

# Direct Federal Credit Union VISA Credit Card Agreement

**NOTICE: See important information on back of Agreement regarding your rights to dispute billing errors.**

Dear Member, thank you for applying for a VISA credit card account with Direct Federal Credit Union ("we" or "us"). This Agreement will cover your Account. Each person who applied for this Account ("you") will be bound by this Agreement and responsible for paying all amounts owed. We may change the Agreement if we give you notice of the change, as described in the section of this Agreement entitled "Changing This Agreement."

**Purchase Advances** - You can use your credit card to purchase goods and services at participating merchants. We will add the amount of each purchase to a part of your Account we call "purchases."

**Cash Advances** - You can also obtain cash advances (loans) in the amount of \$50.00 or more by (a) presenting your credit card at any bank displaying the VISA sign; (b) using your credit card at any automated teller machine ("ATM") that is part of the VISA system; or (c) requesting an advance through our web banking or call center (if you have enrolled for those services). We will add the amount of each cash advance to the part of your Account we call "cash advance." Your balance of cash advances may never exceed 50% of your credit limit.

**Balance Transfers** - Balance transfers are cash advances and are subject to the conditions detailed in the preceding section. You may take a cash advance to transfer the balance from any other credit card or loan that you have from any other financial institution. If you intend to close the other account, please contact the other financial institution directly. A balance transfer may be completed by selecting the balance transfer option on the application or completing the balance transfer form available on our website ([www.direct.com](http://www.direct.com)). If you ask us to initiate a balance transfer on your behalf as part of the application process, it may take up to three weeks to complete the balance transfer. You should make any payment(s) due on the other account during that period to keep it current. Balance transfers requested during the application process are contingent upon approval of your application. We reserve the right to decline to process any partial or full balance transfer request and we may decline to process a balance transfer request from any other account with us.

**Limits on Advances** - We are not required to make a purchase or cash advance if: (1) you have reached your credit limit; (2) we reasonably believe that you will be unable to repay your line of credit pursuant to this Agreement as a result of a material change in your financial circumstances; (3) your Account is in default; (4) you have notified us to stop making advances; (5) you or we have closed your Account; or (6) your credit card has expired or been invalidated. Any purchase or cash advance we make, even if we are not required to, will be governed by the terms and conditions of this Agreement.

**Invalidating Your Credit Card.** We may invalidate (suspend or cancel) your credit card if you report it lost or stolen or we suspect that it may be used without your consent. We will notify you promptly when we invalidate your card. If we invalidate your card, you may request that we replace or reauthorize it, but we are not obligated to do so.

**Your Payment Promise** - You agree to pay us back all purchase and cash advances we make for your Account, together with all applicable finance charge and other charges, according to the terms of this Agreement.

**Credit Line** - We will assign you a credit line when we approve your Account. We may increase or decrease your credit line at any time and for any reason. We will give you notice of any decrease. You may request that we increase or decrease your credit line, but no new limit will be effective for your Account unless we approve it. You promise not to allow your unpaid balance to exceed your credit line. If you request an advance that would cause the unpaid balance of your Account to exceed your credit line, we have no obligation to make it, but we may do so if we so choose. You agree to repay any amount more than your credit line immediately, without notice or demand from us.

**Monthly Statements** - We will send you a statement at the end of each monthly statement period in which there is a transaction or an outstanding balance in your Account. The statement will show all transactions posted to your Account during the month, the unpaid balance in your Account (called the "New Balance"), the amount of credit available to you (your credit line minus the New Balance), the minimum payment due, and the due date (25 days after the statement date).

**Making Payments** - Each month you must pay us at least the minimum payment by the due date. The minimum payment due on each statement will be the greater of (a) the sum of 2.1% of the New Balance shown on the statement plus any overdue payment or (b) \$25.00, except that, if the New Balance is less than \$25.00, your minimum payment will be the entire New Balance amount.

If your Account includes our automatic payment feature, we will automatically pay any remaining portion of the minimum payment amount (or New Balance, if you have requested our full payment option) that you have not yet paid on the payment due date from the savings or checking account you specified as long as there are sufficient funds in that account to make the payment. If there are not sufficient funds in your account (or in any alternative account you have specified) to make the payment, no payment will be made automatically. We do not have to make an overdraft loan to you to cover the payment and we may terminate your automatic payment privilege.

If you have elected not to use our automatic payment feature, or if we have terminated your privilege to use it, you should make your payments by mail, or by transferring money from your Direct Federal deposit account using our Web Site, or by calling our Call Center. You may not request a VISA cash advance to make the payment. You can always pay more than the minimum payment but, if you do, you must still make the minimum payment in each of the following statement periods until you have fully paid what you owe.

**Late Payment Charge** - If you fail to pay at least the minimum payment on or before the due date and we have not yet required you to pay the entire balance of your Account (see the section of this Agreement captioned "Default"), we may charge a late payment fee to the purchase portion of your Account. The late payment fee will be \$25 if you have not paid late within the previous 6 months and will be \$35 for the second and each subsequent late payment within a 6-month period. The late payment fee will never exceed the maximum amount allowed by law.

**Irregular Payments** - We may accept payments, partial payments, or checks or money orders labeled "Payment in full" without losing our rights under this agreement.

**Annual Percentage Rate** - We will use a monthly periodic rate based on creditworthiness to compute the finance charge on all purchases, cash advance balances, and balance transfers in your Account (see the following two paragraphs for each specific calculation). The adjusted monthly periodic rate is determined by dividing the adjusted annual percentage rate by 12 and carrying the result to 3 decimal places. Increases in the annual percentage rate will cause more finance charges to accrue during the billing cycle, which may result in an increase in the amount of your minimum payment. These rates are subject to adjustments (and may increase) as described below.

**Purchases and Cash Advances** - Except as provided in the Default Rate paragraph, on all purchases and cash advance balances in your Account the annual percentage rates applicable to your Account will be adjusted on the first day of each billing cycle by adding the margin **Percentage Points** (the "margin") to the highest "US Prime Rate" published in *The Wall Street Journal*, or any successor thereto, on the last business day of the immediately preceding calendar month (the "index").

**Balance Transfers** - Except as provided in the Default Rate paragraph, on all balance transfers in your Account the annual percentage rates applicable to your account will be calculated as follows: **0.00%** introductory APR for the first 6-month billing statements starting on the date of your account opening.

After that, your APR will be Prime plus 1.74% until the amount of balances transferred are paid in full. After any introductory rate for balance transfers (as described in the preceding sentence) ends the annual percentage rate on all balance transfers to your Account will be adjusted on the first day of each billing cycle by adding the margin of 1.74 percentage points to the highest "US Prime Rate" published in *The Wall Street Journal*, or any successor thereto, on the last business day of the immediately preceding calendar month (the "index") until the balances transferred are paid in full. This rate is for balance transfers only. Balance transfers cannot be used to pay down an existing Direct Federal loan balance.

**Default Rate** - If you fail to make a minimum payment by its due date, we may increase the monthly rate applicable to the purchase and cash advance portions of your Account up to **(corresponding ANNUAL PERCENTAGE RATE 18%)**. This penalty rate will remain in effect until you have made six consecutive minimum monthly payments by their due date. The monthly rate applicable to the balance transfer portion of your account will not be affected.

The annual percentage rate will never be increased above the maximum rate permitted by law.

**Finance Charge** - Finance charge accrues on every purchase and cash advance from the day each advance is posted to your Account to the day payment of the advance is credited.

However, you can avoid paying a finance charge for the billing cycle on the balance of the purchase portion of your Account if the balance of your entire Account (excluding finance charge for the preceding billing cycle) at the beginning of the billing cycle was zero or if payments and credits posted to your Account by the payment due date equal or exceed the New Balance shown on the statement.

**Computing the Finance Charge** - We compute the finance charge for a billing cycle by multiplying the average daily balance for each category of transactions that are subject to a different rate (purchase advances, cash advances, and balance transfers) times the monthly periodic rate then in effect for that category of transactions. The average daily balances are computed as follows:

1. The average daily balance of purchases is the sum of the daily unpaid balances of the purchases divided by the number of days in the billing cycle covered by the statement. Unpaid daily balances are determined by taking the previous day's balance (excluding finance charge assessed for the preceding cycle that was paid by the minimum payment due date for that cycle) and adding any advances or other charges and subtracting any applicable payments or credits posted to your Account that day. We consider the average daily balance of your purchases to be zero if: (i) the outstanding balance of your entire Account at the beginning of the cycle (excluding finance charge assessed for the preceding billing cycle) was zero; or (ii) the applicable payments and credits posted to your Account by the payment due date equaled or exceeded the balance of your entire Account at the beginning of

the cycle.

2. The average daily balance of cash advances (excluding balance transfers) is the sum of the unpaid balances of cash advances on each day of the billing cycle covered by the statement divided by the number of days in the billing cycle. Each unpaid daily balance is determined by taking the previous day's balance (excluding finance charge assessed for the preceding cycle that was paid by the minimum payment due date for that cycle) and adding any respective advances and subtracting any applicable payments or credits posted to your Account that day.
3. The average daily balance of balance transfers is the sum of the unpaid balances of such balance transfers on each day of the billing cycle covered by the statement divided by the number of days in the billing cycle. Each unpaid daily balance is determined by taking the previous day's balance (excluding finance charge assessed for the preceding cycle that was paid by the minimum payment due date for that cycle), adding any new balance transfer advances that are subject to the same rate, and subtracting any applicable payments or credits posted to your Account that day.

If the total finance charge computed as described above for any billing cycle is greater than zero but less than \$.50, you will be charged a minimum finance charge of \$.50 for the billing cycle.

**Applying Payments** - We will apply payments made on your Account as follows: first, to any balance subject to a promotional rate that ends within the next two billing cycles; second, to finance charges and account fees; third, to purchases and cash advances in the order of the lowest to highest applicable rates (and to older advances before newer advances within each rate) up to the amount of the minimum payment due; fourth, if your payment exceeded the minimum payment due, to purchases and cash advances in the order of the highest to lowest applicable rates (and to older before newer advances within each rate); and, finally, the balance to any unpaid disputed amounts.

**Crediting Payments** - It is to your advantage to make all payments properly and on time. All payments received on a business day will be credited on that day, provided they are received at the address and in the manner indicated on your monthly statement. Payments received at a different address or in a different manner may not be credited for up to 5 days.

**Default** - Your Account will be in default and your entire balance will be due immediately without notice or demand if: you fail to make a payment by the due date, you break any of your promises under this agreement or any other agreement you've made with us; anything you told us in applying for this Account is untrue; you become insolvent or involved in bankruptcy proceedings, make an assignment for the benefit of creditors, or die, or a tax lien is filed against you or your property.

**Collection Costs** - You agree to pay all collection costs, including reasonable attorney's fees, if we start collection proceedings.

**Joint Account** - If this is a joint Account, each person who applied for the Account (1) may obtain purchase and cash advances (but the total of these advances cannot exceed the credit line); (2) will be responsible for paying all amounts owed, regardless of which person made the purchases or requested the advances; and (3) can close the Account.

**Transfer or Assignment** - Your rights under this Agreement belong to you only and may not be transferred or assigned. Your obligations, however, are binding upon your heirs and legal representatives.

**Security and Set-Off** - As collateral for this Account, you hereby give us a purchase-money security interest under the Uniform Commercial Code in the goods you purchase through this Account. You agree to sign any documents we reasonably request you sign to prove the existence or priority of our rights. In connection with this Account, we waive our right of set-off as well as any other security interest you have given or may in the future give us in connection with any other transaction with us.

**Other Charges** - You agree to pay us \$5.00 for each photocopy of a monthly statement or transaction receipt you request from us. You also agree to pay us \$10.00 each time a check with which you make a payment on your Account is returned unpaid for any reason. These fees will be added to the purchase portion of your Account.

**Express Consent For Telephone Contacts** - When you provide us with a telephone number (including for a landline, cellular, VOIP, or any other form of telephone device), you are expressly consenting that we may use that number to contact you and that we may allow service providers who assist us in providing account services to you to use that number to contact you. We may contact you by any method, including voice call (including prerecorded or artificial voice calls), calls using auto dialer or other technologies, texts, and other methods, even if you may incur charges from your phone provider when we do. We may contact you about your Account (such as with a fraud alert or payment due notice) or about any other account or service you have with us. You represent that you have the right to grant consent to use your contact information as described in this paragraph.

You may revoke your consent to be called by us and our service providers by writing to us at the address shown in the notice of "Your Billing Rights" at the end of this Agreement. However, certain services can be offered only if we have consent to call you. We may close your Account or terminate individual services if you revoke your consent to be called.

**Refusing a Credit Card** - We will not be legally responsible in any way if anyone refuses to accept your credit card.

**Notices** - Any notice we send you will be considered effective when it is delivered

personally, to you or mailed, postage prepaid, to the last address we have for you in our records. If you have elected to receive Account disclosures and notifications electronically, notice will be considered effective when sent to the most recent email address we have for you in our records. Notice from you will be considered effective when we receive it at the address provided for us in the Billing Rights notice at the end of this document.

If this is a joint Account, we can notify one of you and the notice will be effective for both of you. Similarly, one of you can notify us and we'll consider it to be notice from both of you.

**Changing this Agreement** - We can change this Agreement at any time including, without limitation, changing the way we compute the finance charge or minimum payments. We will notify you in writing at least 45 days prior to the date on which the change is to become effective. All changes will apply to amounts you owe at the time the change goes into effect as well as to all new transactions and balances unless we agree otherwise.

**Closing Your Account** - Either one of you may request in writing at any time that we not make any future purchase or cash advances to you. Simply return your credit cards with your request that we stop making advances. You can close your Account at any time there is a zero balance. Simply notify us in writing, stop using your Account, and return your credit cards to us.

Except in cases of default, if we close your Account, we will notify you in writing before the closing is to become effective. If we close your Account, you agree to destroy your credit cards. No matter who closes the Account, we will keep all rights we have, and you will still have to repay all purchase and cash advances made for your Account, even if made after the Account has been closed, together with finance charge. Your credit cards remain our property. You agree to return them to us immediately if we ask.

**Foreign Transactions** - Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars. The exchange rate for transactions in a foreign currency will be a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date; this rate may vary from the rate Visa itself receives or the government mandated rate in effect for the applicable processing date. We do not control the rate, date, or place of exchange. A 1% International Transaction Fee will be assessed on all transactions (including purchases, credit vouchers, and cash advances) where the merchant country is not the U.S. The International Transaction Fee will be shown separately from the transaction amount on your Account statement.

**Lost or Stolen Cards** - You agree to notify us at once if your credit card is stolen or if you suspect it is being used without your permission. You may be legally responsible for the unauthorized use of your card. You will not, however, be legally responsible for unauthorized use that occurs after you notify us orally or in writing at the address shown below of the loss, theft, or possible unauthorized use. In any case, you won't be legally responsible for unauthorized use of more than \$50.00.

To give notice of lost or stolen VISA Cards, call 781-455-6500, 24 hours a day, 7 days a week. Mail notice to:

Direct Federal Credit Union  
VISA Department  
P.O. Box 9123  
Needham, Massachusetts 02494-9123

**Evidence** - If we go to court for any reason, we can use a copy, microfilm, or microfiche of any monthly statement or other document to prove what you owe us or that a transaction has taken place. The copy, microfilm, or microfiche will have the same validity as the original.

**Waiver** - We may waive or delay enforcing any of our rights under this agreement without losing such rights. We may waive or delay enforcing any of our rights as to one person obligated under this agreement without affecting the obligations of any other person.

**VISA Services and Benefits** - So long as you maintain your VISA Account in good standing, you are entitled to receive the additional VISA services and benefits that we offer. These services and benefits, which may change from time to time, typically include certain kinds of insurance coverage (such as travel insurance and collision insurance on rental cars). You can obtain information about the services and benefits that are currently available by calling Direct at 781-455-6500.

**Applicable Law** - This Agreement will be governed by federal law and by the law of the Commonwealth of Massachusetts. If there is any conflict between any of the terms and conditions of this Agreement and applicable law, this Agreement will be considered changed to the extent necessary to comply with the law. The other provisions will not be affected.

#### **YOUR BILLING RIGHTS KEEP THIS NOTICE FOR FUTURE USE**

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

#### **What To Do If You Find a Mistake on Your Statement**

If you think there is an error on your statement, write us at:

Direct Federal Credit Union  
VISA Department  
P.O. Box 9123  
Needham, Massachusetts 02494-9123

In your letter, give us the following information:

- **Account information:** Your name and account number.

- **Dollar amount:** The dollar amount of the suspected error.
- **Description of problem:** If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors *in writing*. You may call us, but if you do we are not required to investigate any potential errors, and you may have to pay the amount in question.

#### **What Will Happen After We Receive Your Letter**

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- **If we made a mistake:** You will not have to pay the amount in question or any interest or other fees related to that amount.
- **If we do not believe there was a mistake:** You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe, and the date payment is due. We may then report you as delinquent if you do not pay the amount, we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within *10 days* telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

#### **Your Rights If You Are Dissatisfied with Your Credit Card Purchases**

If you are dissatisfied with the goods or services that you have purchased with your 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 purchase.

To use this right, all the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these is necessary if your purchase was based on an advertisement, we mailed to you or if we own the company that sold you the goods or services.)
2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
3. You must not yet have fully paid for the purchase.

If all the criteria above are met and you are still dissatisfied with the purchase, contact us *in writing* at:

Direct Federal Credit  
Union VISA Department  
P.O. Box 9123  
Needham, Massachusetts 02494-9123

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you, our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.