

# Cardholder Agreement

## CARDHOLDER AGREEMENT

**Defined terms**—The following terms have defined meanings in this agreement: "Account" means the credit Account regulated by this agreement, "Card" means the plastic cards issued under this agreement, including the numbers printed on these plastic cards; "we," "us" and "our" mean the financial institution appearing on the face of a Card; "you" and "your" mean anyone who signs an application for this Account or is a guarantor of this Account; and "Approval Letter" means our letter to you approving your application and describing some of the terms of the Account (the "Approval Letter" which is part of the agreement).

By signing, using or activating a Card, you accept the terms and conditions of this agreement and of the Approval Letter. If any provision of this agreement is determined to be unlawful, the rest of the agreement will stand and the unlawful provision will be deemed amended to conform to applicable law. All Cards are our property and must be returned to us immediately according to our instructions, and we may repossess a Card at any time in our sole discretion.

**1. Promise to pay**—You agree to pay us the total amount of purchases, cash advances, finance charges or other fees or charges which arise from use of a Card by you or any other person, unless the other person does not have actual, implied, or apparent authority for such use and you receive no personal benefit from the use. You agree to be jointly and severally liable with anyone else who has made the same promise.

**2. Credit limit**—Your credit limit is stated on the credit card carrier, as well as on your monthly statement. You promise to make purchases and cash advances only up to your credit limit. Your promise to pay continues to apply even if the amount due exceeds your credit limit. Obtaining credit in excess of your credit limit does not increase your credit limit. We can change your credit limit at any time to any amount (including zero). We will state the new credit limit on your

next monthly statement.

**3. Purchases and cash advances**—You may use your Card, up to your credit limit, to buy or lease goods, services or insurance wherever the Card is honored. You may also use your Card to get a cash advance from participating financial institutions. However, you agree not to use your Card for any transaction that is illegal under applicable federal, state or local law, and you understand that any such use will constitute an event of default under this agreement. We are not responsible for the refusal of anyone to honor your Card.

**4. Monthly statements**—We will send you a statement at the end of each billing cycle in which the Account has a balance. Each monthly statement will show purchases, cash advances, payments, adjustments, fees, debits and credits made to the Account during the billing cycle. Each monthly statement will also show the new balance, the finance charge for the billing cycle, the minimum amount you must pay, and the deadline for our receipt of your payment, which will be 25 days after the last day covered by the statement.

**5. Payments**—You agree to make the minimum monthly payments that are described in the Approval Letter, and to make all payments on this Account at the address specified on your monthly statement. Your payments will be applied to the balance due on this Account in the following order: a) finance charges on previously billed cash advances, b) finance charges on previously billed purchases, c) unpaid annual membership fees, d) purchases subject to a lower interest rate than normal as a result of a special promotion, e) amounts due on previously billed cash advances, f) amounts due on previously billed purchases, g) amounts due on most recently billed cash advances, and h) amounts due on most recently billed purchases subject to the normal interest rate. We may accept late payments, partial payments, post-dated checks, or any form of payment containing a restrictive endorsement, without losing any of our rights under this agreement. Our acceptance of checks or money orders labeled "payment in full" or words to that effect, will not constitute an accord and satisfaction nor a waiver of any rights we have to receive full payment.

**6. Periodic finance charge**—The periodic finance charge rate is stated as an annual percentage rate and as a monthly periodic rate on the Approval Letter and on your monthly statement. The periodic finance charge for each billing cycle will be computed by multiplying the periodic finance charge rate times the average daily balance of your Account during that cycle. We get the "average daily balance" by adding together the daily balance for each day in a cycle and dividing the total by the number of days in

that cycle. The minimum finance charge for a statement period during which there is a finance charge is stated on the Approval Letter. We get the "daily balance" of the Account by using one of the following methods:

**A. Payment within the grace period method**—If the Approval Letter specifies a grace period in the paragraph labeled "Annual Percentage Rate," and the new balance shown on a monthly statement is paid in full by the payment due date shown on the statement, then no finance charge will be imposed on the purchases itemized on that statement. If this is the case, then we get the "daily balance" of the Account for each day by adding to the beginning balance all cash advances and other debits (other than purchases) and deducting all payments and other credits made or received as of that day.

**B. No grace method**—If the Approval Letter does not specify a grace period in the paragraph labeled "Annual Percentage Rate" or there is a grace period but the new balance shown on a monthly statement is not paid in full by the payment due date, then the "daily balance" of the Account for each day is determined by adding to the beginning balance all purchases, cash advances and other debits and deducting all payments and other credits made or received as of that day.

**7. Cash advance fee**—Cash advances are subject to the cash advance fee stated on the Approval Letter, which is also a finance charge. The cash advance fee is in addition to the periodic finance charge, which is also imposed on a cash advance from the date of the cash advance. The following transactions will be treated as cash advances:

- using your Card to obtain cash from a participating Automated Teller Machine ("ATM");
- using your Card to obtain cash from a participating financial institution;
- using a convenience check drawn on the Account;
- obtaining money orders, travelers checks, foreign currency, lottery tickets, casino chips, vouchers redeemable for cash or similar items.

**8. Annual fee**—The annual fee on the Account is stated on the Approval Letter. The annual fee is payable whether or not you use the Card.

**9. Liability for unauthorized use**—You may be liable for the unauthorized use of your Card, whether due to loss or theft of a Card or another reason. You will not be liable for unauthorized use that occurs after you notify us orally by calling 1-800-234-5354 or you notify us in writing by mailing the notice to P.O. Box 10409, Des Moines, IA 50306. In any case, your liability will not exceed \$50.

**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. You also will be in default if you violate any other provision of this agreement and such violation materially impairs the prospect of you paying the amount due on the Account. Upon default, we may demand immediate payment of the entire amount due on the Account and we may enforce our right to this payment as permitted by law.

**11. International transactions**—When you use your Card for a transaction denominated in a currency other than U.S. dollars, the transaction amount will be converted into U.S. dollars by applying an exchange rate selected by the Card Association from among the range of rates available in wholesale currency markets or the government-mandated rate on the date the transaction is processed. The rate chosen may vary from the rate the Card Association itself receives. When you use your Card in a transaction outside of the United States to make a purchase, obtain a cash advance, obtain a credit voucher, or reverse any of these transactions, a FINANCE CHARGE equal to one percent of the amount of the transaction (expressed as a positive number) will be assessed against your Account. "Card Association" means either VISA International or MasterCard International.

**12. 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 may inquire of us about your credit standing.

**13. Other fees**—The following charges will be charged to your Account as appropriate:

**A. Late, over limit, and returned check fees.** The Approval Letter states the late charge, over limit charge, and returned check fees that will be charged to your Account.

**B. Replacement Cards, copies, and special services.** We may charge you a reasonable fee for issuing replacement cards, providing photocopies and reprints that you request, and other special services as allowed by law.

**14. Amendments**—We may amend or cancel this agreement at any time by getting your consent as provided by law or by giving you a notice of the amendments. Cards are property of the Credit Union and must be returned at our request.

**15. Your billing rights—keep this notice for future use** - This notice contains important information about your rights and your 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 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:

- Your name and Account number.
- The dollar amount of the suspected error.
- 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 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 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 statement 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 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 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 reported 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 property or services that you purchased with a 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. These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.