

# Business Visa Credit Card Account Agreement



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This Business Visa Credit Card Account Agreement ("Agreement") given to you when you opened your Card account ("Account") will govern your Business Visa Credit Card and Account issued by ELGA ("Credit Union"). In this Agreement, the words "you," "your," "yours," "applicant," and "Borrower" mean any person who signs the application for this Account, any joint obligor, guarantor, authorized user, or the person whose name is embossed on the Card. The words "we," "us," "our," and "Credit Union" mean ELGA Credit Union. The word "Card" means any one or more credit cards issued under this Account. **If you sign an application for this Account or sign or use any Card or PIN, or allow others to use the Card or PIN, you and they will have accepted this Agreement just as if you and they signed it, and you and they, jointly and severally, will be bound by the following terms and conditions which will govern this Account.**

## 1. You Promise to Pay

You promise to pay us all amounts, plus any Interest Charges, which arise from use of the Card or Account 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 promise to pay us either by direct payment or by automatic transfers from shares or by payroll deduction.

## 2. Account Access

### a. Purchases, Cash Advances, and Balance Transfers.

You must sign the Card to use it. Once you have signed the Card, you can use it to buy or lease goods, services, or insurance wherever the Card is honored, up to the full amount of your Credit Line. You may use your Account to get cash advances from us. You may also use your Card to get a cash advance from participating financial institutions and to access your line of credit at automatic teller machines ("ATMs") within the VISA network or any other ATMs.

### b. VISA Convenience Checks.

If we approve, you may obtain advances under your Account by writing preprinted VISA convenience loan checks that we supply to you. Your use of loan checks will be shown either as a purchase, cash advance, or balance transfer on your monthly statement. We may not honor your loan check if: your check is post-dated; payment of the check would exceed your Credit Line; a check is signed by person without authorized access; the amount of the check is less than the minimum required amount; your Account has been terminated or suspended, or any drafts have been reported lost or stolen. You may stop payment on a loan check if you provide us with the exact information describing the check. If you give us incorrect information, we will not be responsible for failing to stop payment. You understand there may be a charge for each stop payment order requested. Our liability for a wrongful dishonor is limited to your actual charges; however, a dishonor for the reasons stated above is not a wrongful dishonor. Only the person whose name is printed on a convenience check may sign it. All convenience checks must be written in U.S. dollars. We will not certify a convenience check. You may write these checks for any amount providing your total outstanding balance does not exceed your available Credit Line and your credit card remains in good standing. We are entitled to return it unpaid if there is not enough available credit on your Account to pay it, if you are in default under this Agreement, if your card or convenience checks have been reported lost or stolen, or if the convenience check is post-dated. A VISA convenience check may not be used to make a payment on your VISA credit card account or any other loan account you have with us. The Credit Union shall have no liability for any convenience check returned in excess of your Credit Line.

## 3. Credit Line

If we approve your application, this Agreement will constitute a revolving line of credit for an amount which will be the Credit Line under your Account. We will advise you of the amount of your Credit Line. That amount will be the maximum amount you may have outstanding at any one time. You agree not to attempt to obtain more credit than the amount of your Credit Line. However, if you temporarily exceed your Credit Line, you agree to repay the excess immediately, even if we have not yet billed you. Obtaining such credit does not increase your Credit Line. We retain the right to increase or decrease your Credit Line at any time. Any increase or reduction in the amount of your Credit Line will be shown on your monthly statement or by separate notice together with any changes in the applicable Minimum Monthly Payments. Your eligibility for this Credit Line is determined by our loan policy and may be terminated at our sole discretion, without demand or notice. You may close your Credit Line at any time by calling, stopping into a branch or notifying us in writing. If you terminate this Agreement or if we terminate or suspend your credit privileges, the provisions of this Agreement and your liability hereunder shall otherwise remain in full force and effect until you have paid us all sums due us under this Agreement and returned all Cards.

## 4. Minimum Monthly Payment

We will mail you a statement every month if your Account has a balance. You agree that you will pay each month not less than the minimum monthly payment on or before the closing date. The minimum monthly payment will be 2.0% of your outstanding balance shown on your statement ("New Balance"), or \$10, whichever is greater. If your outstanding balance is less than \$10, you agree to pay the balance in full. In addition to the minimum monthly payment, you agree to pay any "Overlimit Amount" and any amount past due shown on your statement each month by the due date shown on your Statement. You may pay in full for all your purchases and cash advances each month, or you may repay in monthly installments. We can accept late payments or partial payments, or checks, drafts, or money orders marked "payment in full" without prejudice to our rights under this Agreement, which are hereby explicitly reserved. A credit posting from a merchant or reversal of fees does not constitute a minimum payment. Payments will be applied first to interest and to fees, then to purchase balances, then to cash advance and balance transfer balances, and finally to any other charges or amounts owed. The minimum monthly payment may be allocated at the Credit Union's discretion to pay off lower rate balances, such as promotional offers, before higher rate balances, such as cash advances or purchases. Payments in excess of the minimum monthly payment will be allocated first to higher rate balances, as applicable. From time to time, we may allow you to skip your minimum monthly payment due. If you choose to skip that payment, Interest Charges will continue to accrue in accordance with this Agreement. Payments received at: ELGA Credit Union, 6065 Grand Pointe Blvd., Grand Blanc, MI 48439, at or before 5:00 PM Eastern Time on any business day will be credited to your Account as of that date; payments received by mail at that address after 5:00 PM Eastern Time or on a weekend will be posted to your Account as of the next business day.

## 5. Security Interest

By signing your application, to secure your Account, you granted us a purchase money security interest under the Michigan Uniform Commercial Code in any goods you purchase through your Account. If you default, we will have the right to recover any of these goods that have not been paid for through application of your payments in the manner described in Section 4. In addition, you granted us a security interest in all your shares and deposits, present and future, and all accounts (except Individual Retirement Accounts and Keogh Accounts) with the Credit Union to secure your Account and agree,

upon default, the Credit Union may apply all that is secured to pay any amounts due under this Agreement, without further notice to you. **You further agree that collateral securing other loans with the Credit Union (except loans secured by real property) also secures this Account.**

## 6. Periodic Statements

Each month, if your outstanding balance exceeds \$1, we will send you a statement showing new purchases, cash advances, payments, and credits made to your Account during the billing period, your Previous Balance, your "Total New Balance," any Interest Charge, and any other charges. Your statement also will identify the remaining Credit Line available and the Minimum Monthly Payment you must make for that billing period and the date it is due. For statement verification purposes, you agree to retain copies of transaction slips resulting from each purchase, each advance, and other transaction on your Account. Unless you notify us of a billing error as described below, you accept your monthly statement as an accurate statement of your Account with us.

## 7. Circumstances Under Which an Interest Charge Will Be Imposed

The total outstanding balance of purchases, balance transfers, and cash advances in the Account on the closing date of a billing period, including any Interest Charge, will be shown on the Periodic Statement for that billing period as the "New Balance."

### a. Cash Advances and Balance Transfers.

We begin charging an Interest Charge on cash advances and balance transfers from the date of each transaction. There is no time period within which to pay to avoid a periodic Interest Charge on cash advances or balance transfers.

### b. Purchases.

Your due date is at least 25 days after the close of each billing period. An Interest Charge will be imposed on the portion of purchases included in the New Balance that is not paid by the due date. This "grace period" allows you to avoid an Interest Charge on purchases for a billing period. If you do not pay the New Balance for purchases within the grace period, your Interest Charge will accrue on any unpaid purchase transactions from the first day of the billing period in which the payment is due.

## 8. Method Used to Determine the Balance on Which the Interest Charge May Be Computed and Amount of Interest Charge

The Credit Union figures the Interest Charge on your Account by multiplying the "Average Daily Balance" of purchases, balance transfers, and cash advances for your Account (including current transactions) by the Monthly Periodic Rate. To get the "Average Daily Balance" we take the beginning balance of your Account each day, add any new purchases or cash advances, and subtract any payments or credits, unpaid Interest Charge and unpaid late 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. However, current transactions are excluded from the Purchase balance. This gives us the "Average Daily Balance." To get the "Monthly Periodic Rate," we divide the Annual Percentage Rate in effect for the billing period by 12.

## 9. Periodic Rate and Corresponding Annual Percentage Rate

### a. Standard Rates.

The Periodic Rate and corresponding Annual Percentage Rate(s) used to compute the Interest Charge will vary from time to time according to the terms set forth below. The initial Annual Percentage Rate and the margin used to determine subsequent Annual Percentage Rates are set forth in the Account Disclosure that accompanies, and is a part of, this Agreement. The Annual Percentage Rate is divided by 365 to obtain the Daily Periodic Rate.

### b. Variable Rate Terms.

The Annual Percentage Rate will vary based on an index which is the Prime Rate as published in *The Wall Street Journal*. To determine the Annual Percentage Rate, we add a margin to the index. The margin for your Account is based on your credit profile and is shown in the Account Disclosure that accompanies, and is a part of, this Agreement. The Annual Percentage Rate may change on the first day of each month, based on the most recent index value as of the last day of the previous month.

### c. Introductory Rates.

At our discretion, we may offer you an introductory or promotional Annual Percentage Rate for your Account. Any introductory or promotional Annual Percentage Rate will be subject to the terms of the offer and this Agreement. We will provide you with information on the offer, including the time period the introductory or promotional Annual Percentage Rate is in effect in the materials that we send to you about the offer after you receive your Credit Card.

## 10. Conditions Under Which Other Charges May Be Imposed

You agree to pay the following fees and charges on your Account:

### a. Late Fee.

If we do not receive your full minimum payment on or before the due date, you agree to pay a late fee of up to \$25.

### b. Returned Item Fee.

If any check or draft we receive from you as payment for any amount you owe to us is returned to us unpaid, you agree to pay a returned item fee of up to \$25.

### c. Card Replacement Fee.

You agree to pay \$5 for each replacement Card you request.

### d. Photocopy Fee.

You will pay \$1 per page for each copy of a statement or sales draft you request (unless the request relates to a billing error that we made).

### e. Attorney's Fees and Costs.

If you fail to make any payment when due or are otherwise in default under any part of this Agreement, you agree to pay us all costs to collect your Account, including court costs and reasonable attorney fees whether or not there is a lawsuit, and fees on any appeal and fees for bankruptcy proceedings, appeals, and any post-judgment collection services, if applicable. These fees and costs may be added to your Account balance and will bear interest at the Annual Percentage Rate in effect at that time.

## 11. Conditions of Card Use

The use of your Card and Account are subject to the following conditions:

### a. Use.

Your Card and Account may be used only for valid and lawful purposes. You may not use your Card (i) to make Purchases or obtain Cash Advances for any illegal transaction, or (ii) for any internet or online gambling transactions. If you use your Card for any illegal or prohibited transaction, this Agreement also applies to such transaction and you agree to pay any and all amounts related to such transaction pursuant to the terms of this Agreement. We may, at our sole discretion and without warning, restrict the use of or terminate your Card if we notice excessive use of your Card or other suspicious activities or if we reasonably believe the Card is or has been used for one or more illegal or prohibited transactions.

### b. Ownership of Cards.

Any Card or other credit instrument or device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the Card, immediately according to instructions. The Card may be repossessed at any time in our sole discretion without demand or notice. You cannot transfer your Card or Account to another person.

**c. Honoring the Card.**

We may decline to honor any transaction for any reason. Neither we nor merchants authorized to honor the Card will be responsible for the failure or refusal to honor the Card or any other credit instrument or device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your Account in lieu of a cash refund.

**d. Currency Conversion/International Transaction Fee.**

Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. The currency conversion rate for international transactions, as established by Visa International, Inc., is a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. In addition, you will be charged an International Transaction Fee of up to 1% of the transaction amount for any card transaction at a location in a foreign country or with a merchant located in a foreign country even if you initiate the transaction from within the United States.

**e. Notices and Payments.**

All notices will be sent to your address as shown in the application. You agree to advise us promptly if you change your mailing address. All payments should be mailed to us at the remittance address shown on your monthly statements. Payments received at that address will be credited to your Account as of the date received. Written notices and inquiries to us must be sent to: ELGA Credit Union, 6065 Grand Pointe Blvd., Grand Blanc, MI 48439.

**f. Personal Identification Number.**

If we issue you a Personal Identification Number ("PIN") for use with your Card in accessing your line of credit at ATMs, these numbers are issued to you for your security purposes. These numbers are confidential and should not be disclosed to third parties. You are responsible for safekeeping your PIN. You agree not to disclose or otherwise make available your PIN to anyone not authorized to sign on your Account. To keep your Account secure, please do not write your PIN on your Card or keep it in the same place as your Card.

**12. Loan Protection**

Loan Protection coverage is not required for any extension of credit under this Agreement. However, you may purchase any loan protection available through us and have the monthly fee added to your outstanding balance as purchases. If you elect to do so, we will give you the necessary disclosures and documents separately.

**13. Default**

You will be in default under this Agreement if any of the following occur: (a) Any Minimum Monthly Payment is not made when due; (b) You become insolvent, bankrupt, or you die; (c) You violate any part of this Agreement, or any other agreement with us; or (d) If we reasonably deem ourselves insecure with respect to your Account. Upon default, we may declare the entire unpaid balance immediately due and payable, and you agree to pay that amount plus any attorney's fees and costs we incur, including fees and costs in any appeal or bankruptcy proceeding. We can delay enforcing any right under this Agreement without losing that right or any other right. We will notify you in writing of any such action as soon as practical if it occurs.

**14. Governing Law**

This Agreement will not take effect until it is approved by us. This Agreement shall be governed by the laws of the State of Michigan.

**15. Severability**

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

**16. Unauthorized Card Transactions**

If you authorize anyone to use your Card in any manner, that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union immediately. You are responsible for any transactions made by such persons until you notify us that transactions and access by that person are no longer authorized and you return all cards issued to you. If you fail to maintain the security of the Card and the Credit Union suffers a loss, we may terminate your Card and account services immediately. You agree to notify us immediately of the loss, or the theft, or the use without your permission, of any Card or other credit instrument or device which we supply to you. You may be liable for any unauthorized use on the account. To the extent there are less than ten credit cards issued to you for business use by your officers, employees or authorized agents, you may not be liable for losses exceeding \$50 related to credit transactions by unauthorized parties, before you notify us of your lost or stolen credit card. If we have issued ten or more credit cards to you, you agree there is no limit on the losses related to any unauthorized use. You understand and agree that unauthorized use means the use of the card by someone other than you, your officers, authorized signers, employees or agents. If an employee uses the card in an unauthorized manner, there is no limit on the potential liability for such use.

Please notify: ELGA Credit Union, 6065 Grand Pointe Blvd., Grand Blanc, MI 48439; Telephone: 810-715-ELGA (3542) or 800-882-6457, orally or in writing of loss, theft, or possible unauthorized use.

**17. Credit Information/Financial Statements**

You authorize us to release information to others (e.g., credit bureaus, merchants, and other financial institutions) regarding the status and history of your Credit Line. You agree to provide us, at any time we deem necessary, with a current financial statement and/or updated credit information upon request. We may investigate your credit directly or through a credit reporting agency.

**18. Amendments**

We reserve the right to change any terms or conditions of this Agreement at any time, to the extent permitted by applicable law. We will notify you of the changes to this Agreement as required by law.

**19. Acknowledgement**

You understand and agree to the terms and conditions in this Agreement. You acknowledge that you have received a copy of this Agreement. This Agreement is a final expression of the agreement between you and the Credit Union.