



**Municipal Credit Union**

**VARIABLE RATE VISA CARDHOLDER AGREEMENT  
AND DISCLOSURE STATEMENT  
RETAIL INSTALLMENT CREDIT AGREEMENT**

- 1. Definitions:** In this Agreement the words “we”, “us” and “our” mean Municipal Credit Union, 22 Cortlandt Street, New York, New York 10007. The words “you”, “your” and “cardholder” mean anyone in whose name a VISA Card is issued.

Annual Percentage Rate: The cost of your credit as a yearly rate.

Finance Charge: The dollar amount the credit will cost you.
- 2. Purchases:** Your Card can be used to buy or lease goods or buy services any place that honors VISA. The debt that results from a Purchase will be transferred to us.
- 3. Advances:** Your Card can be used to obtain an advance (loan) at any of our branch offices, at any financial institution which honors VISA or any other authorized location. If you have received a personal identification number (PIN), you may use your Card and PIN to obtain advances at any ATM that accepts your Card. Except as otherwise provided in this Agreement, such advances shall be treated as Cash Advances under this Agreement.
- 4. Convenience Checks:** Upon request, and from time to time, we may send you convenience checks for use in borrowing under this Agreement.

All convenience checks you use will be treated as cash advances under this Agreement unless we advise you otherwise. You may not use the convenience checks to make payments on any MCU credit card account. You understand that if you use a convenience check to make a purchase and you have a dispute with that purchase, the dispute is not covered by the Billing Rights Summary below. You understand that the convenience checks will not be returned to you.
- 5. Purchases Treated as Cash Advances:** We consider certain transactions to be the equivalent of cash advances, and we reserve the right to treat them as cash advances under this Agreement. Those transactions include using the Card or Account to purchase wire transfer money orders, money orders that are not issued by a financial institution or are not in U.S. currency, travelers checks, casino gaming chips, lottery tickets, off-track betting, wagers at racetracks, and tax payments.
- 6. Maximum Credit Limit:** We will from time to time notify you of the maximum amount of credit which we will extend you under this Agreement. A portion of your credit limit, called the cash advance limit, will be available for cash advances. We may increase or decrease the credit limit or cash advance limit at anytime. The cash advance limit will be shown on your monthly statement. We will not be responsible

for failing to extend credit to you under this Agreement. You agree not to allow the balance on your account to go over the maximum credit limit. We will not extend credit if:

- The extension of credit would cause the balance of your account to exceed your credit limit or if the balance of your account already exceeds your credit limit, or
- Anything has happened that allows us to declare your account in default and therefore immediately due, or
- Your Card has been canceled or suspended.

If we do extend credit under any of the conditions above, it will be covered by the terms and provisions of this Agreement. We may delay extending credit if you have previously sent us a payment by check or other negotiable instrument which has been returned as unpaid for any reason.

7. **Monthly Billing Statement:** If you have a balance in your account, we will send you a monthly billing statement. It will show, among other things, the total amount of your Purchases and Cash Advances Accounts, the periodic interest charges and other fees and charges, the minimum payment due, and the date the payment is due.
- 8a. **Periodic Interest Charge on Purchases:** A periodic interest charge (finance charge) will be imposed on each Purchase from the date the Purchase is posted to your account until the date it is paid in full, with the following exceptions: You may avoid periodic interest charges on Purchases during any billing period if: (1) the opening balance on Purchases during any billing period was zero (0); or (2) the total of payments and credits posted during the billing period equals or exceeds the opening balance for that billing period.

We figure the Periodic Interest Charge on Purchases by applying the periodic rate to the “average daily balance” of your Purchases Account (including current transactions). To get the “average daily balance” we take the beginning balance of your Purchases Account each day, add any new Purchases and subtract any payments or credits applied to Purchases that day, unpaid periodic interest charges and other fees and charges. This gives us the daily balance. Then, we add up all the daily balances for the billing period and divide the total by the number of days in the billing period. This gives us the “average daily balance” which is shown on your statement as the Balance Subject to Interest Rate for Purchases. Finally, we multiply the average daily balance by the daily periodic rate and the number of days in the billing period.

The daily periodic rate and corresponding annual percentage rate may vary (increase or decrease) quarterly based upon the movement in the highest prime rate as published in the *Wall Street Journal* on March 15th, June 15th, September 15th, and December 15th of each year (“index date”). If the *Wall Street Journal* is not published on any of these dates, the index will be the highest prime rate published on the first publication date immediately following the index date. To obtain the annual percentage rate we add 7.9% to the published index. To obtain the daily periodic rate we divide the annual percentage rate by 365. A change in the daily periodic rate and corresponding annual percentage rate resulting from a change in the index on the

index dates stated above will be effective as of the billing date indicated on your April, July, October and January monthly billing statements respectively. An increase in the annual percentage rate may result in an increase in the amount of your minimum payment.

- 8b. **Periodic Interest Charge on Cash Advances:** A periodic interest charge (finance charge) will be imposed on each Cash Advance from the day the Cash Advance is obtained until the date it is paid in full. We figure the Periodic Interest Charge on Cash Advances by applying the periodic rate to the “average daily balance” of your Cash Advances Account (including current transactions). To get the “average daily balance” we take the beginning balance of your Cash Advances Account each day, add any new Cash Advances, and subtract any payments or credits applied to Cash Advances that day, unpaid periodic interest charges and other fees and charges. This gives us the daily balance. Then, we add up all the daily balances for the billing period and divide the total by the number of days in the billing period. This gives us the “average daily balance” which is shown on your statement as the Balance Subject to Interest Rate for Cash Advances. Finally, we multiply the average daily balance by the daily periodic rate of .04904% (corresponding *Annual Percentage Rate* of **17.90%**) and the number of days in the billing period.
- 8c. **Minimum Interest Charge:** There will be a minimum interest charge (finance charge) of fifty cents (\$.50) for each billing period in which a periodic interest charge is payable on your Purchases Account.
- 8d. **Cash Advance Transaction Fee:** You will pay a transaction fee (finance charge) each time you obtain a Cash Advance. The transaction fee will be 3% of the amount advanced but not less than \$1.00 or more than \$30.00.
9. **Returned Item Fee:** We will charge you a returned item fee of \$20.00 whenever your payment is returned to us for insufficient funds or any other reason.
10. **Late Charge:** You will pay a late charge of \$25.00 any time a minimum payment remains unpaid for more than one billing period.
11. **Foreign Transactions/Fees:** A 1% International Transaction Fee will be assessed on all transactions where the merchant is located outside the U.S. (even if the currency used is U.S. dollars). The converted transaction amount will be shown separately from the International Transaction Fee on your billing statement. This fee will be assessed on all international purchases, credit vouchers, and cash disbursements.

The exchange rate for transactions in a foreign currency will be a rate selected by Visa from the 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, plus the 1% International Transaction Fee.

12. **Payment:** You promise to pay us all the amount borrowed under this Agreement and any other amount which you may owe us pursuant to this Agreement. At any time and without penalty, you may repay all or part of what you owe. You must, however, make at least the minimum payment each month. This minimum payment will be the total of: (1) the greater of [a] 1/60th of the outstanding principal Cash Advances and Purchases, or [b] \$5.00 (\$20.00 as of May 1, 2010), or the balance due, whatever is less; plus (2) currently calculated periodic interest charges, cash advance transaction fees, other fees and charges incurred during the billing period, and insurance premium charges; plus (3) any minimum payment amount which is past due; plus, until May 1, 2010, (4) any amount in excess of your credit limit.

Paying more than the minimum payment for your account for any billing period will not relieve you of the obligation to pay any further minimum payment for your account.

13. **Payment Allocation:** Your payment will be applied in the following order to any of these costs you owe: (1) collection costs, (2) fees and other card charges, (3) late charges, periodic interest charges and insurance premiums in manner and order Credit Union elects, (4) unpaid principal balance of accrued Purchases and Cash Advances.

14. **Insurance:** Credit life insurance and/or credit disability insurance may be made available to you by the Credit Union. Insurance coverage is not required by us as a condition for the extension of credit. If you should elect and qualify for the same, the coverage will be up to the minimum amount of credit extended to you. If you die, the insurance proceeds will be used to pay off your outstanding debt on the account. If you wish to have this coverage, you will give us a dated and signed written statement that you desire to obtain insurance coverage before we make it available. A certificate describing the coverage will be mailed to you 30 days after coverage begins. The premiums for this insurance will be due monthly and will be added to your minimum payment each billing period.

15. **Default:** You will be in default if you fail to make a minimum payment when due. You will be in default if you break any promise you made under this Agreement, or under any other written agreement made in connection with use of the Card. You will also be in default if you become insolvent, declare bankruptcy or die. When you are in default, the Credit Union may demand immediate payment of the entire amount you owe under this Agreement without giving you advance notice.

Also, we may prohibit any further transactions on your Account, cancel the Cards, and revoke any privileges attaching to the Cards. You agree to surrender all Cards to us or our designee upon demand. If you default, we, at our option, may refuse to pay any of your convenience checks that are presented to us. If we decide to honor such checks, you will owe us the amount of such checks under the terms of this Agreement.

16. **No Notice or Loss of Rights:** We do not have to notify you if any amount owing under this Agreement is not paid by the day it becomes due. We can do any of the following without notifying you or losing any right against you:

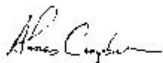
- a. accept a check or money order marked "paid in full" or with similar language, as a payment under this Agreement, or
  - b. give additional time for payment of any amount owing under this Agreement, regardless of the length of any additional time we previously gave, or
  - c. exercise, give up, fail to exercise or delay exercising any right against any person.
17. **Collection Costs:** If you are in default, you agree to pay actual costs of collection. This may include reasonable attorney fees not to exceed 20% of the amount due.
18. **Amendment:** We can change the terms of this Agreement, including the periodic interest charge and the annual percentage rate, at any time. Except where limited by applicable law, the new terms will apply both to new purchases and cash advances and to the full outstanding balance of your account as of the day of the change. In accordance with applicable law, we will notify you of any increased charge or change by writing to you at the most recent address shown for you on our records.
19. **Statement, Notices and Change of Address:** Any statement for your account or any notice concerning your account or this Agreement we send you will be sent to your current mailing address as shown in our records concerning your account. We can send it by regular mail. If your mailing address changes, you must promptly notify us in writing of the new address. Any notice you send us must be sent to: PCSU-MCU, P.O. Box 31112, Tampa, Florida 33631-3112.
20. **No Assignment or Transfer:** You cannot assign or transfer your rights under this Agreement. Any assignment or transfer by you will be ineffective.
21. **VISA Cards:** The VISA Card is a part of this Agreement and must be signed immediately after you have received it. Each VISA Card issued for use with your account is and will remain our property and must be returned to us if requested to do so. We or anyone acting for us can keep the VISA Card if it is used after your account has been canceled or after we have requested you to return it to us.
22. **Continued Effectiveness:** If any part of this Agreement is determined by a court to be invalid, the rest will remain in effect.
23. **Additional Cardholders, Authorized Users, and Others Using Your Account:** You may authorize others to use your Account. At your request, we may issue one additional Card to you. This additional Card must be issued with the individual name of the authorized user embossed thereon. You promise to pay for all purchases and cash advances made by anyone you authorize to use your Account with or without a Card, whether or not you notify us that he or she will be using the Account and whether or not he or she exceeds any limits imposed by you on his or her use of the Card. If another person has use of your Account and you want to end that person's privilege, you must notify us by writing to us, by calling us, or in person. In order to avoid unauthorized use, you should recover any cards in that person's possession.
24. **Use of the Card:** We are not responsible if anyone refuses to honor this Card or any convenience check or for any failure of an ATM to process a cash advance request. If there is a problem with merchandise or services obtained with this Card, you may have the right not to pay the remaining amount due on such merchandise or services.

This right does not, however, apply to merchandise or services obtained with convenience checks or with money from a cash advance. Following this Agreement is an explanation of your rights to dispute billing errors. We will have no responsibility for merchandise or services purchased with this Card.

25. **Unauthorized Use of Card:** You will be liable for all authorized charges to the account including charges obtained by all persons whom you authorize to use the account. You may be liable for the unauthorized use of your MCU VISA Card. You will not be liable for unauthorized use which occurs after you notify us at: PCSU-MCU, P.O. Box 31112, Tampa, Florida 33631-3112, orally or in writing, of the loss, theft or possible unauthorized use.
26. **Important Notice:** Do not use your credit card before you read this agreement or if this agreement contains any blank space. You are entitled to a completely filled in copy of this credit agreement.
27. **Original Application:** You agree to let the Credit Union keep the signed copy of your VISA application to comply with federal and/or state law.
28. **Governing Law/Effective Date:** This agreement and all matters arising out of or in connection with any credit transaction shall be governed by, and construed in accordance with the laws of the State of New York and the applicable laws of the U.S. This Agreement will become effective as to Cash Advances when you use the Card to take a Cash Advance. This Agreement will become effective as to Purchases when you use the Card, and the sales slip or other document you sign in connection with such use is accepted by us or our representatives at our office in New York. (This Agreement will not become effective as a result of unauthorized use of the Card for any Purchase which occurs before you first use the Card and after its loss or theft). The Credit Union may terminate this Agreement or cancel your card at any time. Such termination, or cancellation, however, will not effect your obligation to pay the account balance.
29. **Lost or Stolen Cards:** You must notify us immediately if a Card is lost or stolen or if you believe there has been or is about to be unauthorized use of Card by calling: **(800) 449-7728**
30. **Prohibited Use:** You may not use your MCU VISA Card for any illegal transaction.

by \_\_\_\_\_ Ahmed Campbell, Vice President, Loan Operations  
P.O. Box 992, Peck Slip Station New York, New York 10272-0992

Dear Card Member: This is your contract. Please read it and keep it for your records because when you use your Card, you've agreed to the terms in the contract.  
Municipal Credit Union



## **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.

### **A. 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 send 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 a credit card account automatically from your share account or draft account, 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.

### **B. 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 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.

### **C. SPECIAL RULE FOR CREDIT CARD PURCHASES**

If you have a problem with the quality of property 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 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. The limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

2/22/10 M-98007