

**Truth in Lending Disclosure and Cardholder Agreement
VISA Credit Card
Effective January 2009
RULES AND REGULATIONS/CARDHOLDER AGREEMENT**



Please review this document and keep it with your other important papers. This document contains the terms which govern your Credit Union VISA account. In this disclosure the words "you" and "yours" mean each and all of those who bind themselves to this Agreement. "Card" means the VISA Credit Card and any duplicates and renewals the Credit Union issues. "Credit Union" means Michigan Legacy Credit Union.

These rules and regulations apply to any Credit Union VISA credit card ("Card") issues, or to be issued by the Credit Union. Any individual ("Cardholder") who makes application for, signs, accepts, uses, or authorizes the use of Card agrees to be bound by the following Rules and Regulations; and agrees that they shall constitute the agreement between the Credit Union and Cardholder governing the use of the Card. Furthermore, by signing Card as specified herein Cardholder expressly agrees to be bound by the provisions of these Rules and Regulations as to the rates and charges applicable to the use of the Card.

OWNERSHIP

Credit Union may refuse to issue Card, or may revoke card issued to Cardholder, with or without cause or notice. Card at all times remains the property of Credit Union and may be repossessed by Credit Union at any time. Any revoked Card must be surrendered upon demand or upon knowledge of its revocation, to Credit Union or its agent designated to repossess Card. No expired or revoked Card shall be used to obtain or to attempt to obtain credit.

USE OF CARD

Cardholder understands that the use of your credit card will constitute acknowledgement of receipt and agreement to the terms of the credit card agreement. You may use your card to make purchases from merchants and others who accept VISA cards. However, you may not use your card to initiate any type of gambling transaction. If you wish to pay for goods or services over the Internet, you may be required to provide card number security information before you will be permitted to complete the transaction. In addition, you may obtain cash advances from the Credit Union and from other financial institutions that accept VISA cards, and from some automated teller machines (ATMs). (Not all ATMs accept VISA cards.) To obtain cash advances from an ATM, you must use the personal identification number (PIN) issued to you for use with your card. You agree that you will not use your card for any transaction that is illegal under applicable federal, state or local law.

CREDIT LIMIT

Cardholder shall not use the Card if such use would make Cardholder's debt to the Credit Union by use of the Card greater than the credit limit set by Credit Union from time to time by notice to Cardholder. However, Credit Union may, at its option, recognize transactions (and extend credit) which will cause Cardholder's outstanding balance to exceed the maximum credit limit. Cardholder agrees to pay immediately upon demand, any amount in excess of the maximum credit limit. You may request an increase in your credit limit only by a method acceptable to the Credit Union. The Credit Union has the right to reduce your credit limit, refuse to make an advance and/or terminate your account at any time for any reason not prohibited by law.

RESPONSIBILITY

Cardholder agrees to pay all charges (purchases and cash advances) made to your account by you or anyone you authorize to use your account. You also agree to pay all finance charges and other charges added to your account under the terms of this agreement or another agreement you made with the Credit Union. If this is a joint account, the "JOINT ACCOUNTS" section also applies to your account.

LOSS OR THEFT OF CARD

You agree to notify us immediately, orally or in writing at Cardholder Services, 144 E Pike St, Pontiac, MI 48342 or telephone (866)333-4740 twenty-four (24) hours a day, seven (7) days a week, of the loss, theft, or unauthorized use of your credit card. You may be liable for the unauthorized use of your credit card. You will not be liable for unauthorized use that occurs after you notify us of the loss, theft, or possible unauthorized use. You will have no liability for unauthorized purchases made with your credit card, unless you are grossly negligent in the handling of your card. In any case, your liability will not exceed \$50. If more than ten cards are issued to employees of a single business or other organization, there is no limit to Cardholder's liability for any unauthorized use that occurs before Cardholder notifies issues as provided herein; the business or organization may only impose liability on its employees for unauthorized use of a card as authorized by the federal law and regulation.

RETENTION OF SLIPS

At the time of obtaining each cash advance, or of making each purchase or credit transaction, Cardholder or his or her authorized user, shall sign a cash advance slip or sales slip; as the case may be, accurately evidencing the transaction. The word "slip" shall include a draft or any other instrument acknowledging or recognizing the transaction. Cardholder shall be furnished one properly executed copy of each slip signed by him or her. Cardholder agrees to retain such copies of slips to be used to readily identify transactions reported on the Cardholder's Periodic Statement. 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.

REFUSAL TO HONOR CARD

Credit Union shall have no liability or responsibility of any Merchant refusing to honor Card.

PERIODIC STATEMENTS

Statements and notices will be mailed to you at the most recent address you have given the Credit Union. Notice sent to any one of you will be considered notice to all. Cardholder shall examine each bill and immediately notify Credit Union of any charge or item which Cardholder believes to be in error, or subject to dispute. Any charge or item shown on your monthly statement shall be deemed to be correct 60 days following the mailing to you of the statement if written notification is not received by that time.

NOTICE OF NEGATIVE INFORMATION

Credit Union may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected on your credit report.

DEFAULT

Notwithstanding anything herein, in the event of (a) default by Cardholder in making any payment when due and payable, (b) default by Cardholder under any provision of these rules and regulations, (c) Cardholder's death or becoming insolvent or making an assignment for the benefit of creditors, (d) a petition being filed or any other proceeding being commenced under the Federal Bankruptcy Act or any state insolvency statute by or against Cardholder, or (e) a receiver being appointed for, or a writ or order of attachment, levy or garnishment being issued against Cardholder or any of Cardholder's property, assets or income, then at Credit Union's option, all amounts due from Cardholder to the Credit Union shall become immediately due and payable. Cardholder agrees to pay all costs of collection, including reasonable attorney's fees incurred by Credit Union.

Any shares that were given as security for your account may be applied towards what you owe. If Cardholder has other loans from Issuer, or takes out other loans with Issuer in the future, collateral securing those loans will also secure Cardholder's obligations under this agreement.

Except to the extent that Federal law is applicable, the validity, construction and enforcement of this agreement and all matter's arising out of the issuance and use of this Card shall be governed by the laws of the state in which the principal office of Issuer is located.

RATES AND CHARGES

Cardholder specifically agrees to the rates and charges and methods of computation set forth in this document, which are made in accordance with the Truth-In-Lending Law.

JOINT ACCOUNTS

If this is a joint account, each person on the account must sign the agreement (by signing on the application). Each of you will be individually and jointly responsible for paying all amounts owed under this agreement. This means that the Credit Union can require any one of you individually to repay the entire amount owed under this agreement. Each of you authorizes the other(s) to make purchases or cash advances individually. Any one of you may terminate the account and the termination will be effective immediately; however, any remaining balance is individually and jointly liable for repayment until the entire balance is paid in full.

MISCELLANEOUS

Notice required to be given by these Rules and Regulations, by law or desired to be given by Credit Union shall be deemed given if and when posted in the United States mail, postage prepaid, addressed to Cardholder at his/her last known address as shown on the Credit Union's records. If cardholder has agreed to e-Notices all changes in terms and notifications will be sent via email or through It's Me 247 Home banking.

AMENDMENTS

Credit Union may modify or amend this Agreement, from time to time, upon 45 days advance notice to Cardholder. The new terms, including any increase or decrease in the charges, shall apply to both new Cash Advances and to new Purchases made on and after the effective date and to any unpaid outstanding balance owed Credit Union by Cardholder on the effective date.

TERMS AND CONDITIONS

PURCHASES

1. Grace Period – No **FINANCE CHARGE** will be imposed during the billing cycle if the entire "New Balance" shown on your most recent monthly statement is received on or before the "Payment Due Date" shown on that statement (which will not be less than 25 days from the "Statement Closing Date").
2. In all other cases, the average daily balance of purchases will be subject to a **FINANCE CHARGE**.

The **FINANCE CHARGE** on this portion of your account is calculated by multiplying the monthly periodic rate by the "average daily balance for purchases" (including current transactions). To figure the "average daily balance for purchases," take the beginning "purchases" balance of your account each day, add any new purchases, and subtract any payments or credits. This is the daily balance. Then, add all daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This is the "average daily balance." A purchase appearing on your monthly statement is considered part of the outstanding balance from the transaction date or the first day of the billing cycle, whichever is later.

CASH ADVANCES

1. A **FINANCE CHARGE** is charged for each day that you have a balance for cash advances.
2. The amount which will be subject to a **FINANCE CHARGE** is the average daily balance of cash advances. The **FINANCE CHARGE** on this portion of your account that is calculated by multiplying the monthly periodic rate by the "average daily balance" for cash advances (including current transaction). To figure the "average daily balance for cash advance," take the beginning "cash advances" balance of your account each day, add any new cash advances and subtract any payments or credits. This is the daily balance. Then, add all daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This is the "average daily balance." A cash advance appearing on your monthly statement is considered part of the outstanding balance from the date of the transaction or the first day of the billing cycle, whichever is later.

RATES

The Monthly Period Rate for the monthly billing cycle is equal to 1/12 of the **ANNUAL PERCENTAGE RATE (APR)**. The Monthly Periodic Rate will be computed to 1/100th of one percent. The method for figuring the **APR** is explained below. The APR is a non-variable rate.

VISA Classic	13.90% APR
VISA Gold	11.90% APR
VISA Platinum	9.90% APR

FEES

Refer to Michigan Legacy Credit Union's Fee Schedule for a list of current fees.

ANNUAL FEE

No annual fee will be assessed on the Credit Union VISA Account.

LATE CHARGES

To cover the cost of second and subsequent payment notices, a late charge of \$20 will be added to your account balance if you fail to make a payment equal to or greater than the Minimum Payment shown on your monthly statement on or before the due date shown on your monthly statement. You will only have to pay the late charge once on the same late payment. Any payment you make will be treated as being your oldest payment due.

PAYMENTS

If you choose to pay less than the total New Balance as shown on your monthly statement, a minimum payment is required to be made. The minimum is computed as 2.0% of your total New Balance or \$25, whichever is greater. Your payment will be allocated among the amounts you owe in the manner we determine, and in general, payments will be applied first to unpaid **FINANCE CHARGES**, then to cash advances and then to purchases.

If you pay by check, your payment may be processed electronically; therefore, funds may be debited from your account the same day the payment is received. The information on your check is used to create an electronic fund transfer. Each time a check is sent, you authorize a one-time electronic funds transfer. You will not receive your check back as the Credit Union is required to destroy it; however, we will retain an electronic copy.

OVERDRAFT

You may request overdraft protection if you maintain a Credit Union checking account and a Credit Union issues VISA card. Overdraft cash advances will be made in \$50 increments, up to your credit limit less any outstanding balance. If the available amount is less than \$50, all funds available will be transferred if these funds are sufficient to cover the item(s) in the checking account. You understand that the regular increments amount is subject to change by the Credit Union without notice. If your VISA card is thirty or more days past due, or over the approved credit limit, overdraft protection will not be available until the account is current. Rates and methods of computation are the same as other cash advances.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions will be converted to US Dollars by VISA. Effective April 1, 2008, the exchange rate for the international transactions will be a rate selected by VISA from the range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate VISA itself receives or the government-mandated rate in effect for the applicable central processing date. VISA applies a .08% International Service Assessment fee to single currency transactions where the currency has already been pre-converted into US dollars and a 1% fee for multi-currency transactions where both the country codes and currency codes are different. The fee is applied after converting the transaction currency into the billing currency amount. Two separate entries will appear on your statement, one for the foreign transaction and one for the International Service fee. The currency exchange rate used by VISA will reflect VISA's processing day, not the date the purchase was made. Michigan Legacy Credit Union does not apply any additional conversion fee other than what VISA imposes.

IN CASE OF ERRORS OR INQUIRIES ABOUT YOUR BILL

The Federal Truth In Lending Act requires prompt correction of billing mistakes

1. If you find a billing error or need more information about an item, to preserve your rights under the Act, follow these instructions.
 - a. Do not write on the bill. On a separate sheet of paper write (you may telephone your inquiry but doing so will NOT preserve your rights under the law) the following:
 - i. Your name and account number.
 - ii. A description of the error and an explanation (to the extent you can explain) why you believe it is an error. If you only need more information, explain the item you are not sure about and, if you wish, ask for evidence of the charge such as a copy of the charge slip. Do not send in your copy of a sales slip or other document unless you have a duplicate copy for your records.
 - iii. The dollar amount of the suspected error.
 - iv. Any other documentation (such as your address) which you think will help the creditor to identify you or the reason for your complaint or inquiry.
 - b. Send your billing error notice to the address on your bill which is listed after the words: "Send Inquiries To" or similar working. Mail as soon as possible, but in any case, early enough to reach the creditor within 60 days after the bill was mailed to you. If you have authorized your Credit Union to automatically pay from your checking or savings account any credit card bill from the credit Union, you can stop or reverse payment on any amount you think is wrong by mailing your notice so the creditor receives it within 16 days after the bill was sent to you. However, you do not have to meet this 16 day deadline to get the creditor to investigate your billing error claim.
2. The creditor must acknowledge all letters pointing out possible errors within 30 days of receipt, unless the creditor is able to correct your bill during those 30 days. Within 90 days after receiving your letter, the creditor must either correct the error or explain why the creditor believes the bill was correct. Once the creditor has explained the bill, the creditor has no further obligation to you even though you still believe that there is an error, except as provided in paragraph 5.
3. After the creditor has been notified, neither the creditor nor an attorney nor a collection agency may send you collection letters or take other collection action with respect to the amount in dispute, but periodic statements may be sent to you, and the disputed amount may be applied against your credit limit. You cannot be threatened with damage to your credit rating or sued for the amount in question, nor can the disputed amount be reported to a credit bureau or to other creditors as delinquent until the creditor has answered your inquiry. However, you remain obligated to pay the parts of your bill not in dispute.
4. If it is determined that the creditor has made a mistake on your bill, you will not have to pay any **FINANCE CHARGES** on any disputed amount. If it turns out the creditor has not made an error, you may have to pay **FINANCE CHARGES** on the amount in dispute, and you will have to make up any missed minimum or required payments on the disputed amount. Unless you have agreed that your bill was correct, the creditor must send you a written notification of what you owe; and if it is determined that the creditor did make a mistake in billing the disputed amount, you must be given the time to pay which you normally are given to pay undisputed amounts before any more **FINANCE CHARGES** on the disputed amount can be charged to you.
5. If the creditor's explanation does not satisfy you and you notify the creditor in writing within 10 days after you receive his explanation that you still refuse to pay the disputed amount, the creditor may report you to the credit bureaus and other creditors and may pursue regular collection procedures. But the creditor must also report that you think you do not owe the money and let you know to whom such reports were made. Once the matter has been settled between you and the creditor, the creditor must notify those to whom they reported you as delinquent of the subsequent resolution. If the creditor does not follow those rules, the creditor is not allowed to collect the first \$50 of the disputed amount and **FINANCE CHARGES**, even if the bills turns out to be correct.

SPECIAL RULE FOR CREDIT CARD PURCHASES

If you have a problem with the quality of goods or services that you purchased with a credit card and you have tried to in good faith correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50 and the purchase was made in your home state or within 100 miles of your mailing address. (If we own or operate the merchant, or if we mailed you the advertisement for the property or services, all purchases are covered regardless of amount or location of purchase).