

CREDIT CARD ACCOUNT AGREEMENT



SEATTLE METROPOLITAN
CREDIT UNION

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CREDIT CARD ACCOUNT AGREEMENT

Keep this notice for future use.

This Agreement is the contract that governs your Credit Card Account (the Account) with us. This Agreement 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 and are bound by the terms of this Agreement. In this Agreement the words you, your and yours mean each and all of those who apply for the card. We, us, and our(s) means Seattle Metropolitan Credit Union.

This agreement covers Visa® Credit Card accounts. All terms apply to all accounts unless differentiated within a particular section.

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

ANNUAL PERCENTAGE RATE (APR). The cost of your credit expressed 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.

Cardholder. The person or persons who have agreed in writing to be bound by this Agreement, and each user.

Cash Advance. Credit extended by us to you in the form of a loan. A Cash Advance is made when you (1) present the Card to any financial institution to obtain cash, or, (2) use any other credit instrument, device, overdraft coverage plan or Automated Teller Machine (ATM) we make available to you.

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

Credit Limit. The maximum amount of credit available to you from your Account, including any FINANCE CHARGES, fees or penalties.

FINANCE CHARGE. The cost of credit extended to you on the Account.

New Balance. The Sum of all unpaid Purchases, Cash Advances, FINANCE CHARGES, Late Charges, and Other Charges outstanding on the Closing Date.

Periodic Rate. The percentage rate of FINANCE CHARGE imposed against a balance for a period. In this Agreement a 'monthly' Periodic Rate is used.

Previous Balance. The sum of all unpaid Purchases, Cash Advances, FINANCE CHARGES, Late Charges, and Other Charges 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).

User. The person(s) authorized by the 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. You will owe us for these amounts, plus **FINANCE CHARGES** and Other Charges, if any, all payable in United States Dollars. You may not use your Card or Account for any illegal or unlawful transaction. We may refuse to authorize any transaction that we believe may be illegal or unlawful.

Monthly Statement

We will mail you a statement every month showing your previous balances, 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 CHARGES** due to date, and the minimum payment required.

Conditions Under Which a FINANCE CHARGE Will Be Imposed

Purchases. A **FINANCE CHARGE** will be imposed on the portion of purchases included in the New Balance that remains unpaid within 25 days after the closing date. This "grace period" allows you to avoid a **FINANCE CHARGE on purchases for a billing cycle. However, if you do not pay the New Balance for purchases within the grace period, your FINANCE CHARGE will accrue on any unpaid purchase transactions from the date of purchase.**

Cash Advances. **FINANCE CHARGES** will be assessed on all Cash Advances, regardless of amount, from the date of the Cash Advance until paid in full. There is no time period within which to pay to avoid this **FINANCE CHARGE**. A balance transfer is one type of Cash Advance.

Default. A Default Interest Rate will apply in the event you fail to make your minimum monthly payment for sixty (60) days. If you are in default under the terms of your Visa® Credit Card Agreement, your **ANNUAL PERCENTAGE RATE** will increase to 17.99%. Default includes, but is not limited to, failure to make timely payments for non-consecutive billing cycles. If you successfully make at least six timely minimum monthly payments after the Default interest Rate goes into effect, the **ANNUAL PERCENTAGE RATE** will be reduced to the regular rate pursuant to your Agreement with us.

Method Used to Determine the Balance Upon Which a FINANCE CHARGE is Imposed

We calculate the **FINANCE CHARGE** at the monthly periodic rate on the average daily principal balances of purchases and cash advances on the account. The principal balances of purchases and cash advances are determined each day during

the statement period, beginning with the principal portion of your previous balances, reduced by payments you make and credit we apply, and increased by purchases and cash advances you made and debit adjustments we make during the statement period.

However, there are no **FINANCE CHARGES** on that portion of the Purchases balance paid within 25 days of the end of the billing cycle.

To determine the monthly periodic rate, we divide the **ANNUAL PERCENTAGE RATE** by 12. The Periodic Rate and **ANNUAL PERCENTAGE RATE** used to compute the **FINANCE CHARGE** is based on your credit profile. The Periodic Rate and **ANNUAL PERCENTAGE RATE** that will apply to your account will be disclosed on the notice that accompanies (and is part of) this Agreement when your account is opened. We will review your Account from time to time and may adjust your changes in your credit profile.

The **ANNUAL PERCENTAGE RATE** is based on the value of an index. The index is the highest Prime Rate as published in The Wall Street Journal in effect on the first business day before the change date first day of each month. When a change in a Variable **ANNUAL PERCENTAGE RATE** occurs, it will become effective on the first day of the following month's billing cycle and will apply to any existing balances. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your credit card, we add a margin determined by your credit worthiness to the value of the index. There is no limit on the amount by which the rate can change on any given change date other than the maximum and minimum **ANNUAL PERCENTAGE RATE** that can apply at any time on your account. Minimum **ANNUAL PERCENTAGE RATE** is 8.99% and Maximum **ANNUAL PERCENTAGE RATE** is 17.99%.

All **FINANCE CHARGES** are added together in order to calculate the **ANNUAL PERCENTAGE RATE** for each Billing Cycle.

The Conditions Under Which Any Other Charges May Be Imposed

1. Draft Retrieval Fee. If you have a question about a transaction and you request a copy of the document from us we may charge you a retrieval fee of \$5.00 per item. You will not be charged this fee if the request is part of an error resolution process, unless it proves to be your error.

2. Late Charge Fee. A late payment charge of \$25.00 may be imposed on Minimum Payments not paid by the payment due date.

3. Returned Check Charge. A charge of \$20.00 may be imposed for each check which you submit for payment on your Account when that check is returned to our office unpaid for reason.

4. Additional Card Fee. We will issue two cards for your account free of charge. We may charge an additional \$5.00 for each VISA® card in addition to your free cards.

5. Card Recovery Fee. If you use your card(s) after the account has been canceled, and we must pay a recovery fee to a third party who obtains the card(s) for us, this fee will be added to your account balance.

6. Collection Charges. If we must telephone you, write to you, or make a personal visit due to any default on your part, you may be assessed a collection charge.

7. Miscellaneous Charges. Any other charges that may be imposed if a new service is offered, and is accepted by the Cardholder, will be subject to the terms described at that time.

8. Cash Advance Fee. A cash advance fee may be assessed on all cash advances. This fee will be 2% of the amount advanced up to a maximum of \$25.00.

The Minimum Monthly Payment Required

1. If you elect not to pay your New Balance in full, a payment according to the following schedule must be made by you within 25 days after the Closing Date of each Billing Cycle as shown on your statement.

If New Balance is:	Minimum Monthly Payment will be:*
Less than \$25	New Balance in full
\$25 to \$833.33	\$25
More than \$833.33	3% of New Balance

*(The event of a credit posting from a merchant or reversal of fees, does not constitute a minimum payment.)

2. In addition to the Minimum Monthly Payment your minimum payment will also include the greater of any amount past due or any amount by which the New Balance exceeds the approved Credit Limit for the Account. If your account is past due, and/or Overlimit, that amount of the Minimum Payment is immediately due.

3. The payment of the New Balance in full will not reduce the Minimum Payment for the next Billing Cycle if there are new Purchases or Cash Advances.

4. Payments must be made in US Dollars.

5. Payments received at: Seattle Metropolitan Credit Union, PO Box 780, Seattle WA 98111-0780 at or before 5:00 PM Pacific Time on any business day will be credited to your Account as of that date; payments received by mail at that address after 5:00 PM Pacific Time, on a weekend or federal holiday will be posted to your Account as of the next business day. Payment crediting to your Account may be delayed up to five days if your payment is received by mail at any other address or not accompanied by the remittance portion of your Account statement.

How the Payments are Applied

The minimum payment will be allocated to pay off previously billed and unpaid FINANCE CHARGE, Fees and then previously billed balances. Payment amounts in excess of the Minimum Monthly Payment will be allocated to payoff higher rate balances first.

Your Liability for Unauthorized Use of Your Card

You agree to notify us immediately, orally or in writing of the loss, theft, or unauthorized use of your credit card. If you notify us of your lost or stolen credit card you will not be liable for any losses. This liability exclusion will apply provided you are not grossly negligent or fraudulent in handling your credit card, otherwise your liability for unauthorized Visa® credit card transaction maybe up to \$50.00.

Notify us at:

PSCU DISPUTES
P.O. BOX 31112
TAMPA, FL 33631
Telephone: 1.800.654.7728

Additional Provisions

1. **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 1-800-449-7728.

2. **Credit Limit.** You will not use the Card to obtain credit in excess of the amount of the Credit Limit available to you on your Account. However, if we temporarily allow you to exceed your Credit Limit, you agree to repay the excess amount upon notice of the overlimit condition. We can increase your Credit Limit at our discretion.

3. **Termination.** Either you or we may terminate or suspend your credit privileges under Agreement at any time. The provisions of this Agreement shall otherwise remain in full force and effect until you pay all sums due to us. Unless otherwise agreed to by us, all amounts owing will become immediately due upon termination.

4. **Ownership of Cards.** Any Card, 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 take it to a location we designate.

5. **Debt Protection.**

a. We do not require Debt Protection coverage on your account.

b. From time to time, we maybe offer our members Debt Protection coverage to protect against Accidental Death, Disability, Involuntary Unemployment and Family Medical Leave. If you want this protection, you will have to sign a written request on a form we will supply.

c. Debt Protection coverage will not be available for our members who have reached certain ages. Also, coverage will stop automatically when the covered person goes over the maximum age permitted by the policy.

d. A certificate describing the coverage will be mailed to you

within 30 days after the coverage begins. Only the person(s) named in the certificate will be covered. The Debt Protection offer, your acceptance, and the certificate will be part of this agreement.

e. We will charge the monthly fees to your Account as an Other Charge.

f. We, or you, can cancel your Debt Protection coverage. Cancellation must be in writing and your Debt Protection coverage stops on the last day of the month in which we receive the request.

6. Security Interest. You give us a security interest in your shares and/or deposits in this credit union and in each item purchased with advances obtained under this Agreement, as long as there is an outstanding balance on the item purchased. If we have the right to demand full payment of your new balance (see New Balance), we may also take possession of this property (you promise to give it to us if we ask) and sell it to satisfy your debts and obligations. Any outstanding debt will be allocated upon the first-bought, first paid rule. You agree that 10 days is a reasonable time to give you notice of any such sale.

Collateral securing other loans with us may also serve this loan, but any security interest in real property obtained by virtue of a mortgage or Deed of Trust not executed in connection with this Agreement is expressly waived as additional collateral for this Agreement.

7. Individual Liability. You will be liable for all credit obtained under your 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).

If two or more persons are responsible to pay any outstanding balance, we may refuse to release any of them from liability until all of the unexpired Cards outstanding under the Account have been returned to us, and/or the balance is paid in full.

8. Credit Reports. You authorize us to make any credit, employment or investigative inquiries as we deem appropriate for the extension of credit or collection of amounts owing on the Account. We can furnish information concerning your Account or credit to consumer reporting agencies and others who may properly receive that information.

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

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

11. 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.

12. Transactions. You will retain for statement verification

your copy of each slip (ticket/draft) resulting from each Purchase, Cash Advance, or 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. (See above for cost information.)

13. Transactions Made in Foreign Currencies. If you use your Card for transactions in a currency other than U.S. dollars, the transaction will be converted to U.S. dollars by Visa® International in accordance with the operating regulations or conversion procedures in effect at the time that the transaction is processed. Currently, those regulations and procedures provide that the currency conversion rate to be used is either (1) wholesale market rate or (2) a government mandated rate in effect one day prior to the processing date, increased by one percent in each case. Visa® retains this one percent as compensation for performing the currency conversion service. The currency conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or the posting date.

14. 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.

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

16. Phone Inquiries. Inquiries regarding your Account (you may not inquire about someone else's Account) may be made by calling 1.800.654.7728.

17. Our Address. Please address letters and other notices to us

at:

SEATTLE METROPOLITAN CREDIT UNION
ATTN.: VISA
P.O. BOX 780
SEATTLE, WA 98111-0780

18. Default. You will be in default if a) you do not make a payment as required by this Agreement on or before the Payment Due Date, b) you exceed your Credit Limit without our permission, c) you become subject to bankruptcy or insolvency proceedings, d) attachment or garnishment proceedings are instituted against you or your property, e) we reasonably deem ourselves insecure, f) you provide us with false information or signature, or fail to provide financial information we request, or g) you fail to comply with any provision of the Agreement. If default occurs on this Agreement, we can demand that you immediately pay all sums that you owe us. In addition, you agree to pay our costs, expenses, and reasonable attorneys fee to enforce this agreement, whether or not a lawsuit is commenced.

Default on any account or other obligation that you have with us will constitute default under this agreement.

19. Amendments. We reserve the right to amend the terms of this Agreement at anytime as permitted by and subject to any limitations and notice requirements of applicable law.

20. Assignment. We have the right to assign and transfer our rights under this Agreement and any amounts you owe to us. The term “us” shall be deemed to include each and every immediate and successive assignee. You may not assign any consumer right or right under this Agreement to any other person.

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

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

23. Law Governing. This Agreement is governed by Federal laws and the laws of the State of Washington as they each apply.

24. 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.

25. Exclusions. You will not be able to use your credit card in Indonesia or Malaysia or for online gambling.

26. Convenience Checks. Activation of your card/account is required before any convenience check will be approved and posted on your credit card account.

27. Skip-A-Payment. Occasionally SMCU may offer you the opportunity to skip your monthly minimum payment due. If you choose to skip that payment, FINANCE CHARGES and Accidental Death and Disability payments, if any, will continue to accrue in accordance with this Agreement.

28. Inactivity. SMCU reserves the right to terminate the credit line if there are no transactions in a 12-month period.

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 more information about a transaction on your bill, write us on a separate sheet (do not write on your statement stub) at the address shown on your bill after the words “Send Inquiries To”. Write to us as soon as possible. We must hear from you no later than 60 days after we send 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 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 corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill 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 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 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 finally is.

If we don't follow these rules, we can't collect the first \$50 of the 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.

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 we own or operate the merchant, or if we mailed you the advertisement for the property or services.

ABOUT US

Since 1933, Seattle Metropolitan Credit Union (SMCU) has been a financial cooperative, providing services to the employees and family members of the City of Seattle. Since then, the credit union has expanded its charter to include anyone who lives or works in the State of Washington.

SMCU is guided by 7 Cooperative Principles that date back to some of the earliest co-ops that formed in the 1800s. To this day these principles still form the foundation on which cooperatives around the world provide benefits to their members. Seattle Metropolitan Credit Union has adapted these principles to the financial needs and goals of its members; they provide the standard against which the credit union is operated. To learn more about SMCU's 7 Principles, visit www.7principles.coop.

CONTACT CENTER

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1.800.334.2489

TTY 206.398.5697

MAILING ADDRESS

PO Box 780

Seattle, WA 98111-0780



SMCU prints on
recycled paper

SMCU 4015 1/10



Your savings federally insured to at least \$250,000 and backed
by the full faith and credit of the United States Government
NCUA
National Credit Union Administration, a U.S. Government Agency