



# Smart Rewards Visa® CREDIT CARD AGREEMENT

(Retain for your records)

In this Agreement, the words "you" and "your" mean each and all of those who have applied for the Card, signed the Card, used the Card or authorized someone else to use the Card. "Card" means the Visa card, and any duplicates and renewals we issue. Account means your Visa credit card Line of Credit Account with us. "We," "us" and "ours" mean MAX Credit Union. If you do not agree to the terms and conditions of this Agreement, you must not use any Card issued to you and you must cut all Cards issued to you in half and return them to us.

**1. Responsibility.** If we issue you a Card, you agree to repay all debts and the **FINANCE CHARGE** arising from the use of the Card and the Account. For example, you are responsible for charges made by yourself, your spouse and minor children. You also agree to be 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 if you 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. You agree the Card may not be used for any illegal or unlawful activity or transactions, including but not limited to, illegal gambling.

**2. Lost Card Notification.** If you believe the Card has been lost or stolen, you will immediately call us at 1-800-449-7728.

**3. Liability for Unauthorized Use.** You may be liable for the unauthorized use of your Card. You will not be liable for unauthorized use that occurs after you notify the Credit Union, orally or in writing, of the loss, theft, or possible unauthorized use. In any case, your liability will not exceed \$50.00. If you tell the Credit Union after the loss or theft of the Card your liability for unauthorized transactions using the Visa system is zero. For ATM transactions, card transactions through a non-Visa network, Visa Commercial cards, Visa or Plus® ATM or any ATM transactions, or cards issued outside the United States, if you tell the Credit Union within two (2) days after learning of the loss of theft of the Card, your liability for unauthorized transactions is \$50.00 and \$500.00 if you do not tell the Credit Union within two (2) business days and if you do not tell us within sixty (60) days after the statement was mailed, you may not get back any money you lost if we can prove that we could have stopped someone from taking the money had you told us in time. We may require you to provide a written statement regarding claims of unauthorized transactions. If we determine that you have been grossly negligent or fraudulent in the handling of your account or Card, your liability may increase.

**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 by written application to us, or by telephone at 334-260-2600 or 1-800-776-6776, which must be approved by a loan officer. By giving you written notice, we 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 you or 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 re-viewing 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.

**6. Monthly Payment.** We will mail you a statement every month showing your Previous Balance 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, any other billed fees, and the Minimum Payment required. Every month you must pay at least the Minimum Payment within 25 days of your statement closing date. 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) 3.00% of your Total New Balance, or \$10.00, whichever is greater, or (b) your Total New Balance, if it is less than \$10.00, 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. We will apply your payments first to the previously billed and unpaid **FINANCE CHARGE** on cash advances; then to the previously billed and unpaid **FINANCE CHARGE** on purchases; then to any late charge outstanding and/or any over the limit charge outstanding, if applicable; then the remainder of the payment will be prorated and applied to the cash advance and purchases' outstanding balances. If a payment is ever late ten days or more, you will be charged a late charge equal to 5.00% of the amount of the scheduled payment in default, with a minimum charge of \$.50 and a maximum charge of \$25.00. You agree a fee of up to \$30.00 will be added to your card balance, and such a fee will be treated as a purchase including **FINANCE CHARGES**, if a check to pay all or part of the card balance is returned unpaid.

**7. FINANCE CHARGE.** If you have a zero purchase balance at the beginning of a statement cycle, you can avoid a **FINANCE CHARGE** on purchases billed during the cycle by paying the full amount of the New Balance of Purchases within 25 days of your statement closing date. Otherwise, purchases will be subject to a **FINANCE CHARGE** from the date they are posted to your account. Cash advances are always subject to a **FINANCE CHARGE** from the transaction date. The **FINANCE CHARGE** (interest) is calculated at the periodic rate and **ANNUAL PERCENTAGE RATE** disclosed to you on the average daily principal balances of purchases and cash advances in the Account. Separate **FINANCE CHARGES** for purchases and cash advances are determined by multiplying the periodic rate by the separate average daily balance for purchases and cash advances. Each average daily balance is determined by taking the beginning balance (of cash advances and purchases) in your account each day, adding any new purchases or cash advances (whichever is applicable) and subtracting any payments or credit. The results are the daily balances. The daily 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. Default.** You will be in default if you fail to make any Minimum Payment when due. You will also be in default if (a) 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; (b) you break any promise you have made to us under this Agreement or any other agreement you have with us; (c) any statement you have made in this Agreement, in connection with this Agreement or in connection with any other Agreement you have with us is not true; or (d) we should otherwise feel insecure in receiving payment of the Account balance for whatever reason. If you are in default, we have the right to demand immediate payment of your full Account Balance at once without notice to you. In the event of a default, you agree to pay all costs of collecting the amount you owe under this agreement including, if the unpaid balance under this plan is greater than Three Hundred Dollars (\$300.00) at the time of collection, reasonable attorney fees if the debt is referred for collection to an attorney who is not our employee and if suit is filed, court costs.

**9. Variable Rate.** Your account is subject to a Variable Rate which is based on the highest Prime Rate as published in the Money Rates section of the Wall Street Journal ("Index") in effect the last business day of each month (the Determination Date), plus our Margin. The Index plus the Margin equals the Interest Rate. Changes in the Index will cause changes in the Interest Rate and will take effect as of the first day of the next statement cycle. Increases or decreases in the Interest Rate will result in like increases or decreases in the **FINANCE CHARGE**, and will affect the amount of the regularly scheduled payments that you will be required to make. There is no limit to the amount by which the **ANNUAL PERCENTAGE RATE** can change during any statement cycle other than the maximum **ANNUAL PERCENTAGE RATE**. The maximum **ANNUAL PERCENTAGE RATE** is 18%.

**10. Using the Card.** You may use your Visa credit card at millions of locations world-wide. In addition, you may obtain cash advances from the Credit Union, from other financial institutions participating in the Visa Program and from automated teller machines (ATMs), such as a Visa ATM Network, which provide access to the Visa ATM Network. (Not all ATMs provide such access.) You will need to use your Personal Identification Number (PIN) to obtain a cash advance from an ATM. The monthly statement will identify the merchant, electronic terminal or financial institution at which transactions were made, but sales, cash advances, 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. We may make a reasonable charge for photocopies of slips you request.

**11. 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 \$1 or more, refund it on your written request.

**12. Foreign Transactions.** Payments, purchases and cash advances made in foreign currencies will be charged to your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which the rate may vary from the rate Visa itself receives, of the government mandated rate in effect for the applicable central processing date, plus the 1% International Transaction Fee.

**13. 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 claim 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 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.

**14. 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 use of the Card. If you default, we will have the right to recover any of these goods which have not been paid for through our application of your payments in the manner described in Paragraph 6.

**15. Security Agreement.** The payment of the Credit Card Account shall be secured by all of your Credit Union accounts, shares and certificates (excluding Individual Retirement Accounts) you now have or hereafter may have including all accounts you have a right to withdraw from or an ownership interest in. You are giving this interest to secure repayment of your credit card account as well as any other amounts you now owe or will owe the Credit Union. You are giving the Credit Union a security interest in all present and future shares in my account you have with the Credit Union or in which you have an interest. You authorize the Credit Union to take those funds, shares or certificates and apply it to your debt if you are in default. The Credit Union may, solely at its option, allow you to withdraw a portion of your shares without affecting its security interest. Withdrawals may not be allowed if it will reduce the amount of your shares in the Credit Union below the amount of your debt. You are not giving a security interest in an IRA, SEP, KEOUGH, or any other account which, if pledged, would result in the loss of special tax treatment under the Internal Revenue Code.

**16. Effect of Agreement.** This Agreement is the contract which applies to all transactions on your Account even though the sales, cash advances, credit or other slips you sign or receive may contain different terms. We may amend this Agreement from time to time by sending you any advance written notice required by law. Any amendment to this Agreement will take effect on the day it is mailed unless advance notice is 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. Governing Law.** The terms and conditions of this Agreement are governed by and construed in accordance with the laws of the State of Alabama and any applicable Federal law.

**18. Delay in Enforcement.** No delay in enforcement of our rights under this agreement will result in any loss of our rights or relieve you of any of your obligation.

**19. Invalidity of Provisions and Captions.** If any provision of this agreement is deemed invalid the rest of this Agreement will remain in full force and effect. The paragraph headings are for convenience only and do not form a part of this Agreement.



# Smart Rewards Visa® Application

**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 LOAN ACCOUNT STATEMENT.** If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the address listed on your statement. Write 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 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 loan account automatically from your savings or share draft account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

**YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE.** We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the 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 send statements to you for the amount in 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 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 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 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 we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your statement 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 service. There are two limitations on this right: (a) You must have made the purchase in your home state or if not within your home state, within 100 miles of your current mailing address; and (b) The purchase price must have been more than \$50.

These limitations do not apply if the credit card issuer owns or operates the merchant, or mailed you the advertisement for property or services.

## INTEREST RATES AND INTEREST CHARGES

**ANNUAL PERCENTAGE RATE (APR)  
for Purchases, Balance Transfers and Cash  
Advances**

Your APR will be **12.25% to 18.00%** based on your creditworthiness when you open your account.

**Variable Rate Information**

Your APR will vary in relation to an index plus a margin. The index will be the Prime Rate (rounded to the nearest 1/4 of 1%) and is the highest rate published in the money section of the Wall Street Journal. The margin will range from 8.75% to 10.75% based on your creditworthiness when you open your account.

**How to Avoid Paying Interest on Purchases**

Your due date is at least 25 days after the close of each billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month. We will begin charging interest on balance transfers and cash advances on the transaction date.

**Minimum Interest Charge**

None

**For Credit Card Tips from the  
Consumer Financial Protection Bureau**

To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <http://www.consumerfinance.gov/learnmore>

## FEES

**Annual Fee**

None

**Transaction Fees**

- Balance Transfer
- Cash Advance
- Foreign Transaction

None  
None  
**1% International Transaction Fee**

**Penalty Fees**

- Late Payment
- Over the Credit Limit
- Returned Payment

5% of the amount of the scheduled payment in default, with a minimum charge of \$0.50 and a maximum charge of **\$25.00**  
None  
Up to **\$30.00**

**How We Will Calculate Your Balance:** We use a method called "Average Daily Balance (including new purchases)". See your account agreement for more details.