



RTN Federal Credit Union

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CREDIT CARD DISCLOSURE

Effective March 17, 2010

TRUTH IN LENDING/REGULATION Z

INITIAL DISCLOSURES

The Initial Disclosures required by federal law are included in this document, along with the Finance Charge Calculation Methods; Terms and Conditions; and important information regarding your rights to dispute billing errors. Keep this document so you can refer to it if you have any questions regarding your account.

A. Finance Charge Calculation Method.

Cash Advances. The Finance Charge on Cash Advances is calculated in accordance with Method A that is described in the Finance Charge Calculation Methods section of this document.

Credit Purchases. The Finance Charge on Credit Purchases is calculated in accordance with Method E that is described in the Finance Charge Calculation Methods section of this document.

B. Periodic Rate; Annual Percentage Rate.

Please see the Periodic Rate Addendum insert for the current periodic rate and corresponding annual percentage rate for credit purchases and cash advances.

C. 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 2.25% 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.

D. Other Charges.

Annual Fee. Cardholder agrees to pay Issuer an annual membership fee for participation in Issuer's credit card plan. For Visa Classic and MasterCard Cardholders a non-refundable fee of \$10.00 shall be charged to your account. For Visa Gold and Visa Platinum Cardholders, a non-refundable fee of \$20.00 shall be charged to your account. Such fee shall be imposed whether or not you use the card to obtain Credit Purchases or Cash Advances. The fee shall be treated as a Credit Purchase for purposes of calculating Finance Charges, unless prohibited by law. The membership fee shall be charged to your 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. The Visa Classic and MasterCard annual membership fee is waived for members with "Direct Deposit" or members who are enrolled in our student package plan. The Visa Gold and Visa Platinum annual membership fee is waived for members with automatic payment from their share or checking account and direct deposit.

Replacement Card Fee. In the event any additional or replacement cards are issued for any reason other than the issuance of a renewal card, a fee in the amount of \$10.00 shall be imposed.

Late Charge Fee. For all Cardholders, a fee of \$20.00 shall be imposed for payments not received by the due date, plus any applicable grace period.

Cash Advance Fee. Cardholder shall pay a fee of \$2.00 (FINANCE CHARGE) for each cash advance applied against Cardholder's credit card account.

Processing Fee. If any check or other instrument given for payment on the Card account is dishonored for any reason, a processing fee of \$20.00 shall be imposed.

Statement Replacement Fee. Cardholder shall pay a fee of \$2.00 for each replacement statement requested.

E. 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 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 our Card.

F. Billing Errors/Cardholder's Rights.

See section entitled "Your Billing Rights" for important information regarding your rights to dispute billing errors.

FINANCE CHARGE CALCULATION METHODS

Interest on Cash Advances and Credit Purchases will be charged in accordance with the Finance Charge Calculation Methods disclosed below. 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 periodic rate and corresponding annual percentage rate for Credit Purchases and Cash Advances are disclosed on the Periodic Rate Addendum. The Issuer uses the following Finance Charge Calculation Methods:

METHOD A — 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 until the date of payment.

The Finance Charge for a billing cycle is computed by applying the monthly Periodic Rate to the average daily balance, which is determined by dividing the sum of the daily balances during the billing cycle by the number of days in the cycle. Each daily balance is determined by adding to the Previous Balance (the outstanding balance of your account at the beginning of the billing cycle) any new Cash Advances received, and subtracting any payments as received or credits as posted to your account but excluding any unpaid Finance Charges.

METHOD E — 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 billing cycle during which such transactions are posted to your account within 25 days from the closing date of that statement. If you elect not to pay the entire New Balance shown on your 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 statement closing date (but not on Credit Purchases posted during the current billing period) 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 days in the cycle. Each daily balance of Credit Purchases is determined by subtracting from the outstanding unpaid balance of Credit Purchases at the beginning of the billing cycle any payments as received and credits as posted to your account, but excluding any unpaid Finance Charges.

ADDITIONAL TERMS AND CONDITIONS

The person ("Cardholder") whose name is embossed on the face of the Visa Classic, Visa Gold, Visa Platinum or MasterCard credit card ("Card") provided to Cardholder and issued by RTN Federal Credit Union ("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 Classic, Visa Gold, Visa Platinum or MasterCard 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 International Inc. or MasterCard International Inc. and (b) upon execution of a written separate agreement with Issuer for a Visa Classic, Visa Gold, Visa Platinum or MasterCard overdraft financing agreement, if offered by Issuer.

Cardholder acknowledges that the Card will not be used for any illegal transactions, including but not limited to on-line gambling.

3. Cardholder Liable For All Charges. Subject to Paragraph 12 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 received 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 or MasterCard account number shall hereinafter collectively be called "Related Cards").

4. Property of Issuer; Cancellation Rights. Each Card is the property of Issuer and is not 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.

5. Credit Limit. Cardholder shall not use Card or permit the use of Related Cards to obtain Credit Purchases or Cash Advances that will increase Cardholder's Visa Classic, Visa Gold, Visa Platinum or MasterCard indebtedness to Issuer to an amount in excess of the limit established by 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.

6. No Liability For Refusal To Honor Card; No Cash Refunds. All Credit Purchases and Cash Advances are affected at the options 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.

7. Monthly Statement; Cardholder Payments. Issuer will send to Cardholder, at monthly intervals, a statement reflecting for the prior monthly period all Visa Classic, Visa Gold, Visa Platinum, MasterCard 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 such statement as provided for in the Initial Disclosure. Cardholder, within 25 days from the closing date reflected on the statement, will pay to Issuer 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.

8. 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 there under shall not waive such rights.

9. Attorney's Fees. Cardholder agrees to pay all costs incurred by Issuer in collecting Cardholder's indebtedness or in enforcing this agreement, including attorney's fees and costs, as well as those costs, expenses and attorney's fees incurred in appellate, bankruptcy and post-judgment proceedings, except to the extent such costs, fees or expenses are prohibited by law.

10. 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.

11. 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.

12. Cardholder Liability. Cardholder agrees to notify Issuer immediately, orally or in writing at:

Cardholder Services-Security Department
PSCU Service Centers Inc.
P.O. Box 41769
Philadelphia, PA 19101
Telephone 1-800-449-7728

of the loss, theft, or unauthorized use of Cardholder's credit card. Cardholder may be liable for the unauthorized use of Cardholder's credit card or Related Cards. Cardholder will not be liable for unauthorized use that occurs after Cardholder notifies Issuer of the loss, theft or possible unauthorized use. In any case Cardholder's liability will not exceed \$50 for unauthorized cash advances at ATMs. Cardholder will have no liability for unauthorized purchases made with Cardholder's credit card.

13. Monitoring. In order to maintain quality service in its authorizations, security, customer service and other departments that have a need to communicate with Cardholder from time to time, Issuer or its agents may monitor any telephone, e-mail or internet communications between Issuer's or its agent's employees in the

departments and Cardholder, without further notice or disclosure.

14. Modifications to Agreement. Issuer may amend or modify these terms at any time, effective fifteen (15) 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 amend the variable periodic rate without notice to the Cardholder. 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 on any other or future occasion.

15. Visa and MasterCard Rules and Regulations; Conflicts. Cardholder and Issuer agree to abide by all applicable rules and regulations of Visa International ("Visa"), 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 or MasterCard, the rules and regulations of Visa or MasterCard shall control.

16. Secured Limits. If you choose to lower your secured limit, Issuer reserves the right to defer the release of funds for 25 days to cover outstanding authorizations.

17. "CU Rewards" program. The "CU Rewards" program is available to Visa Gold and Visa Platinum Cardholders only. Cardholders will earn one "C.U. Reward" point for each retail dollar charged to their account. Cardholders are eligible to redeem their points for products and services offered in the "C.U. Rewards" program. Points accrue only while cardholder's account is current. Points must be redeemed within five years of issuance. This program may be canceled by Issuer without notice to the cardholder.

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 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 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 the questioned amount even if you 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.

FOREIGN TRANSACTIONS

If you are planning to use your VISA credit card in a foreign country, the exchange rate is 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, in each instance, plus or minus any adjustment determined by the Issuer.

For each purchase made with your Visa card or Mastercard card in a foreign currency, we will add an additional fee of 2.0% (FINANCE CHARGE) of the amount of the purchase after its conversion by Visa or Mastercard into U.S. dollars. This foreign currency transaction fee will be added to the appropriate foreign currency purchase balance. This foreign currency transaction fee may cause the annual percentage rate on the billing statement on which the purchase appears to exceed the nominal percentage rate.

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