

Consumer Credit Cardholder Agreement



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Credit Union 1

Effective Date: 03/06/2025

The following definitions will apply throughout this Agreement. The words *you*, *your*, and *yours* mean the applicant who applied for a Credit Union 1 credit card loan account and any cosigner responsible for any amounts borrowed under the loan account. The words *credit card* means one or more credit cards which we have issued with your credit card account number. The word *we*, *us*, *our* and *credit union* mean Credit Union 1. The words *convenience checks* mean one or more checks that we may provide to access your Credit Union 1 credit card account.

The use of any convenience checks will be subject to the terms of this agreement as well. Your use of the account will be subject to the following terms.

SECURITY INTEREST IN SHARES

You grant 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.

A. USING YOUR CREDIT CARD ACCOUNT

1. You consent to the terms of this agreement by using your card or convenience checks. You continue to be bound for all transactions resulting from the use of the account, credit card or convenience checks until you give us written notice of termination for the account and return the credit card and convenience checks to us.
 - 1.1. If the credit union approves your application, each applicant will be issued a credit card and will be able to use the account. Each applicant will also be liable to repay the account under the terms of this agreement.
 - 1.2. You are also obligated to repay any charges resulting from the use of the credit card or convenience checks by another person with your permission whether or not the person stays within the limits of use set by you.
 - 1.3. Any persons who use the credit card or convenience checks are also obligated to repay the credit union for all charges incurred because of their use of the card.
 - 1.4. You remain bound to pay for charges under this agreement even though another person has been directed to pay the debt by agreement or court order such as a divorce decree.
2. You may use your card or card information to make purchases from any merchant or other party that honors the card. The credit union is not liable for the refusal of any merchant to accept the credit card or convenience checks.
3. Your credit card may also access designated Automated Teller Machines (ATMs). The use of your credit card for ATM access is subject to the additional ATM disclosure terms.
4. Purchases and cash advances (transactions) made in foreign countries and foreign currencies will be billed to you in U.S. dollars. If you conduct a transaction with your credit card in a currency other than US Dollars, including those initiated online, MasterCard® Worldwide will convert the transaction amount into US Dollars, using either a government-mandated exchange rate, or a wholesale exchange rate selected by MasterCard. The exchange rate MasterCard uses will be a rate in effect on the day the transaction is settled or processed, which may differ from the rate in effect on the date of purchase or the date the transaction was posted to your account. If you later receive a refund for a transaction, the amount of the refund will be converted at the exchange rate in effect when the refund is processed, which may be different from the exchange rate for

the original transaction. (the amount the ATM network or MasterCard charges us) for any card transaction made in a foreign country or currency. **In addition, a 2% International Service Assessment is added to all transactions with a merchant or other party located outside the United States, even if you initiated the transaction from within the United States.**

5. Only you can write convenience checks. You may not write convenience checks to pay any amount you owe to Credit Union 1. We need not pay a convenience check if: (a) paying the check would cause your balance to exceed your credit limit; (b) you are in default or your right to use your account is canceled or suspended; or (c) the convenience check is signed by anyone other than you. If we pay a post-dated convenience check written by you before the date on the check, we will not be liable for the consequences of such early payment. We operate in an automated processing environment and cannot physically examine every check we pay.
6. If you give your credit card number to make a purchase or obtain a cash advance without presenting the credit card (such as for a mail order, Internet or telephone purchase), the legal effect will be the same as if the credit card itself was used by you.
7. The credit cards and convenience checks we give you remain our property. You agree to surrender them at our request.
8. You cannot use your credit card for transactions at Internet gambling web sites. You agree not to use your credit card for any illegal transaction, such as illegal gambling. If you use your card for any purpose prohibited by or inconsistent with this Agreement or applicable law, (a) you cannot claim the improper purpose as a defense to your obligation to pay the transaction and (b) we can close your account for breach of this Agreement.
9. Overdraft Protection Advances. If you designate your credit card account as an overdraft protection source in writing, the following applies: You may request a loan advance on your credit card account by writing a check/share draft any time there are not sufficient funds in your check/share draft account. If you request a debit card or Online Access or Bill Payment transaction, you can also request a loan advance by using those services to make payments out of your credit union checking/share draft account when there are insufficient funds in that account. Any overdraft of your checking/share draft account, up to your unused credit limit on your credit card account, will be added to your loan balance under this Agreement if and when we pay the check/share draft or other transaction. We have the right to refuse overdraft loan advances we will promptly notify you in writing of the reasons for refusal. Overdraft protection advances will not be made if your credit union membership is not in good standing or if you do not have available credit. All overdraft loan advances will be in amounts sufficient to cover the overdrafts and any applicable fees assessed against your share or checking/share draft accounts. **Overdraft loan advances will be subject to cash advance fees and overdraft protection advance fees (if any) and will begin to accrue interest charges as soon as they post.**

B. CREDIT LIMITS

1. If your application is accepted, the credit union will establish a credit limit for you. The amount will be based upon many factors, including your ability to pay and your credit history.
2. Your account will be an open end or revolving credit account. This means that you can borrow the full amount of the credit limit, repay the principal in full or in part and borrow again up to your maximum, as long as you continue to be creditworthy.
3. The credit union has the right to terminate the account without advance notice to the extent permitted by law. We will notify you

in writing of the reason for any such denial of credit. Among the reasons for refusing to advance you credit are an adverse change in your credit standing such as not making current loan payments, a change in your employment status, your insolvency, your bankruptcy, or your death.

4. Your credit limit will be reviewed periodically, and you may be requested to provide current information. Your credit limit may be increased or decreased at that time. You can apply for an increase in your credit limit at any time. The Credit Union will apply our loan policies and underwriting standards and consider your credit history and ability to pay in determining whether to adjust your credit limit.
5. If you cease to be a member of Credit Union 1 in good standing (including maintaining \$5.00 in your share account) we may suspend your credit card account.

C. REPAYMENT TERMS AND FINANCE CHARGE INFORMATION

1. You promise to pay the Credit Union at the address designated on your statement in U.S. dollars using payment instruments drawn on U.S. financial institutions all sums advanced to you under this Agreement plus Finance Charges and other fees. **Finance Charges are money you pay for money that you borrow. Components of the Finance Charge include interest calculated by application of a periodic interest rate to the principal amount you have borrowed plus certain fees assessed on your account.**

1.1. Standard Rates

The Periodic Rate and corresponding Annual Percentage Rate(s) used to compute the Interest Charge may be based on your credit profile and are disclosed to you in the Account Disclosure provided with this Agreement when you open your Account. For Gold Accounts, your periodic rate and Annual Percentage Rate will vary based on an Index, which is the highest Prime Rate published in The Wall Street Journal. Your Annual Percentage Rate will equal the Index plus a margin. The amount of the margin will be disclosed to you in the Account Disclosure provided at the time the Account is opened. The rate will be adjusted on the 19th day of each month based on the Index rate most recently published as of the last Friday of the previous month. If the Index is no longer published, we will select an alternate Index.

1.2. Introductory or Promotional 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 Account Disclosure or in other materials that we send to you about the offer after you receive your Credit Card.

2. **Finance Charge Calculation Method: Average Daily Balance (Including Current Transactions):** We figure the interest charge on your account by applying the monthly periodic rate to the "average daily balance" of your account. To get the "average daily balance," we take the beginning balance of your account each day, add any new purchases/cash advances and fees, and subtract any payments, credits, and unpaid interest and finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide by the total number of days in the billing cycle. This gives us the "average daily balance."
3. **Finance Charges on Purchases and Cash Advances: Purchases** The credit union will charge a Finance Charge on purchases if you did not pay the total new balance listed on your last billing statement in full by the payment due date. The payment due date will be a minimum of 21 days after we issue your billing statement.

Cash Advances - The credit union will charge a Finance Charge on cash advances from the day the cash advance is posted to your account until the day we receive payment in full. Cash Advances include all convenience check transactions (whether used to obtain cash or to pay for goods or services), use of the Card to obtain cash via a signature (over-the-

counter) transaction or ATM, overdraft protection advances, and Online Access advances.

4. Your credit card payments will be applied first to past due and over-limit balances, then to fees, then to interest, and the remainder, if any, will reduce your principal balance. Any portion of the payment you make that exceeds your required minimum payment will, if different interest rates apply to different portions of your balance, be applied first to pay off higher rate balances.
5. **Each month you must pay at least \$15.00 or 2.5% of your principal balance, whichever is greater, plus any fees charged to your account, any past due amounts, and any amount by which you have exceeded your credit limit. If your balance is less than \$15.00, you must pay it in full. Minimum monthly payments are rounded up to the nearest whole dollar. If your principal balance increases and/or the interest rate on a Gold account increases, your minimum monthly payment will generally increase.**
6. We will send you monthly statements of your credit card account, which will advise you of the status of your account and any other information required by law.
7. If your outstanding balance exceeds your credit limit, you must, upon our written request, make a sufficient payment to reduce your balance to an amount within your credit limit.
8. **You may pay your balance, including accrued Finance Charges on the unpaid balance, in full at any time without prepayment penalty.**

D. OTHER CHARGES

1. **If we do not receive your payment at the address provided with your billing statement, in one of our branch offices, or electronically by its due date, we will assess a \$30.00 late charge, and your card may be suspended. If your due date falls on a weekend or holiday and we receive a mailed payment on the next business day, we will consider your payment to have been received on time.**
2. We will assess a \$22.00 fee for each dishonored check or other payment instrument. The fee will be added to your account and treated as a purchase for the purpose of calculating Finance Charges.
3. To cover our cost, we may assess a \$30.00 fee for each credit card you request on a rush basis. The fee will be added to your account and treated as a purchase for the purpose of calculating Finance Charges.
4. We will charge \$2.00 per page for each document copy that you request regarding the account, unless the copy is requested to resolve a billing error. This fee will be added to your account and will be treated as a purchase for the purpose of calculating Finance Charges.
5. We charge \$22.00 for each request you make to stop payment on a convenience check. The fee will be added to your account and will be treated as a purchase for the purpose of calculating Finance Charges. We will not implement a stop payment unless you provide the account number, draft number, and exact amount of the convenience check so that we can make an effective search. Oral requests must be confirmed in writing within 14 days, or the stop payment will be suspended automatically. Stop payment requests will be processed promptly, but we will not be responsible for a convenience check that we pay between the time the request is taken and the time it is implemented unless our delay was unreasonable. Written stop payment orders are valid for six months. To release a stop payment order, complete a stop payment release form. If we fail to carry out a timely stop pay, we will not be obligated to reimburse you if the convenience check discharged a valid obligation. If we do reimburse you, the claim for funds against the payee of the convenience check will be assigned to us, and you agree to cooperate in collecting the amount wrongfully paid to the payee of the stopped convenience check.

E. CREDIT INSURANCE

If we offer credit insurance on your account, and you choose to purchase it through the credit union, you authorize us to bill you its cost each month and you agree to pay for it. The monthly cost of credit insurance will be treated as a purchase for the purpose of calculating Finance Charges. Purchase of credit insurance is optional and will not affect our decision to extend credit to you. You may cancel credit insurance at any time. A separate disclosure,

provided when you apply for credit insurance, will disclose the cost of coverage. Costs for credit insurance will be disclosed on a separate enrollment document you will be required to sign before coverage takes effect.

F. CREDIT REPORTING

You agree that we can request reports from one or more consumer reporting agencies (credit bureaus) in connection with your credit application and any update, renewal or extension of your account. If you ask us, we will tell you whether any consumer report was requested and, if so, of the name and address of the consumer reporting agency that furnished the report. We may exchange credit information about you with others in connection with your application, your account, and any credit we extend to you.

G. CHANGES IN TERMS

We may change or add to terms of this Agreement by giving you advance notice required by law.

H. HONEST DEALING

You agree to promptly notify us of any information that affects your creditworthiness or ability to pay off the loan, including but not limited to a change in address or employment. You agree not to make any additional purchases or take any additional cash advances if you do not reasonably believe you can repay them under the terms of this agreement.

I. 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.

J. COLLECTION COSTS

If you default in your payments or other obligations, you agree to pay all costs we reasonably incur to enforce this Agreement before we take legal action against you. If we take legal action against you, you agree to pay our reasonable attorney's fees and court costs in addition to any other remedy the court finds proper, whether the action we take is a collection lawsuit, a proceeding to protect our interest if you become a bankruptcy debtor, an appeal, an action to collect a judgment, or any other type of action.

K. TERMINATION

Without prior written notice, we can close the account, reduce the credit limit, refuse to make further advances, and revoke all credit cards issued on the account for any breach of this agreement to the extent permitted under law. If that happens, you agree to surrender all issued credit cards and convenience checks to the credit union. Closing of your account and termination of this agreement will not relieve you of the obligation to repay the full account balance due under this agreement.

L. OTHER RIGHTS

- Unauthorized Use of Lost or Stolen Cards.** You will generally have no liability for unauthorized use of your credit card under Mastercard's Zero Liability Rule. You nevertheless agree to notify us immediately of the loss or theft of your Card at our telephone number, (800) 682-6075 or on our website at www.cu1.org. During regular business hours, you can also call (907) 339-9485 or toll free at (800) 478-2222. If the unauthorized use falls outside Mastercard's Zero Liability Rule, such as if you have been grossly negligent in handling your card, your maximum liability is \$50.00. Business or organization accounts in which ten (10) or more credit cards have been issued to employees or associates are not subject to the limitations on liability. In all cases of unauthorized use, you agree to cooperate in our investigation to the best of your ability.
- Credits.** If a merchant who honors your credit card gives you credit for returns or adjustments, he/she 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 refund it on your written request if it is \$1.00 or more.

M. GENERAL TERMS

The terms of this agreement must be read together as part of the whole agreement. When the singular is used, the plural is implied if there is more than one signer. If any part of this agreement is found to be invalid the other parts shall remain in effect. Applicable federal and Alaska laws shall govern the interpretation of this agreement.

NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT

Keep this document 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 to us at the address listed on your statement. 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 of

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 of 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 are 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 of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at the above address. 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.

USE OF YOUR CREDIT CARD FOR CASH ADVANCES

Daily Limits: You can use your credit card to get cash advances at ATMs and other locations that honor credit cards for cash advances. You can obtain up to \$10,000 per day or your available credit, whichever is less, subject to the following additional limits: (a) Classic cardholders can obtain no more than \$5,000 in cash advances per day. (b) You can obtain no more than \$2,500 in “quasi-cash” transactions (meaning purchases that can be converted to cash, such as wire transfers, money orders and casino credits). (c) You can obtain no more than \$5,000 in cash per day. (d) You can conduct no more than 25 cash advance transactions per day, and of those no more than 5 may be made at ATMs.

Suspicious Transactions: We can identify suspicious or extraordinary transactions and may decline the transaction or block future transactions. Our processor may attempt to call you or e-mail you if suspicious transactions are attempted on your account. If you anticipate using your card for large purchases that are unusual as to type or location for you, you may wish to notify us in advance so we can avoid declining your transaction.

Use of Your Card at ATMs:

1. In addition to the limits prescribed above, the ATM you are using may limit your transactions. ATMs are generally available 24 hours a day, 7 days a week, but may be closed for maintenance.
2. You cannot use your credit card for ATM cash advances without a confidential personal identification code (PIC). Keep your PIC safe. Memorize it. Do not write it on your card, disclose it to others, or key it in where others can see it. PIC-based transactions are generally not subject to zero-liability rules for unauthorized credit card use.
3. You will generally get a receipt dispensed by the ATM and your periodic statement will show ATM cash advances.
4. The Credit Union will have liability for failure to complete credit card ATM transactions only to the extent of your direct losses or damages, limited to the transaction amount. We will not be liable if (i) you do not have adequate available credit to obtain the advance; (ii) The ATM system is not working properly and you are aware of the problem when you start your transaction; (iii) the ATM does not have sufficient cash to cover the advance; (iv) your card or PIC have been blocked due to a reported loss or theft; (v) circumstances beyond our control such as fire, flood or electrical or communications system failure prevent completion of the transactions in spite of our reasonable precautions; (vi) your borrowing privileges have been suspended or terminated for any lawful reason including reasons stated in this agreement; or (vii) we establish other lawful exceptions and give you any advance notice required by law. We will not be liable for punitive

damages or for alleged consequential damages such as lost business opportunities or harm to your credit standing.

5. We do not guarantee the safety or security of ATM sites and are not liable for wrongful acts at ATM by any persons who are not our authorized agents or employees. When using ATMs, be aware of your surroundings, especially at night. Consider having someone accompany you when you use an ATM after dark. Put your cash and card away as soon as your transaction is complete and take your receipt with you. Do not use an ATM if you observe suspicious activity in the surrounding area. Report all criminal activity to law enforcement officials and the credit union.

If you have any questions regarding this disclosure, please call (907) 339-9485 or (800) 478-2222.