

# CP FEDERAL CREDIT UNION

(517) 784-7101 • 1100 Clinton Road • Jackson, MI 49202-2088

## VISA BUSINESS CREDIT CARD REGULATION Z - TRUTH-IN-LENDING INITIAL DISCLOSURES

EFFECTIVE: SEPTEMBER 1, 2008

Annual Percentage Rate	Balance Calculation Method	Other Charges & APRs
<b>7.25%</b>	*Average Daily Balance (excluding new transactions)*	Minimum Finance Charge - None International Transaction Fee - 1% of the transaction amount Late Payment Fee - After 7 days, \$25.00 Over-the-Credit-Limit Fee - \$25.00 Annual Card Fee - None Balance Transfers - 7.25% Cash Advances - 7.25%
	<b>Grace Period</b>	
<b>Variable Rate Information</b>	You have 25 days from the end of the statement closing date to pay your balance in full before being charged a FINANCE CHARGE. There is no grace period on cash advances.	
Prime + 4.0%		

Dear Cardholder: Your new VISA Platinum credit card will soon be mailed to you. The initial disclosures required by federal law are included on this document, and also contain important information regarding your rights to dispute billing errors. **Keep this form so you can refer to it if you have any questions regarding your account.**

### 1. FINANCE CHARGE CALCULATION METHOD.

**Cash Advances.** The FINANCE CHARGE on Cash Advances is calculated in accordance with Method F which is described later in this document.

**Credit Purchases.** The FINANCE CHARGE on Credit Purchases is calculated in accordance with Method G which is described later in this document.

**2. VARIABLE RATE INFORMATION.** The ANNUAL PERCENTAGE RATE may vary annually based on the prime rate reported in the *Wall Street Journal*. Any increase or decrease in the ANNUAL PERCENTAGE RATE will be effective September 1st as of the rate reported on August 1st. The ANNUAL PERCENTAGE RATE will be equal to the prime rate plus 4.0 percent. The ANNUAL PERCENTAGE RATE will never be higher than 12.0% or lower than 7.0%.

### 3. PERIODIC RATE; ANNUAL PERCENTAGE RATE. FIXED PERIODIC RATE.

**Credit Purchases.** The Periodic Rate used to compute the FINANCE CHARGE for Credit Purchases is 1/12 of the ANNUAL PERCENTAGE RATE.

**Cash Advances.** The Periodic Rate used to compute the FINANCE CHARGE for Cash advances is 1/12 of the ANNUAL PERCENTAGE RATE.

**4. MINIMUM PERIODIC PAYMENT.** The minimum periodic payment required is the total New Balance as shown on your monthly billing statement if the amount is under \$10.00. If the New Balance exceeds \$10.00 the minimum periodic payment is 2% of that portion of the New Balance which does not exceed your credit limit, plus the entire portion of the New Balance in excess of your credit limit, plus any amount past due, or \$10.00, whichever is greater.

### 5. OTHER CHARGES.

**Annual Fee.** A non-refundable annual membership fee of \$0.00, plus applicable taxes, shall be charged to your account. This fee is for membership in Issuer's credit card plan. The annual membership fee shall be treated as a Credit Purchase for purposes of calculating FINANCE CHARGES, unless prohibited by law.

**Late Charge-Fixed.** If a payment of at least the amount of the minimum required payment is not received within 7 days after the Closing Date subsequent to the Payment Due Date, a late charge of \$25.00 shall be imposed.

**Overlimit Fee-Fixed.** In the event Cardholder incurs charges in amounts exceeding the maximum authorized credit agreed to by Issuer, Cardholder shall pay immediately the amount by which the total New Balance exceeds such maximum authorized credit, and an overlimit fee in the amount of \$25.00 shall be imposed.

**6. SECURITY INTERESTS.** If you have other loans from Issuer, or take out other loans with Issuer in the future, collateral securing those loans will also secure your obligations under this agreement. However unless you expressly agree otherwise, your household goods and primary dwelling will not secure your obligations under this agreement even if Issuer has or later acquires a security interest in the household goods or a mortgage on the dwelling.

If you have executed a written agreement granting a security interest in any deposit accounts (checking, savings, or share accounts) or other funds held by Issuer to secure your obligations under this credit card plan, such accounts and/or funds are additional security for your obligations to Issuer arising from the use of your Card.

**7. BILLING ERRORS/CARDHOLDER'S RIGHTS.** See "Your Billing Rights" on the reverse side for important information regarding your rights to dispute billing errors.

### FINANCE CHARGE CALCULATION METHODS

**METHOD F - A FINANCE CHARGE** will be imposed on Cash Advances from the date made or from the first day of the billing cycle in which the Cash Advance is posted to your account, whichever is later, and will continue to accrue on the unpaid average daily balance of such Cash Advances until the date of payment if paid during the same billing cycle, or until the closing date of the billing cycle preceding the date on which the entire New Balance is paid in full or until the date of payment is more than 25 days from the closing date. If the New Balance shown on your monthly statement for the prior billing cycle is paid in full within 25 days from the closing date of that statement, no FINANCE CHARGES will be imposed during the current billing cycle for Cash Advances posted to your account during previous billing cycles.

The FINANCE CHARGE for a billing cycle is computed by applying the monthly Periodic Rate to the average daily balance of Cash Advances, which is determined by dividing the sum of the daily balances by the number of days in the billing cycle. Each daily balance of Cash Advances is determined by adding to the outstanding unpaid balance of Cash

Advances at the beginning of the billing cycle any new Cash Advances posted to your account, and subtracting any payments as received or credits as posted to your account, but excluding any unpaid FINANCE CHARGES.

**METHOD G - A FINANCE CHARGE** will be imposed on Credit Purchases only if you elect not to pay the entire New Balance shown on your monthly statement for the previous billing cycle within 25 days from the closing date of that statement. If you elect not to pay the entire New Balance shown on your previous monthly statement within that 25 day period, a FINANCE CHARGE will be imposed on the unpaid average daily balance of such Credit Purchases from the previous statement closing date and on new Credit Purchases from the date of posting to your account during the current billing cycle, and will continue to accrue until the closing date of the billing cycle preceding the date on which the entire New Balance is paid in full or until the date of payment if more than 25 days from the closing date.

The FINANCE CHARGE for a billing cycle is computed by applying the monthly Periodic Rate to the average daily balance of Credit Purchases, which is determined by dividing the sum of the daily balances during the billing cycle by the number of the days in the cycle. Each daily balance of Credit Purchases is determined by adding to the outstanding unpaid balance of Credit Purchases at the beginning of the billing cycle any new Credit Purchases posted to your account, and subtracting any payments as received and credits as posted to your account, but excluding any unpaid FINANCE CHARGES.

### TERMS AND CONDITIONS

The person ("Cardholder") whose name is embossed on the face of the VISA credit card ("Card") provided to Cardholder and issued by CP Federal CU ("Issuer") and each Cardholder, in the event more than one Card is provided to Cardholder bearing the same account number, by signing or using said Card, agrees with Issuer to the following terms:

**1. Reg. Z Initial Disclosures.** Cardholder acknowledges receiving from Issuer the initial disclosures required by Regulation Z of the Truth-In-Lending Act ("Initial Disclosures") and agrees that the terms contained in the Initial Disclosures apply to Cardholder and Cardholder's use of the Card.

**2. Credit Purchases; Cash Advances.** Goods and services ("Credit Purchases") may be purchased or leased by means of such card by Cardholder from any retail business establishment ("Seller") who honors same upon the execution of a sales slip evidencing such Credit Purchase and bearing the account number of Cardholder embossed on the face of such Card. Additionally, VISA Cash Advances ("Cash Advances") may be obtained through use of such Card (a) upon execution of a written request of Cardholder in a form furnished to him from any bank that is a member, alone or in association with others, of VISA and (b) upon execution of a written separate agreement with Issuer for a VISA overdraft financing agreement, if offered by issuer.

**3. Cardholder Liable For All Charges.** Subject to paragraph 15 of this Agreement, Cardholder shall be liable and agrees to pay issuer for Credit Purchases made by, or for Cash Advances extended to, Cardholder or anyone else using such Card unless the use of such Card is by a person other than the Cardholder (a) who does not have actual, implied or apparent authority for such use, and (b) from which Cardholder receives no benefit. Additionally, Cardholder shall be jointly and severally liable and agrees to pay for all Credit Purchases and Cash Advances obtained through the use of any other Card bearing Cardholder's account number that has been issued to another person by reason of such person being a member of Cardholder's family, or otherwise issued upon Cardholder's request (all such Cards bearing the same VISA account number shall hereinafter collectively be called "Related Cards").

**4. Annual Fee.** Cardholder agrees to pay to Issuer the annual membership fee disclosed to Cardholder in the Initial Disclosures for participation Issuer's credit card plan. Such annual membership fee shall be imposed whether or not Cardholder uses the card to obtain Credit Purchases and Cash Advances. The membership fee shall be charged to Cardholder's account each year in the month of Issuer's choice. The annual membership fee is not refundable in the event of termination of the Cardholder account by either Cardholder or Issuer except as otherwise provided for by law.

**5. Property of Issuer; Cancellation Rights.** Each Card is the property of Issuer, is non-transferable and must be surrendered upon demand. Each card can be canceled as well as repossessed by Issuer or its designee and the privileges thereof revoked, at any time without prior notice.

**6. Credit Limit; Over Limit Fees.** Cardholder shall not use Card or permit the use of Related Cards to obtain Credit Purchases or Cash Advances which will increase Cardholder's VISA Indebtedness to Issuer to an amount in excess of the limit established by the Issuer. In the event Cardholder incurs charges in amounts exceeding such maximum authorized credit, Cardholder shall pay immediately the amount by which the Total New Balance exceeds such maximum authorized credit, and an overlimit fee ("Overlimit Fee") in the amount disclosed to Cardholder in the Initial Disclosure.

7. **No Liability For Refusal To Honor Card; No Cash Refunds.** All Credit Purchases and Cash Advances are effected at the option of the Seller and Cash Advancing Bank, respectively, and Issuer shall not be responsible for refusal by any Seller or Cash Advancing Bank to honor the Card or any Related Card. Any refund, adjustment or credit allowed by Seller shall not be by cash but rather by a credit advice to Issuer which shall be shown as a credit on Cardholder's account statement with Issuer.
8. **Monthly Statements; Cardholder Payments.** Issuer will send to Cardholder, at monthly intervals determined by Issuer, a statement reflecting for the prior monthly period all VISA Card and Related Card transactions. Such statement shall be deemed correct and accepted by Cardholder and all holders of Related Cards unless Issuer is notified to the contrary in writing within 60 days of mailing of such statement as provided for in the Initial Disclosure. Cardholder will pay such statement by remitting to Issuer within 25 days from the closing date reflected on the statement either the full amount billed or at Cardholder's option, an installment equal to at least the required minimum periodic payment disclosed to Cardholder by Issuer in the Initial Disclosure. All payments by Cardholder will be made in U.S. dollars. Charges incurred in currencies other than U.S. dollars will be converted to U.S. dollars at the rate in effect at the time such charges are converted by Issuer, its agent or other authorized party making such conversion.
9. **Rate of Interest; Finance Charge Calculation Method.** Interest on Cash Advances and Credit Purchases will be charged in accordance with the FINANCE CHARGE calculation method disclosed to Cardholder by Issuer in the Initial Disclosure. The rate of interest shall be established by Issuer from time to time, but shall never exceed the maximum rate permitted by law. The current interest rate per annum is the ANNUAL PERCENTAGE RATE set forth in the Initial Disclosures provided to Cardholder by Issuer.
10. **Immediate Payment of All Amounts Owed.** Cardholder's Credit Card Account ("Account") balance will, at Issuer's option, become immediately due and payable, without notice, in the event that (a) Cardholder dies or becomes bankrupt or Insolvent, or (b) Cardholder fails to make payments due on the Account, incurs charges for Purchases and Cash Advances which exceed the maximum authorized credit, or otherwise breaches these terms and conditions, or (c) Issuer receives information which causes it to believe Cardholder is unwilling or unable to perform under these terms and conditions, or (d) attachment or garnishment proceedings are instituted against Cardholder. Failure by Issuer to assert any rights hereunder shall not waive such rights.
11. **Security Interests.** If Cardholder has other loans from Issuer, or takes out other loans with Issuer, in the future, collateral securing those loans will also secure the Cardholder's Obligations under this agreement. However, unless the Cardholder expressly agrees otherwise, the Cardholder's household goods and primary dwelling will not secure Cardholder's obligations under this agreement even if Issuer has or later acquires a security interest in the household goods or a mortgage on the dwelling.
12. **Attorney's Fees.** Cardholder agrees to pay all costs incurred by Issuer in collecting Cardholder's indebtedness or in enforcing this agreement, including attorneys' fees incurred in appellate, bankruptcy and post-judgment proceedings, except to the extent such costs, fees or expenses are prohibited by law.
13. **Applicable Law.** Except to the extent that Federal law is applicable, the validity, construction and enforcement of this agreement and all matters arising out of the issuance and use of the Card shall be governed by the laws of the state in which the principal office of Issuer is located.
14. **Additional Charges.** Additional charges, plus applicable taxes, may also be assessed against Cardholder as detailed in the Initial Disclosure and as otherwise allowed by Reg. Z and state law.
15. **Cardholder Liability for Unauthorized Use.** Cardholder may be liable for the unauthorized use of the Card or Related Cards as provided in this paragraph. The Cardholder will not be liable for any unauthorized use that occurs after Issuer is notified, orally or in writing at:

CP Federal Credit Union  
1100 Clinton Road  
Jackson, Michigan 49202

Telephone Number  
(800) 554-7101

**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.

**Notify Us In Case of Errors or questions about Your Bill.**

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the address listed on your bill. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill 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 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 bill 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

If Cardholder has a consumer account for which less than 10 cards have been issued, Cardholder's liability for unauthorized use of a card will not exceed \$50.00. If 10 or more cards are issued for use by employees of a single business or other organization, there is no limit to Cardholder's liability for any unauthorized use that occurs before Cardholder notifies Issuer as provided herein, the business or organization may only impose liability on its employees for unauthorized use of a Card as authorized by federal law and regulation.

16. **Monitoring.** In order to maintain quality service in its authorizations, security, customer service and other departments that have need to communicate with Cardholder from time to time, Issuer or its agents may monitor any telephone communications between Issuer's or its agent's employees in those departments and Cardholder, without further notice or disclosure.

17. **Modifications to Agreement.** Issuer may amend or modify these terms at any time, effective forty-five (45) days after written notice thereof is mailed to Cardholder at Cardholder's last known address. Any changes in these terms, including, without limitation, changes in the ANNUAL PERCENTAGE RATE and the Periodic Rate, shall be effective with respect to any balances then outstanding as well as to future Credit Purchases and Cash Advances. Issuer may, in its sole discretion, waive imposition of the fees referenced in the Initial Disclosure or any other provision(s) of these terms; however, Issuer shall have no Obligation to do so, and any such waiver shall be limited to the particular instance or transaction involved and shall not constitute a waiver or authorize the non-observance of the same or any other provision of these terms or any other or future occasion.

18. **VISA/MasterCard Rules and Regulations; Conflicts.** Cardholder and Issuer agree to abide by all applicable rules and regulations of VISA U.S.A., Inc. ("VISA") and/or MasterCard International ("MasterCard"), as applicable, as well as all applicable laws. If there is any conflict between the provisions of this Agreement and the rules and regulations of VISA and/or MasterCard, the rules and regulations of VISA and/or MasterCard shall control.

State laws require the following notice: **CALIFORNIA RESIDENTS:** A married applicant may apply for a separate account. **NEW YORK RESIDENTS:** The Credit Union may at any time in the future obtain consumer reports to review the account. Upon request, the Credit Union must supply the name and address of the consumer reporting agency which gave the consumer report. **WISCONSIN RESIDENTS:** Wisconsin law provides that any agreement, unilateral statement or court decree relating to marital property may not adversely affect a creditor's interest, unless prior to the time credit is granted, the creditor is furnished a copy of the agreement, statement or decree, or has actual knowledge of the adverse provision. **ILLINOIS RESIDENTS:** No applicant may be denied a credit card on account of race, color, religion national origin, ancestry, age (between 40 and 70), sex, marital status, physical or mental handicap unrelated to the ability to pay or unfavorable discharge from military service.

**Residents of Illinois may contact the Illinois Commissioner of Banks and Trust Companies for comparative information on interest rates, charges, fees and grace periods.** State of Illinois - CIP, P.O. Box 10181, Springfield, Illinois 62791; 1 (800) 634-5452.

**OHIO RESIDENTS:** The Ohio Laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio civil rights commission administers compliance with this law.

19. **Illegal Use of Card.** Cardholder agrees that illegal use of the card will be deemed an action of default and/or breach of contract and the Cardholder's account and other related services may be terminated at the Credit Union's discretion. Cardholder further agrees, should illegal use occur, to waive any right to sue the Credit Union for such illegal use or any activity directly or indirectly related to it and additionally agrees to indemnify and hold the Credit Union harmless from any suits or other legal action or liability, resulting from such illegal use. The Credit Union reserves the right to decline to authorize any transaction that may possess an undue risk of Illegal activity.

the parts of your bill that are not in question.

If we find that we made a mistake on your bill, 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 bill. 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 questioned amount, even if your bill was correct.

**SPECIAL RULES 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 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.