billing cycle. We will not charge you any interest on purchases made if you pay your entire balance by the due date each month. Cash advances, however, incur interest charges from the date they are posted to your account.

**5. INTEREST CHARGES.** (a) Periodic Interest Charges. The interest charge on outstanding balances of purchases and cash advances will be at a rate established by the Credit Union based upon your creditworthiness which shall never exceed the maximum rate permitted by applicable law. We calculate the interest charge on your account by applying your monthly periodic rate to the average daily balance of your account. To determine your average daily balance, we take the beginning balance of your account each day, add any new purchases and cash advances and subtract any unpaid interest, other finance charges and any payments or credits. This gives us the daily balance. Then, we add up all the daily balances for your billing cycle and divide by the total by the number of days in the billing cycle. This gives us your average daily balance.

(b) How Your Rates Can Increase. The Monthly Periodic Rate and corresponding ANNUAL PERCENTAGE RATE are variable rates based upon a formula and may be adjusted semi-annually. Your Monthly Periodic Rate and corresponding ANNUAL PERCENTAGE RATE is calculated by adding a margin that is based upon your creditworthiness to an Index. Your initial Monthly Periodic Rate, margin and corresponding ANNUAL PERCENTAGE RATE are as disclosed on the enclosed VISA Credit Card Acceptance Letter. Your Monthly Periodic Rate and corresponding ANNUAL PERCENTAGE RATE may increase or decrease if the Index, as described below, or your credit score increases or decreases. This means you may pay a higher INTEREST CHARGE on your Average Daily Balance and also means you may pay a higher minimum monthly payment. However, your initial Monthly Periodic Rate and corresponding ANNUAL PERCENTAGE RATE will not increase during the first year your credit card account is opened unless the required minimum payment is not received within sixty (60) days after the due date (see Section 6(c) Penalty Rate).

(c) When Rates Change. The variable rate may change semi-annually. The rate change will be effective in the billing cycle that includes February 1 and August 1. The index is the highest Prime Rate as published in the “Money Rates” section of *The Wall Street Journal* on the 10th day of May and November each year (or the next business day if the 10th day falls on a weekend or holiday).

**6. OTHER CHARGES.** (a) Fees: The following charges will be added monthly to your account, as applicable: Insufficient Funds Fee of \$15.00, a Late Payment Fee of \$15.00, and a Card Replacement Fee of \$5.00, but not to exceed what is allowed by applicable law. Should your account have no transactions during a 12 month period, you will be charged a \$5.00 Annual Account Service Fee.

(b) Convenience Checks: You may receive or request a convenience check to access the unused portion of your assigned credit limit. A convenience check is considered a cash advance and interest will be charged from the day the transaction posts to your account. If you write a convenience check on your account and that convenience check is not honored because your account is delinquent, in default or the convenience check causes you to exceed your assigned credit limit, you will be charged a Return Check Item Fee of \$15.00. If you request a copy of a convenience check you wrote on your account, you will be charged \$3.00. If you request that a stop payment be placed on a

convenience check that you wrote, you will be charged \$10.00.

(c) Penalty Rate: If your account becomes sixty (60) days delinquent at any time, your current **ANNUAL PERCENTAGE RATE** will increase by a margin of 8.0% (corresponding Monthly Periodic Rate equal to your current **ANNUAL PERCENTAGE RATE** + 8.0% divided by 12), not to exceed 24.0% or what is allowed by applicable law. If your **ANNUAL PERCENTAGE RATE** is increased due to delinquency, the penalty rate will remain in effect until we have received three (3) consecutive monthly payments of not less than the required Minimum Payment on or before your monthly due date. At that time, your penalty **ANNUAL PERCENTAGE RATE** will revert to the variable **ANNUAL PERCENTAGE RATE** set forth above.

**7. SPECIAL PROMOTIONAL OFFERS.** Special offers may be made available to you from time to time, including offers to temporarily lower the interest rate applicable to portions of your card balance. If we do make you a special offer, we will explain its scope and duration and any additional terms that apply to it. If you accept this special offer, you will be bound by this Agreement and any additional terms we disclose with the offer. When the promotion ends, the special terms will cease and you will continue to be bound by the terms and conditions of this Agreement.

If during the duration of a special promotional offer you default, your account becomes more than 60 days delinquent or you close your account, the special terms will end and your account will be bound by the terms and conditions of this Agreement and you will no longer qualify for the special promotional offer.

**8. MONTHLY PAYMENT.** Each month you must pay at least the minimum payment shown on your statement within 25 days of the statement closing date. 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 subsequent month your account has a balance. Payments made in excess of your required minimum payment will first be allocated to balances with the highest **ANNUAL PERCENTAGE RATE** and any remaining portion to the other balances in descending order based upon the applicable **ANNUAL PERCENTAGE RATE**. Our convenience checks may not be used to pay your account with us. The minimum payment is 3% of your Total New Balance but not less than \$15.00, plus the amount of any prior minimum payments and any delinquent balances that you have not paid.

**9. SECURITY INTEREST.** You understand and authorize the Credit Union to impress and enforce a lien on all present and future share accounts and certificates and other accounts in your name to the extent of the outstanding loan balance on all VISA Platinum cards issued to you including costs of collection, court costs and reasonable attorney fees.

**10. 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 or if you fail to make any payment when due to the Credit Union under any other credit or loan extended to you by the Credit Union. 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, you are unable to pay your obligations as they become due. You will be in default if you make any false or misleading statements in any credit application or credit update filed with the Credit Union for the card or other credit from the Credit Union. You will also be in default if something happens which 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 a INTEREST CHARGE, 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. To the extent permitted by law, you will also be required to pay the Credit Union's collection expenses, including court costs and reasonable attorneys' fees. If you fail to make a minimum payment or other required payment according to the terms of this Agreement, the Credit Union may declare this Agreement to be in default and turn the account over to a collection agency or an attorney for collection. You understand and acknowledge that if the Credit Union determines that legal action is necessary, the Credit Union may bring legal action in the courts of the County of Boyd, Kentucky, and by using your VISA Platinum card you consent to and waive any objection to venue in the courts of the County of Boyd, Kentucky for the purpose of determining proper venue of any lawsuit relating to your account or the issued VISA Platinum card(s).

**11. UNAUTHORIZED TRANSACTIONS:** You will have no liability (“Zero Liability”) for unauthorized transactions with your VISA Credit Card that is processed through VISA. Zero Liability will NOT apply to a transaction at an ATM that is not processed through VISA (such as a cash withdrawal from your Checking Account). You must refer to the Credit Union's Electronic Services Disclosure and Agreement for your liability for unauthorized ATM transactions. Zero Liability also will not apply to VISA Credit Cards issued outside the U.S. or to commercial cards. You must provide a written statement regarding any claim of unauthorized VISA transaction.

If you notify us of unauthorized transactions which were processed through VISA (this does not include cash disbursements at an ATM using your VISA Credit Card), we will provide a provisional credit to your account within five (5) business days of the notification. If you tell us orally, we will require that you send us your complaint in writing within ten (10) business days. We will not credit your account until your written complaint is received.

“Unauthorized” means the use of your VISA Credit Card by a person, other than you, who does not have actual, implied or apparent authority for such use and from which you receive no benefit.

**12. LOST CARD OR CHECK NOTIFICATION.** If you believe your credit card or convenience check has been lost or stolen, immediately inform the Credit Union by calling: (800) 449-7728.

**13. CHANGING OR TERMINATING YOUR ACCOUNT.** The Credit Union may change the terms of this Agreement from time to time after giving you any advance notice required by law. Your use of the card after receiving notice of a change will indicate your agreement to the change. To the extent the law permits, and indicated in the notice to you, the change may apply to your existing account balance as well as to future transactions.

Either the Credit Union or 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 interest and other charges and expenses 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.

**14. CREDIT INFORMATION.** By filing with the Credit Union an application for a card, you authorize the Credit Union to investigate your credit

standing when opening or reviewing your account from time to time in order to assess or investigate your creditworthiness. You authorize the Credit Union to disclose information regarding your VISA Platinum card account to credit bureaus who inquire about your credit standing.

- 15. RETURNS AND ADJUSTMENTS.** Merchants and others who honor the Card may give credit for returns or adjustments, and they will do so by sending a credit 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. Except that if the amount is \$1 or more, it will be refunded upon your written request or automatically after six months.
- 16. FOREIGN TRANSACTIONS.** Purchases and cash advances made in foreign currencies will be billed to your account in U.S. dollars. The conversion into U.S. dollars may occur on a date other than the date of the transaction; therefore, the currency conversion rate may be different than the exchange rate in effect at the time of the transaction. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa from either a range of rates available in wholesale currency markets, which rate may vary from the rate Visa itself receives, or the government mandated rate in effect for the applicable central processing date.
- An International Service Assessment Fee of 1% will be imposed on all international transactions, including purchases, cash advances and credits, posted to your account. An international transaction is any transaction you complete or a merchant completes on your card outside the U.S., Puerto Rico or the U.S. Virgin Islands.
- 17. MERCHANT DISPUTES.** The Credit Union is not responsible for the refusal of any merchant or financial institution to honor the card or accept a convenience check. 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 mailed to you; or (b) the purchase price must have been more than \$50 and was made in your home state or, if not within your home state, within 100 miles of your current mailing address.
- 18. EFFECT OF AGREEMENT.** This Agreement is the contract which governs all transactions on your account even though the sales, cash advances, credit or other slips you sign or receive may contain different terms.
- 19. NO WAIVER.** The Credit Union can delay enforcing any of its rights any number of times without losing or waiving them.
- 20. STATEMENTS AND NOTICES.** Statements and notices will be mailed to you at the most recent address given to the Credit Union. Notice sent to any one of you will be considered notice to all signatories or holders of additional cards.
- 21. INTEGRATED DOCUMENT(S).** Any separate sheet of paper labeled "VISA Credit Card Acceptance Letter" which is delivered together with this Agreement is an integrated part of this Agreement.
- 22. GOVERNING LAW.** This Agreement is considered made and executed in Kentucky where all extensions of credit are approved, regardless of where your signature has been inscribed, and all terms of this Agreement and all rights and liabilities in favor of you or the Credit Union will be governed by the applicable laws of Kentucky (disregarding any

law which would refer an issue to some other jurisdiction for resolution) or by Federal Law where it is applicable.

- 23. COPY RECEIVED.** By applying and receiving, signing, using or authorizing another to sign or use the Card and/or Account issued by Ashland Credit Union, you agree to these terms and conditions and any subsequent amendments.

#### 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 STATEMENT.** If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than sixty (60) days after we sent you the first statement on which the error or problem appeared. You can telephone us, but doing so will not preserve 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 more information, describe the item you are not sure about.

If you have authorized us to pay your Credit Card Account automatically from your share account, checking account, or through payroll deduction, 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 thirty (30) days, unless we have corrected the error by then. Within ninety (90) days, we must either correct the error or explain why we believe the statement as correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to send statements to 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 statement that are not in question.

If we find that we made a mistake on your statement, 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 it 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 you to that you have a question about your statement. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your statement was correct.

**SPECIAL RULE FOR CREDIT CARD PURCHASES:** If you have a problem with the quality of goods or services that you purchased 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 goods or services. There are two limitations on this right:

1. 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.
2. The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the goods or service.



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## VISA PLATINUM CREDIT CARD DISCLOSURE AND AGREEMENT

PLEASE KEEP THIS  
BROCHURE FOR YOUR  
RECORDS

THIS DISCLOSURE SUPERSEDES  
ALL DISCLOSURES PRIOR TO THE  
EFFECTIVE DATE SHOWN BELOW.

EFFECTIVE FEBRUARY 22, 2010