



University of Hawai'i Federal Credit Union

The University's Credit Union

**CREDIT SALES CONTRACT
CREDIT SALES AGREEMENT**

www.uhfcu.com • Phone: (808) 983-5500

NOTICE: See page 4 for important information regarding your rights to dispute billing errors.

This is an agreement between us, University of Hawaii Federal Credit Union, and you covering the VISA Credit Card delivered to you with this agreement and your credit account with us. "Card" means the VISA Credit Card and any duplicate and renewals we issue. You, and any joint account holders, by applying for, signing and using or permitting others to use the card or account, will be bound by this agreement. Account means your VISA Credit Card Line of Credit account with us. We, us and ours mean this Credit Union.

1. Responsibility. You agree to repay all debts and the FINANCE CHARGE arising from the use of the Card and the Card account. For example, you are responsible for charges made by yourself, your spouse and minor children. You are also responsible for charges made by anyone else to whom you allow access to the Card or account, 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 return all Cards. Your obligation to pay the account balance continues even though an agreement, divorce decree or other court judgments to which we are not a party of 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, and 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.

2. Lost Card Notification. If you believe the Card has been lost or stolen, you will immediately call the Security Dept. at 1-800-449-7728. Your liability for the unauthorized use of your Card, which is lost or stolen, may be limited by the prompt reporting of such loss or theft. Such liability may be increased if we reasonably determine, based on substantial evidence, that you were grossly negligent or fraudulent in the handling of the account or Card. Such liability does not apply when the Card is used to make an electronic transfer.

3. Credit Line. We have established a self-replenishing Line of Credit for you. You will be advised of the Credit Line applicable to your account. 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 only by written application to us, which must be approved by our Credit Committee or Loan Officer. You agree not to allow your outstanding balance to exceed your Credit Line. If you exceed your Credit Line, we can still charge you for all purchases and advances without giving up any of our rights and we can require that you immediately pay to us any amount in excess of your Credit Line. We can increase or decrease your Credit Line at any time.

4. Credit Information. You authorize us to investigate your credit standing when opening, renewing or reviewing 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, to the extent authorized in our By-Laws.

5. Monthly Payment. We will mail you a statement every month showing your previous Balances 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, and other billed fees, and the Minimum Payment required. Every month you must pay at least the Minimum Payment upon receipt of your statement. By separate agreement you may authorize us to charge the minimum payment automatically to your share or share draft account with us. You may, of course, pay more frequently, pay more than the Minimum Payment, 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% of your Total New balance, or \$15.00 whichever is greater, or (b) your Total New Balance, if it is less than \$15.00 plus (c) any portion of the Minimum Payment(s) shown on prior statement(s) which remains unpaid. In addition, at any time your New Balance exceeds your Credit Line, you must immediately pay the excess upon our demand. We will apply your payments first to the FINANCE CHARGE on both purchases and cash advances, (then to any billed fees); then to the principal balances of purchases in the order they were posted to your account and then to the principal balance of cash advances. If two or more purchases were posted on the same day, your payment will be applied to the smallest first.

6. Finance Charges. You can avoid FINANCE CHARGE on purchases by paying the full amount of the New Balance of Purchases each month within 25 days of your statement closing date. Otherwise, the New Balance of Purchases, and subsequent purchases from the posting date will be subject to FINANCE CHARGE. Cash advances are always subject to FINANCE CHARGE from the date of the transaction. Convenience Checks are considered cash advances and are subject to FINANCE CHARGE from the posting date. FINANCE CHARGE (interest) for VISA Platinum is calculated at the periodic rate of 1.0625% per month, (**ANNUAL PERCENTAGE RATE OF 12.75%**); FINANCE CHARGE (interest) for VISA Platinum Plus is calculated at the periodic rate of 0.7083% per month (**ANNUAL PERCENTAGE RATE OF 8.50%**), on the average daily principal balances of purchases and cash advances. The average daily balances are determined each day during the statement period, beginning with the principal portion of your Previous Balances, reduced by payments you make and credits we apply, and increased by purchases and cash advances you make and debit adjustments we make during the statement period. The daily principal 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.

7. Other Fees. A) Annual Fee: None B) Late Fee: A late fee of 5% of the amount of any minimum payment will be charged if a payment equal to or greater than the minimum payment due on your statement is not received within 15 days following the payment due date. C) Returned Check Fee: A returned payment check fee of \$10 will be charged if the check you gave us is not paid by your financial institution. D) Over- limit Fee: An over limit fee of \$10 may be charged if your new balance exceeds your stated credit line on your account. E) Rush Fee: A minimum rush fee of \$15 will be charged for orders of new or replacement cards. Fees may vary according to destination. F) Replacement Fee: A replacement fee of \$10 will be charged for replacement of card or PIN. G) Convenience Check Fee: A fee of \$5.00 will be charged for each copy of a cleared check. H) Stop Payment Fee: A fee of \$10.00 will be charged for a convenience check stop payment request, or release of same. I) Returned Convenience Check Fee: A fee of \$5.00 will be charged if a convenience check is returned unpaid.

8. Default. You will be in default if you fail to make any minimum payment within 25 days after the end of the billing cycle closing date. You will also be in default if 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, or if the value of our security interest materially declines. We have the right to demand immediate payment of your full account balance if you default, subject to our giving you any notice required by law. To the extent permitted by law, you will also be required to pay our collection expenses, including court costs and reasonable attorney fees.

9. Using Your Account. You authorize us to pay for items charged to your account for the following types of transactions: (A) purchases of goods and services made using the Card or account, (B) cash advances obtained from financial institutions, automatic teller machines or others using the Card, and (C) advances obtained through the use of special checks we issue to you or by other means to access your account (These checks may not be used to make payments on your account). We are not responsible for the failure of any machine, merchant, financial institution or any other party to honor your Card or checks.

10. Others Using Your Account. You promise to pay for all purchase and advances made by anyone you authorize to use your account, whether or not you notify us that they will be using it. If someone else is authorized to use your account and you want to end that person's privilege, you must let us know in writing, and you must return that card cut in half with your written notice.

11. You understand that your account may not be used for any illegal transaction.

12. Cancellation. We can cancel your account, refuse to allow further transactions, or revoke your card at any time. You can cancel your account by writing us. In either case, you agree to return all cards cut in half to us. Cancellation of your account will not affect your liability to us for credit we have extended to you.

13. 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 or automatically after 6 months as required by Federal law.

14. Foreign Transactions. Purchases and cash advances made in foreign countries and foreign currencies will be billed to you in U.S. Dollars. Effective April 2, 2005, the rate of exchange between the transaction currency and the billable currency 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.

In each instance above, plus or minus any adjustment determined by the Issuer.

A foreign transaction fee will be assessed for transactions conducted outside of the U.S.

15. Plan Merchant Disputes. We are not responsible for the refusal of any plan merchant or financial institution to honor your card. We're subject to claims 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.

16. 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 the account. 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 5.

17. Security Interest-Pledge of Shares. You understand that a security interest is a condition for the issuance of a card and you give a security interest in all shares now or hereafter in the Credit Union. If you default under the terms of this Agreement and Disclosure, you authorize the Credit Union to apply such shares to the payment of your indebtedness. Individual Retirement Account (IRA) proceeds are exempt from this security interest only when required by law to maintain the exemption status of the IRA.

18. Effect of Agreement. This Agreement is the contract that applies to all transactions on your account even though the sales, cash advance, credit or other slips you sign or receive may contain different terms. We may amend this Agreement from time to time by sending you the advance written notice required by law. Your use of the card thereafter will indicate your agreement to the amendments. To the extent the law permits and we indicated in our notice, amendments will apply to your existing account balance as well as to future transactions.

19. Change of Terms. We can change the terms of this agreement at any time provided we send you notice at least 15 days prior to the effective date of the change. If the change will increase the Finance Charge or Other Fees, notice shall be sent at least 30 days prior to the effective date, and will be effective as of the first day of your billing period during which the effective date occurs unless you give us written notice that you do not agree to the change within 30 days of the date of the mailing. If you give us such written notice, you will be permitted to pay the outstanding unpaid indebtedness in your account as of the effective date under the terms of the agreement governing your account at the time our notice was given. If you use your Card after the effective date, you will be considered to have agreed to the new terms even if you have sent us such written notice. At our option we may also make any such change if you elect to use your account after the effective date of the amendment. Changes that we make can apply to all outstanding unpaid indebtedness and to any future transactions on your account.

20. By utilizing any of the VISA Emergency/Travel Services (including Collision/Loss Damage Waiver (CDW) and any core benefits), you agree and consent that personal information about you may be released to VISA USA (and its Member financial institutions and/or their respective contractors) for the purpose of providing these services.

21. Applicable Law. Federal law and the law of the State of Hawaii will govern this Agreement.

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 at the address listed 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 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 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 report 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 \$50.00 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:

- (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 \$50.00.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

M-93564

Revised 5/08