

VISA CREDIT CARD AGREEMENT

This Agreement covers this VISA Credit Card account, issued by Whatcom Educational Credit Union (“Lender”). In this Agreement the words “you,” “your,” “yours,” “applicant,” and “Borrowers” 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 “Lender” means Whatcom Educational Credit Union. The word “Card” means any one or more credit card(s) issued to you under the Credit Union’s VISA Classic and Platinum Card programs. 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.

TO REPORT A LOST OR STOLEN VISA CARD: During regular business hours call WECU, after hours and weekends call 800.682.6075.

1. Responsibility. If we issue you a Card, by signing or using your Card or account number for any transaction, you agree to repay all debts and the **FINANCE CHARGE** arising from the use of the Card and the Card account. For example, you are responsible for charges made by yourself, your spouse and minor children. You are also responsible for charges made by anyone else to whom you give the Card, and this responsibility continues until the Card is recovered. 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 judgment 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.

2. Lost card notification. If you believe the Card has been lost or stolen, you will report it immediately. During regular business hours, call the Credit Union at 360.676.1168 or 800.525.8703, ext. 7360. After hours and on weekends call 800.682.6075.

3. Liability for unauthorized use. 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; otherwise your liability is limited to \$50.

4. Credit line. If we approve your application, we will establish a self-replenishing Line of Credit for you and notify you of its amount when we issue the Card. You agree not to let the account balance exceed this approved Credit Line. Each payment you make on the account will restore your Credit Line by the amount of the payment, which is applied to principal. You may request an increase in your Credit Line only by written application to us, which must be approved by our credit committee or loan officer. By giving you written notice our credit committee 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 reevaluation of your credit worthiness. 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 our property and you must recover and surrender to us all Cards upon our request and upon termination of this Agreement.

5. 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 about your credit standing, to the extent authorized in our bylaws.

6. Monthly payment.

A. Minimum payment. We will mail you a statement every month showing your Previous Balances of purchases and cash advances, the current transactions on your account, the remaining credit available under your Credit Line, the New Balances of purchases and cash advances, the Total New Balance, the **FINANCE CHARGE** due to date, and the Minimum Payment required. Every month you must pay at least the Minimum Payment within 25 days of your statement closing date (the 10th of the following month). If the 10th of the month falls on a weekend, the payment is due the Friday before. You may, of course, pay more frequently, pay more than the Minimum Payment, or pay the Total New Balance in full, and you will reduce the **FINANCE CHARGE** by doing so. The Minimum Payment will be either (a) 3% of your Total New Balance, or \$20.00, whichever is greater, or (b) your Total New Balance, if it is less than \$20.00 plus (c) any portion of the Minimum Payment(s) shown on prior statement(s) which remains unpaid. In addition, at any time your Total New Balance exceeds your Credit Line, you must immediately pay the excess upon our demand. Your Classic payment will be applied first to any fees (late and/or high balance), previously billed and unpaid finance charge on cash advances, balance transfers, and purchases; then to previously billed cash advances, previously billed balance transfers, previously billed purchases, then to new cash advances, new balance transfers and new purchases. Your Platinum payment will be applied first to any fees (late and/or high balance), previously billed and unpaid finance charge on cash advances, balance transfers, and purchases; then to previously billed cash advances, new cash advances, previously billed balance transfers, previously billed purchases, then to new balance transfers and new purchases.

B. Payment method. You make your monthly payment by either an electronic or manual payment method. Electronic payment methods include payment transfers made through E-Max (online banking), Tele-Max (automated telephone banking), periodic preauthorized debits or payroll deduction. Manual payment methods include payments made in person, by mail, or telephone instructions through the Call Center. Electronic payment is required for Platinum accounts.

7. Finance charge. You can avoid a **FINANCE CHARGE** on purchases only by paying the full amount of the New Balance of Purchases each month within 25 days of your statement closing date. Otherwise, the New Balances of Purchases, and subsequent purchases from the date they are posted to your account, will be subject to **FINANCE CHARGE**. Cash advances are always subject to **FINANCE CHARGE** from the date they are posted to your account. For Visa Classic Cards, **FINANCE CHARGES** (interest) are calculated at the Periodic Rate of 1.07500% per month (**ANNUAL PERCENTAGE RATE** of 12.9%), on the average daily principal balances of purchases, balance transfers and cash advances in the account. For Visa Platinum Cards, **FINANCE CHARGES** are calculated at the Periodic Rate of 0.7917% per month (**ANNUAL PERCENTAGE RATE** of 9.5%) for purchases and balance transfers and 1.0750% Periodic Rate (**ANNUAL PERCENTAGE RATE** of 12.9%) for cash advances.

The principal balances of purchases and cash advances are determined each day during the statement period, beginning with the principal portion of your Previous Balances, reduced by payments you make and credits we apply and increased by purchases and cash advances you make and debit adjustments we make during the statement period. The daily principal balances are totaled and divided by the number of days in the statement period, to produce separate average daily principal balances for purchases and cash advances to which the periodic rate is then applied.

8. Other charges. Your account will be subject to other charges including, without limitation, overlimit fee \$10.00; NSF check charge \$5.00; late charge of 5% of the payment or \$5.99, whichever is greater, will be assessed if your payment is not received within 10 days of the date due; copies of drafts \$12.00; plastic replacement cost of \$5.00.

9. ATM fees. If you use an ATM to obtain a cash advance and the ATM is not operated by us, you may be charged an ATM surcharge by the ATM operator or an ATM network utilized for such a transaction. The ATM surcharge may be charged to your account if you complete the transaction.

10. Default. You will be in default if you fail to make any Minimum Payment within 25 days after your monthly statement closing date. You will also be in default if your ability to repay us is materially reduced by a change in your employment, an increase in your obligations, bankruptcy or insolvency proceedings involving you, your death or your failure to abide by this Agreement, or if the value of our security interest materially declines. 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 collection agency fees and costs if applicable, court costs and reasonable attorney's fees.

11. Accessing your account. You may access your Account by using your Card and Personal Identification Number (PIN), using convenience checks and balance transfer coupons, and authorizing transactions with your account number over the phone or Internet.

A. Card use. To make a purchase or cash advance, you must comply with the Credit Union's procedures for authorizing such transactions. You may present your Card to a participating VISA plan merchant, to us or to another financial institution, and sign the sales or cash advance draft which will be imprinted with your Card. You may complete the transaction by using your PIN in conjunction with the Card in an Automated Teller Machine (ATM) or other type of electronic terminal that provides access to the VISA system. You may authorize a purchase transaction with merchants by providing your Card account number and expiration date for transactions over the telephone or Internet. The monthly statement will identify the merchant, electronic terminal or financial institution at which transactions were made, but sales, cash advance, and credit or other slips cannot be returned with the statement. You will retain the copy of such slips furnished at the time of the transaction in order to verify the monthly statement. The Credit Union may make a reasonable charge for photocopies of sales slips you may request. You may not use the Card for any illegal or unlawful transaction, including Internet gambling transactions, and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness.

B. Convenience checks. If the Credit Union approves, you may access your account and obtain advances by writing preprinted convenience checks that the Credit Union supplies to you. Your use of convenience checks will be shown as credit advances on your monthly statement. The Credit Union may not honor your convenience check if: your check is postdated; payment of convenience check would exceed your credit limit; a convenience check is signed by a person without authorized access to your account; the amount of the convenience check is less than the minimum required dollar amount; your account has been terminated or suspended or any convenience checks have been reported lost or stolen. You may stop payment on a convenience check if you provide the Credit Union with the exact information describing the

check and providing the Credit Union with adequate notice to act on the stop payment instruction. If you give the Credit Union incorrect information, the Credit Union will not be responsible for failing to stop payment of the convenience check and you will be responsible for repayment of the amount of the check. You understand there may be a charge for each stop payment order requested and any convenience check returned. The Credit Union's liability for wrongful dishonor is limited to your actual damages; however, a dishonor for reasons stated above is not a wrongful dishonor.

C. Balance transfer coupons. If the Credit Union approves, you may access your account and obtain advances by signing a balance transfer coupon and authorizing the Credit Union to pay off existing obligations of other financial institutions. Your use of a balance transfer coupon will be shown as a credit advance on your monthly statement. The Credit Union may not complete your balance transfer request if the transfer advance would exceed your credit limit or your account has been terminated or suspended.

12. 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 slip, which we will post to your account. If your credits and payments exceed what you owe us, we will hold and apply this credit balance against future purchases and cash advances, or if it is \$10.00 or more, refund it on your written request or automatically after 90 days.

13. Currency conversion/foreign transactions. 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 a Foreign Transaction Fee of 1% of the transaction amount for any card transaction made in a foreign country and .80% of the transaction amount for Internet merchants that bill through a foreign financial institution.

14. Plan merchant disputes. We are not responsible for the refusal of any plan merchant or financial institution to honor your Card. We are subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the Card only if you have made a good faith attempt, but have been unable to obtain satisfaction from the plan merchant, and (a) your purchase was made in response to an advertisement we sent or participated in sending you; or (b) your purchase cost more than \$50.00 and was made from a plan merchant in your state or within 100 miles of your home. Any other disputes you must resolve directly with the plan merchant.

15. Security interest. To secure your account, you grant us a purchase money security interest under the Uniform Commercial Code in any goods you purchase through the account. You agree that all collateral you have given the Credit Union to secure other open-end consumer loan obligations (except real estate loans) in the past and in the future will secure your obligations under this Agreement. If you default, we will have the right to recover any of these goods which we have not been paid for through our application of your payments in the manner described in paragraph six. With respect to this account only we will not assert any statutory right we may have if you are in default to prevent withdrawal of your unpledged Credit Union shares (deposits) below the unpaid balance of your account. However, if you give or have given us a specific pledge of your Credit Union shares (deposits) by initialing in the Secured Credit box on the VISA application, your account will be secured by your pledged shares (deposits) and by the property described in other security agreements, except for your home.

16. 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 terms. 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 indicate in our notice, amendments will apply to your existing account balance as well as to future transactions.

17. Billing errors notice rights for VISA Credit Card transactions.

A. Notify us in case of errors or questions about your billing statement. This notice contains important information about your rights and our responsibilities for VISA Credit Card transactions under the Fair Credit Billing Act. If you think your statement is wrong, or if you need more information about a transaction on your statement, write to us at the address shown above and on each billing 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 VISA Credit Card transaction 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 Account Statement automatically from your 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.

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 statement

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 CHARGE** 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 statement. And, we must tell you the name of anyone to whom we reported you. 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 \$50.00 of the questioned amount, even if your statement was correct.

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:

- i. 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
- ii. The purchase price must have been more than \$50.00.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.