

AlaskaUSA[®]

Cardholder Agreement

(Including Federal Truth in Lending Disclosures)

Dear Member:

This Agreement is your contract. It also contains disclosures required by the Federal Truth in Lending Act. Please read all of it and keep it for your records because, when you have accepted, signed or used your Card, or the Account, you have agreed to the terms of the Agreement.

Alaska USA Federal Credit Union
Anchorage, Alaska

In this Agreement the words you, your and yours mean the Cardholder(s). The words we, us and our mean Alaska USA Federal Credit Union and any agent through which the Account is established.

You do not have to sign the Agreement, but once you have accepted, signed or used the Card, or the Account, the Agreement will be in force.

The following definitions apply to the terminology used in this Agreement and on your monthly statement:

Account. The Visa[®] and/or any open-end credit account(s) approved by us for your use which is subject to the Terms and Conditions of this Agreement.

Annual Percentage Rate. The cost of your credit as a yearly rate.

Billing Cycle. The time interval between regular monthly billing statement dates. This interval is considered to be equal intervals of time unless a billing date varies more than four (4) days from the regular date.

Cash Advance. Credit extended by us to you in the form of a loan made when you present the Card to us or to any financial institution honoring the Card, or use of any other credit instrument, device, overdraft coverage plan or automated teller machine we make available to you.

Card. Any Visa card(s) and/or other credit card(s) subject to this agreement issued to you by us, or other single credit device being used from time to time upon presentation to obtain money, property, labor, or services on credit. "Card" is implied when you obtain credit by using your account number without using the Card.

Cardholder. The natural person to whom a credit card is issued upon the request or application of that natural person for any purpose, or a natural person who has agreed with us to pay obligations arising from the issuance of such a credit card to another person.

Closing Date. The date of the last day of a Billing Cycle.

Credit Limit. The maximum amount of credit available to you as set for the Account by us from time to time.

Finance Charge. The cost of credit extended to you on the Account resulting from applying the Periodic Rate to the Average Daily Balance and the Transaction Fee for Cash Advance transactions.

LetterCheck/StatementCheck. A specially designed, individually prepared and personalized series of check(s) that allow cardholders to create and authorize a cash advance against their credit card account with the convenience and negotiability of a check.

New Balance. The account balance outstanding on the Closing Date.

Other Charges. Charges to your Account other than Cash Advances or Purchases. Other Charges are listed in part D of the Agreement.

Periodic Rate. The percentage of Finance Charge imposed against a balance for a period. In this Agreement, a "Monthly" Periodic Rate is used.

Previous Balance. The balance of the Account at the beginning of the Billing Cycle. (It is the same amount that was shown as "New Balance" on the Closing Date on the statement for the preceding Billing Cycle.)

Purchases. Extensions of credit by us to you for purchases through sellers or lessors of goods, labor, insurance and/or services that honor your Card and for other charges or debits.

User. The person(s) authorized by a Cardholder to obtain credit under an Account whether named in an application as a User, or otherwise.

TERMS AND CONDITIONS

Purchases and Cash Advances. You can use the Card for Purchases and Cash Advances. The maximum cash advance is the lesser of your available credit limit or \$5,000 per day. There is no minimum. The maximum advance at an automated teller machine is \$500 per day. There is no minimum amount. You will owe us for these amounts plus Finance Charge and Other Charges, if any, all payable in U.S. Dollars.

Monthly Statement. If you have an outstanding debit or credit New Balance in excess of \$1.00 or if there is any Finance Charge imposed during a Billing Cycle, we will send you a statement. You must pay us (or if we elect, to any party to whom we transfer and assign your Account) according to the Terms and Conditions of the Account.

Other Terms and Conditions (including Federal Truth in Lending Disclosure)

(A) The conditions under which a Finance Charge will be imposed:

- Purchases.** A Finance Charge that will accrue from the date posted will be imposed on Purchase transactions posted during a Billing Cycle when the Previous Balance is not paid in full within the first 25 days of the Billing Cycle. A Finance Charge that will accrue from the first day of the next billing cycle will also be imposed on Purchases included in the New Balance when the entire New Balance is not paid in full within 25 days after the Closing Date. No Finance Charge will be imposed on Purchases included in the New Balance when the entire New Balance is paid in full within 25 days after the Closing Date.
- Cash Advances.** A Finance Charge in the form of a Transaction Fee will be imposed on each transaction for Cash Advances posted to the Account during a Billing Cycle. A Finance Charge computed on a Periodic Rate basis will also be imposed on Cash Advances from the date posted to the Account through the date paid. The Finance Charge accrued on Cash Advances between the Closing Date of the Billing Cycle and the date your Account is credited will appear on your next statement. There is no time period within which to pay to avoid the Finance Charge on Cash Advances.

(3) **StatementChecks and LetterChecks.** StatementChecks and LetterChecks can be used to pay for purchases, services, or to transfer balances from other credit card accounts. StatementChecks and LetterChecks cannot be used to make payments to the credit card account upon which they are drawn. The credit card account upon which the StatementChecks or LetterChecks are drawn must be activated prior to the StatementChecks or LetterChecks being presented for payment. StatementChecks and LetterChecks are processed as a cash advance against the credit card account on which they are drawn at the time they are presented for payment. StatementChecks and LetterChecks are subject to all terms and conditions of cash advances. Alaska USA FCU or its agents shall not authorize payment of any StatementCheck or LetterCheck which (i) would cause the account balance to exceed the Credit Limit; (ii) exceeds \$99,999.99; or (iii) is not payable according to the terms and conditions herein, including, without limitation, the minimum amount requirement of \$50.00 or the StatementCheck or LetterCheck expiration provision. StatementChecks expire 30 days from the date printed on each StatementCheck directly below the date line. LetterChecks expire on the date printed on each LetterCheck directly below the date line. A StatementCheck or LetterCheck not processed by Alaska USA FCU or its agents on or before the printed expiration date will be returned unpaid.

(4) If your Account is subject to a Finance Charge other than a Cash Advance Transaction Fee, then the more that you pay and the sooner you pay, the less your Finance Charge will be.

(B) The method of determining the balance upon which a Finance Charge will be imposed:

- We figure a portion of the Finance Charge on your Account by applying a Transaction Fee to the amount of each Cash Advance transaction posted during the Billing Cycle.
- We figure a portion of the Finance Charge on your account by applying a Periodic Rate to the "Average Daily Balance" of Cash Advances on your account (including current transactions for Cash Advances). To get the "Average Daily Balance" of Cash Advances, we take the beginning balance of Cash Advances on your Account each day, add any new Cash Advances, and subtract any payments or credits and unpaid Finance Charges. This gives us the daily balance for Cash Advances. Then we add up all these daily balances for the Billing Cycle and divide by the number of days in the Billing Cycle. This gives us the "Average Daily Balance" of Cash Advances.
- We figure a portion of the Finance Charge on your Account by applying a Periodic Rate to the "Average Daily Balance" of Purchases on your Account (including current transactions for Purchases). To get the "Average Daily Balance" of Purchases, we take the beginning balance of Purchases on your Account each day, add any new Purchases and Other Charges (except Late Payment Charges), and subtract any payments or credits, unpaid Finance Charges and Late Payment Charges. This gives us the daily balance for Purchases. Then we add up all these daily balances for the Billing Cycle and divide by the number of days in the Billing Cycle. This gives us the "Average Daily Balance" of Purchases. If the entire Previous Balance is paid in full within the first 25 days of the Billing Cycle, the Average Daily Balance of Purchases will be considered to be \$0.

(C) The method of determining the amount of the FINANCE CHARGE: The FINANCE CHARGE imposed during a Billing Cycle will be the sum of the Transaction Fee and Periodic Rate components of the FINANCE CHARGE determined by:

- Applying a Transaction Fee amounting to 2% of the amount of each current transaction (\$10.00 maximum per transaction) for Cash Advances posted during the Billing Cycle.
- Applying to the Average Daily Balance for the Billing Cycle a Monthly Periodic Rate of 1.2083% (corresponding ANNUAL PERCENTAGE RATE is 14.5%).

(D) The conditions under which any other charges may be imposed:

- Annual Card Membership Fee.** A \$50.00 Annual Card Membership Fee will be charged to your Account. If at the time of the initial fee your Card will expire in less than a year, the Annual Fee will be prorated, based upon the number of months left before the Card expires. Only one fee will be charged, even if more than one Card is issued on the Account. This fee may be waived if you have an active checking account from Alaska USA FCU.
- Late Payment Fee.** A Minimum Payment not paid within 13 days after Payment Due Date will be subject to a single charge of 5% of the Minimum Payment due (\$1.00 minimum, no maximum).
- Returned Check Charge.** A \$20.00 charge will be assessed to your Credit Card Account when any check submitted by you for payment on the Account is returned to us unpaid.
- Research and Copying Fee.** A \$3.00 fee will be charged for each statement copy you request. A \$12.00 per copy fee may be charged for copies of each document, in connection with the Account, that you request. This fee is not imposed if the copy is for the resolution of a billing error.

(E) The conditions under which we may retain or acquire any security interest in any property to secure the payment of any credit extended on the Account:

- We hold a security interest in your share/savings account. Funds in this account, equal to your credit limit on your Visa Account, are frozen and stand as security for repayment of your account balance and performance of the terms and conditions of your Account.
- If you have pledged or shall hereafter pledge your personal residence as collateral security for any indebtedness of which we are or become the owner and holder, it is hereby understood that we hereby waive any claim we might otherwise acquire against said personal residence as collateral security for any obligation to us arising from your use of the Card.

(F) The minimum periodic payment required: If you elect not to pay your balance in full, a payment according to the following schedule must be made by you within 25 days after the Closing Date of the Billing Cycle as shown on your statement.

Minimum Payment Schedule:

If your New Balance is:	Your Minimum Payment will be:
Less than \$15	New Balance in full
\$15 to \$500	\$15
More than \$500	3% of New Balance (rounded up to next whole dollar)

In addition to the above, the Minimum Payment will include the amount of all Past Due payments and the amount by which the New Balance exceeds the Credit Limit for the Account. Payments received shall be first applied to outstanding Finance Charges and Miscellaneous Charges, then to Cash Advances and Purchases previously billed, and then to Cash Advances and Purchases currently billed.

(G) 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 information about a transaction on your bill, write us on a separate sheet at the address shown 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 (3) 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 is 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 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 (10) 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 is final.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

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:

- 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
- 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.

ADDITIONAL PROVISIONS

You also agree to all of the following:

Membership. If your membership with Alaska USA Federal Credit Union terminates for any reason, you agree to immediately surrender all Visa cards issued on your Account(s). You also agree to pay off all credit extended on your Account(s) according to the terms of this agreement.

Ownership of Cards. Any Card or other credit instrument or device which we supply to you is our property and must be returned to us or our agent immediately upon demand. If we ask, you will destroy the Card by cutting it in half, and will surrender it to us or our agent, mail it to us, or drop it off at any of our offices that we direct.

Individual Liability. You, as an Account Holder, will be liable for all credit obtained under the Account(s), whether obtained by you or by a User of the Account. If there is more than one Account Holder, then each will be liable, jointly and severally, for all credit obtained under the Account(s).

Credit Limit. You will not use the Card to obtain credit in excess of the amount of the Credit Limit available to you on an Account.

Loss or Theft of Card. You will notify us immediately of the loss or theft, or the use without your permission, of any Card or other credit instrument or device which we supply you by calling 563-4567 in Anchorage, (800) 525-9094 outside Anchorage or, after 9 p.m. Pacific time, (800) 325-3678. You further agree to confirm this notice in writing within two (2) business days at our address below:

Our Address. You should address letters and other notices to us at:

Alaska USA Federal Credit Union, Card Services
P.O. Box 196602, Anchorage, AK 99519-6602

Liability of Cardholder for Unauthorized Use. Under Visa's Zero Liability policy, you are not liable for fraudulent purchase transactions processed over the Visa network.

Transactions. You will retain for statement verification your copy of each slip (ticket/draft) resulting from each Purchase, Cash Advance and other transaction on your Account. We will provide you with photographic or other documentary evidence of each transaction upon your reasonable request or upon proper written notice of a billing error.

Termination. Either you or we may terminate or suspend your credit privileges under this Agreement at any time. The provisions of this Agreement shall otherwise remain in full force and effect until you pay all sums due us.

Transfer of Account. You cannot transfer an Account to any other person.

Honoring of Card. We will not be responsible for the failure or refusal of anyone to honor the Card or any other credit instrument or device we supply to you.

Refunds. If a seller agrees to give you a refund or adjustment, you will accept a credit slip for your Account in lieu of a cash refund.

Change of Address. You will advise us promptly if you change your mailing address. All written notices and statements by us to you will be sent to your address as it appears on our records.

Credit Reports. You authorize us to make or have made any credit, employment and investigative inquiries as we deem appropriate for the extension or combination of credit or collection of amounts owing on the Account. We can furnish information concerning your Account or credit file

to consumer reporting agencies, and others who may properly receive that information.

Irregular Payments. We can accept late payments or partial payments, or checks and money orders marked "payment in full" without losing any of our rights under this Agreement.

Default. You will be in default on this Agreement if you do not make at least the Minimum Payment on or before the Payment Due Date, you try to exceed or do exceed your Credit Limit without our permission, become subject to bankruptcy or insolvency proceedings, attachment or garnishment proceedings are instituted against you or your property, or we reasonably deem yourself insecure, you provide us with false information or signature, die or fail to comply with any provision of this Agreement. Acceptance of a payment or Late Payment after a Payment Due Date or after you have exceeded your Credit Limit does not waive the default. Default on any Account or other obligation that you have with us will constitute default on all Accounts with us. If you are in default, we may, at our option, declare the entire balance due without notice or demand.

Default Charges. You must pay all costs, disbursements and reasonable attorneys' fees incurred by us in legal proceedings to collect and enforce the debt on this Account in the event of default by you or in the event of a breach of any obligation by you under this Agreement.

Delay in Enforcement. We can delay enforcing our rights under this Agreement without losing them.

Amendment and Assignment. Upon such notice to you, if any, as may be required by law, the terms and conditions set forth in this Agreement may be amended by us at any time, which amendment(s) shall govern any transaction occurring prior to the effective date of such amendment(s), as to which there is any unpaid balance owing to us on the effective date of such amendment(s), and such amendment(s) shall also govern any transaction occurring after such effective date. We will have the right to assign and transfer our rights under this Agreement and any amounts you owe to us; and the term "us" shall be deemed to include each and every immediate and successive assignee.

Foreign Transactions. If you use your Card for Purchases or Cash Advances in a currency other than U.S. dollars, the transaction amount will be converted to U.S. dollars by Visa International, Inc. under their rules set forth from time to time. Currently, the rules specify that the currency conversion 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. If a credit is subsequently given for a transaction in a currency other than U.S. dollars and the credit has a different processing date, then the converted amount of the credit may be greater/less than the converted amount of the original transaction. The currency conversion rate on the day before the transaction processing date will be used and may differ from the rate in effect at the time of the original transaction. You agree to accept the converted amount in U.S. dollars. Visa also charges up to a 1% International Transaction Fee on all Card transactions made at a location outside of the United States. This fee is assessed by Visa on all international purchases, credit vouchers, and cash disbursements, whether or not a currency conversion is involved, and will appear on your statement as a separate transaction in U.S. dollars.

ATM Fees. Alaska USA FCU does not charge a fee for any electronic funds transfer you make using your Visa credit card. When you use an ATM not owned by Alaska USA FCU you may be charged a fee by the ATM operator or any network used.

Illegal Activity. Visa credit cards may not be used for any illegal activity. Display of a Visa logo by an online merchant does not mean that transactions are lawful in all jurisdictions in which cardholders may be located.

Severability. If any provision of this Agreement is held invalid, all valid provisions that are severable from the invalid provision remain in effect.

Captions and Catchlines for Reference Only. Captions and catchlines are intended solely as aids to convenient reference, and no inference as to intent with respect to this Agreement may be drawn from them.

Law Governing. This Agreement is governed by Federal laws and the laws of Alaska to the extent they are not preempted by Federal laws and regulations.

Annual Percentage Rate (APR) for purchases

14.5%

Same rate for purchases, balance transfers, and cash advances.

How to avoid paying interest on purchases

You have **25 days** to repay your balance for purchases before being charged a finance charge.

Annual fee

\$50 (waived for Alaska USA checking account holders)

Transaction fee for cash advances

2% of the cash advance amount (\$10 maximum)

Fee for foreign transactions

1% of the cash advance in U.S. dollars

Late payment fee

5% of minimum payment due (\$1 minimum)

Returned payment fee

\$20

To learn more about factors to consider when applying for or using a credit card, visit the web site of the Federal Reserve Board at www.federalreserve.gov/creditcard.

How we will calculate your balance: We use a method called "average daily balance (including new purchases)." See your account agreement for more details.

Billing rights: Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.