

APL FCU VISA CREDIT CARD AGREEMENT

INTRODUCTION

This VISA Credit Card Agreement (Agreement) covers your VISA Classic or Rewards Credit Card ("Card") issued through APL Federal Credit Union. In this agreement the words "you," "your," and "yours" include any joint obligor, guarantor, authorized user, or the person whose name is embossed on the Card.

The words "we," "us," and "our" mean APL Federal Credit Union.

If you sign an application for any account under this Agreement or sign or use any Card(s) issued, or use or allow others to use your account, you will have accepted this Agreement just as if you signed it and you, jointly and severally, will be bound by the following terms and conditions.

VISA CREDIT LINE

We have established and advised you of the Line of Credit, which is the limit on the total balance that may be outstanding in your account at any one time. You agree not to attempt to obtain more credit than the amount of your current credit line. Each payment you make will restore your credit limit by the amount of the payment that is applied to principal. If paying by check, the credit limit may not be restored by the amount of the payment until the check clears. You may request an increase in your credit line by submitting a new credit application subject to loan officer approval. By giving you written notice, our loan officer 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 re-evaluation of your creditworthiness. 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 the property of the credit union and you must recover and surrender all cards upon request and upon termination of this Agreement. You cannot transfer your account to any other person.

PIN SECURITY

You agree not to disclose or otherwise make your Card or Personal Identification Number ("PIN") available to anyone. For security reasons, please do not write your PIN on your Card or keep it in the same location as your Card.

YOU PROMISE TO PAY

You promise to pay us in United States dollars, by cash, check, or money order as provided by this Agreement, all such amounts, plus FINANCE CHARGES, which arise from such use of the Card by you or any other person, and to be jointly and severally liable with such a person, unless such other person does not have actual, implied, or apparent authority for such use, and you received no benefit from the use. 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 other court judgement 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.

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 regarding your credit standing, to the extent authorized in our Bylaws and as permitted by the Fair Credit Reporting Act.

INTEREST RATE

The ANNUAL PERCENTAGE RATE (APR) for both Classic Visa and Rewards Visa accounts may vary, but will never exceed the maximum rate permitted under the Federal Credit Union Act.

For Classic Visa accounts the APR is Prime +3.74%, with a minimum APR of 6.49%. For Rewards Visa accounts the APR is Prime +6.74% with a minimum APR of 9.49%. These rates may vary monthly and are based on the highest Prime rate as published in the Wall Street Journal on the last day of each month, effective the following day.

On occasion, we may offer promotional balance transfer rates to Classic and Rewards Visa account holders. The APR for those balance transfers will be subject to the terms and conditions presented in the promotional offer, and in effect the business day the balance transfer request form is submitted. If the form is submitted after 6 pm, or on a non-business day, the APR will be the rate in effect the following business day.

USING THE CARD

You may use your account for purchases of services and merchandise from participating merchants that honor your Card. You may use your Credit Card account to protect your Checking Account against overdrawing. If you authorize us to link your Credit Card account to your Checking Account for overdraft protection and the available balance in your checking account is not sufficient to pay the transaction amount, we may treat the transaction as a request to access your VISA Credit Line. The funds will be transferred from your Visa Credit Line into your checking account. These transfers will be treated as cash advances.

You may also use your Card to get a cash advance from participating financial institutions. You may use your Card in an Automated Teller Machine (ATM) in the VISA ATM network and other such machines or facilities that we may designate. There may be fees for cash advances at ATMs owned by other institutions. You may access your VISA Credit Line to advance cash up to \$500 per day. You may not use the Card for any transaction that is illegal under applicable federal, state, or local law.

MINIMUM PAYMENT REQUIRED

We will provide you a statement every month showing your Previous Balance of purchases, cash advances and balance transfers, the current transactions on your account, the remaining credit available under your Credit Line, the New Balances of purchases, cash advances and balance transfers, the Total New Balance, the Finance Charge due as of the statement date, and the Minimum Payment required. Electronic Statement users will be notified via e-mail when their electronic statement(s) is (are) available to download. Every month upon receipt of your statement, you must pay at least the Minimum Payment, pay more frequently or pay the New Balance in full at any time if you choose by the Payment Due Date which will be 25 days after the closing date of the Billing Cycle. These amounts will be shown on your periodic statement. The Minimum Payment will be (a) either 2.5% of your Total New Balance, or \$30.00, whichever is greater (or Total New Balance if it is less than \$30.00); plus (b) any portion of

the Minimum Payment(s) shown on prior statement(s) that remains unpaid. All payments are rounded to the nearest even dollar amount. In addition, any time your total New Balance exceeds your Credit Line you must immediately pay the excess upon our demand. You can elect to have your Minimum Payment or the Total New Balance automatically transferred each month on the 25th (or due date) from your Regular Savings or Checking. If on the due date, funds are not available to transfer the amount needed, what is available is transferred and the remaining payment due must be remitted by you. Payments are applied in the following order: Previously billed miscellaneous charges; unpaid finance charges; and principal reduction. The principal reduction portion of the payment is first used to pay purchase advances, and then cash advances from the last statement. If these are paid off by the payment, the purchase advances and finally cash advances made this billing cycle are paid.

DISHONORED CHECK

A fee will be charged for each check returned for "Non-Sufficient Funds" (NSF) submitted for payment of your VISA Credit Card account. This fee will be added to your VISA balance as a Cash Advance. Please refer to our current fee schedule for more information.

CONDITIONS UNDER WHICH A FINANCE CHARGE WILL BE IMPOSED

The total outstanding balance of purchases, balance transfers, and cash/overdraft advances in the account on the closing date of any Billing Cycle, including any FINANCE CHARGES, will be shown on the Periodic Statement for that Billing Cycle as the "New Balance."

(a) Purchases: A FINANCE CHARGE will be imposed on purchases included in the New Balance and transactions for purchases posted during the following Billing Cycle when the New Balance is not paid in full within twenty-five (25) days after the closing date of the Billing Cycle. This "grace period" allows you to avoid a FINANCE CHARGE on purchases for a billing cycle.

(b) Balance Transfers and Cash/Overdraft Advances: A FINANCE CHARGE will be imposed on Balance Transfers and Cash/Overdraft Advances from the date posted to the account to the date paid. There is no time within which to pay to avoid this finance charge.

THE METHOD OF DETERMINING THE BALANCE UPON WHICH A FINANCE CHARGE MAY BE IMPOSED

The Credit Union calculates the FINANCE CHARGE on your account by starting with your Daily Balance (excluding unpaid FINANCE CHARGES) and multiplying that number by the number of days during the Billing Cycle during which you had that balance. We do this for each balance you have during the Billing Cycle and add the results. That total is the balance used to determine your FINANCE CHARGE and is divided by the number of days in the Billing Cycle, then multiplied by the ANNUAL PERCENTAGE RATE, then divided by 365 days, and then multiplied by the number of days in the Billing Cycle to get your FINANCE CHARGE for the Billing Cycle. FINANCE CHARGES start to accrue on balance transfers, loan advances and purchases from the date the balance transfer, loan advance or purchase is posted to your account, and your balance transfer/loan balance is reduced when the Credit Union receives your payment or enters a credit. However, the portion of your balance that is the result of purchases has a different treatment if you pay all of that portion by at least twenty-five (25) days after we send your Billing Statement. In that event, we will zero out the FINANCE CHARGE that would otherwise be charged on that portion of your account balance.

FEES AND CHARGES

The Credit Union does not charge an annual fee for the Credit Card. Additionally, there is no minimum finance charge, no transaction fees for purchases, and no fees for balance transfers or cash advances. Please see the Default section below for information on late fees.

DEFAULT

You will be in default if you fail to make any Minimum Payment within 5 days after the payment due date or the last day of the month, whichever is first. The Credit Union may assess a late charge of 5% of the amount due or \$5.00, whichever is greater, if your payment is more than 15 days late. You will also be in default if your ability to pay us is materially reduced by a change in employment, an increase in your obligations, bankruptcy or insolvency proceedings involving you, if you provide us with false information or signature, if you default on any other obligation or account that you have with us or, if you die.

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 to the extent permitted by law, you will also be required to pay our collection expenses, including court costs and reasonable attorney fees.

ACCELERATION

If you are in default as provided above, or if we in good faith reasonably believe that the prospect of payment or performance is impaired, amounts you owe us shall, at our option and without notice, become immediately due and payable.

SECURITY INTEREST

You grant the Credit Union a security interest in all share accounts (including certificates) at the Credit Union in order to secure amounts due under this Agreement. In addition, collateral securing any other loan from the Credit Union (except loans secured by real estate or a dwelling) will also secure this account.

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, plus up to a 1% International Service Assessment Fee (ISA), will be made in accordance with the operating regulations for international transactions established by VISA International, Inc.

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 that we will post to your account. You will have a credit balance if your credits and payments exceed what you owe us. If after six (6) months a credit balance remains, we will refund the balance to bring it to zero.

MERCHANT DISPUTES

If a charge appears on your statement that you don't recognize: a) first check with other family members or authorized users, b) consider whether the merchant in question bills under a different name or central location than the one from which you made your purchase, c) determine if you or any other authorized user placed a mail or telephone order. If you still do not recognize the charge, refer to the BILLING RIGHTS section.

NONWAIVER OF RIGHTS

We can delay enforcing any of our rights under this Agreement without losing those rights. We can accept late payments or partial payments without losing any of our rights under this Agreement.

EFFECT OF AGREEMENT

This Agreement is the contract that applies to all transactions on your account even though the sales, cash advance, credit or other slips you sign or receive may contain different forms. 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 will indicate in our notice, amendments will apply to your existing Account Balance as well as to future transactions.

AMENDMENT

We can change this Agreement by mailing or delivering a written notice of change to your address at least forty-five (45) days before the effective date of the change.

SEVERABILITY

If any provision of this Agreement is held invalid, all provisions that are severable from the invalid provision remain in effect.

ACCEPTANCE OF AGREEMENT

You understand that use of your VISA Credit Card will constitute acknowledgement of receipt of these disclosures and acceptance of the terms and conditions contained in this Agreement.

LOSS OR THEFT OF CARD

You agree to notify us immediately at 800-367-5796 (available 24 hours per day) of the loss, theft, or unauthorized use of your Card or other credit instrument or device that we supply to you. If you notify us of your lost or stolen Credit Card, you will not be liable for any losses. This liability exclusion will apply provided you were not grossly negligent or fraudulent in handling your credit card. You agree that in the event of a lost, stolen, not received, or counterfeited card or fraudulent activity on your account or account number, you and all parties given access to the account shall complete the Cardholder Fraud Form as required by the Credit Union. You also agree to assist us in determining the facts, circumstances, and other pertinent information related to any loss, theft or possible unauthorized use of your Card, Account Number or PIN, and to comply with such procedures as we may require in connection with our investigation.

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 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 Credit Card bill automatically from your Savings or Checking Account, you can stop payment on any amount you think is wrong. To stop a payment your letter must reach us three business days before the automatic payment is scheduled to occur.

SPECIAL RULE FOR CREDIT CARDS

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;

(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.

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 bill 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 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 any of the questioned amount, even if your statement was correct.

We may increase the limit of the Cardholder's liability for unauthorized VISA/ATM transactions only if we reasonably determine, based on substantial evidence and/or facts, that the cardholder was grossly negligent or fraudulent in the handling of the account or the card.