

**CREDIT CARD AGREEMENT AND DISCLOSURES**

**BINDING ARBITRATION: EXCEPT AS SPECIFICALLY PROVIDED HEREIN, THIS ARBITRATION PROVISION SUBSTANTIALLY LIMITS YOUR RIGHT TO BRING A LEGAL ACTION IN A JUDICIAL FORUM (EXCEPT FOR MATTERS THAT MAY BE BROUGHT IN SMALL CLAIMS COURT AS SET FORTH HEREIN).**

**PLEASE READ THIS SECTION CAREFULLY. THE PARTIES WILL NOT HAVE A RIGHT TO HAVE A JUDGE OR JURY DECIDE ANY CLAIM OR DISPUTE; AND THE ABILITY TO APPEAL IS LIMITED IN AN ARBITRATED MATTER HEREUNDER. ANY DISPUTES WILL BE DECIDED BY A NEUTRAL ARBITRATOR. FURTHER, NEITHER PARTY NOR ANYONE OF THEIR BEHALF CAN PURSUE ANY CLAIM OR DISPUTE IN ANY CLASS OR REPRESENTATIVE CAPACITY. IT IS THE INTENT OF THE PARTIES HERETO TO PROVIDE A FUNDAMENTALLY FAIR AND LESS COSTLY FORUM TO ADDRESS ANY DISPUTES BETWEEN THE PARTIES; AND THE PARTIES SPECIFICALLY AGREE TO THIS ALTERNATIVE METHOD OF DISPUTE RESOLUTION AS AN INTEGRAL PART OF THE RELATIONSHIP BETWEEN THE PARTIES. SEE PARAGRAPH 35 HEREIN FOR COMPLETE DETAILS.**

**THIS IS YOUR AGREEMENT AND DISCLOSURE STATEMENT WITH THE SOUTHERN FEDERAL CREDIT UNION. PLEASE READ IT CAREFULLY AND KEEP IT FOR YOUR RECORDS. IT SUPERSEDES ALL PRIOR AGREEMENTS AND DISCLOSURE STATEMENTS RELATING TO YOUR ACCOUNT. YOU DO NOT HAVE TO SIGN THIS AGREEMENT. YOUR AGREEMENT TO ALL OF THESE PROVISIONS, AS AMENDED FROM TIME TO TIME INCLUDING THE CARD ISSUED BY US, WILL BE SHOWN BY YOUR APPLICATION FOR THE CARD, YOUR ACCEPTANCE OF THE CARD, OR YOUR USE OF THE CARD, WHICHEVER OCCURS FIRST.**

1. Definitions Used to Understand Your Agreement with Us: In this Agreement, the word "Card" means either one or more VISA credit cards and any duplicates, renewals or substitutions we issue. The words, "you," "your," and "yours" mean all cardholders (borrowers and co-borrowers); anyone any cardholder permits to use the Card(s); as well as any authorized user for whom an additional Card(s) is issued to the extent of their purchases and cash advances, as well as transactions by anyone they permit to use the Card(s). The word "cardholder" means any applicant or co-applicant to whom a Card is issued by us. The words "Credit Union," "we," "us," and "our" mean The Southern Federal Credit Union. The words "Convenience Checks" mean one or more checks that we may send to you to access your Credit Card Account. "Applicable Law" shall include: "(i) Visa U.S.A. Inc. Bylaws, Visa U.S.A. Inc. Operating Regulations, Visa U.S.A. Inc. Certificate of Incorporation, Visa International Bylaws, and Visa International Operating Regulations; and (ii) any and all laws, treaties, rules, regulations, or regulatory guidance of the government of the United States, any state thereof, or of any applicable foreign government or state thereof, as the same may be amended and in effect from time to time.

**2. Pledge Of Shares And Security Interest.**

BY SIGNING AN APPLICATION, ACCEPTANCE OR AUTHORIZED USE OF ANY CREDIT CARDS, YOU GRANT AND PLEDGE A CONSENSUAL LIEN TO US ON ALL SHARES TO SECURE PAYMENT OF YOUR OBLIGATIONS ON THIS ACCOUNT. IN ADDITION, YOU ACKNOWLEDGE OUR STATUTORY LIEN RIGHTS UNDER THE FEDERAL CREDIT UNION ACT; YOU AGREE THAT SUCH A LIEN IS IMPRESSED AS OF THE DATE THAT THIS ACCOUNT IS OPENED; AND YOU AGREE THAT WE CAN APPLY THE SHARES PLEDGED AT THE TIME OF ANY DEFAULT ON THIS ACCOUNT WITHOUT FURTHER NOTICE. "Shares" for the purpose of your pledge to secure your obligations to the Credit Union means all deposits in any share savings, share draft, club, certificate, P.O.D., revocable trust or custodial account(s), whether jointly or

individually held -- regardless of contributions, that you have on deposit now or in the future. Your pledge does not include any I.R.A., Keogh, tax escrow, irrevocable trust or fiduciary account in which you do not have a vested ownership interest.

**SECURITY AGREEMENT:** Payments on your Account are secured by any security interest in any property securing your other obligations to the Credit Union, whether existing now or in the future, except your household goods and your primary residence. Further, you hereby grant Credit Union security interest in all property purchased through this credit plan, including a purchase-money security interest in any household goods purchased with an extension of credit upon this Account. These security interests shall secure faithful performance of all obligations arising under this Agreement; and the Credit Union shall have all of the rights of a secured party in accordance with Article Nine of the Uniform Commercial Code and/or other applicable law.

**3. How to Use this Account.** You must sign the Card in order to use it. You can purchase or lease goods and services ("Purchases") from any merchant who honors your Card up to your maximum credit limit by presenting your Card and signing a sales slip or writing a Convenience Check for the amount of the Purchase. You may also use the Card to obtain cash loans ("Cash Advances") up to your maximum credit limit from financial institutions that accept the VISA™ credit card, and by use of preprinted Convenience Checks that the Credit Union may issue to you. You agree not to present your Card, obtain a Cash Advance or write a Convenience Check for any extension of credit in excess of your available Credit Limit (the difference between your outstanding balance and your maximum credit limit) on your account. Certain purchases and cash advances require authorization prior to completion of the transaction. In some cases, you may be asked to provide identification. If our system is not working, we may not be able to authorize a transaction, even though you have sufficient credit available. Also, for security reasons, we may block the use of your Card in certain

countries or geographic areas. We will have no liability to you or others if any of these events occur.

4. **ATM Access.** If you have received a personal identification number (PIN), you may use your Card and PIN to obtain Cash Advances at any Automatic Teller Machine ("ATM") that accepts your Card. Your PIN is confidential and should not be disclosed to anyone. You agree not to write your PIN on your Card, you will not keep your Card and PIN together, and you will not provide your PIN to anyone who is not an authorized user. Except as otherwise provided in this agreement, advances through ATM access will be treated as Cash Advances under this Agreement. Advances at authorized ATM's are limited to a total of \$998.00 during any 24-hour period. The total of all cash advances on your VISA™ Account and any withdrawals from your other accounts through an ATM in any 24-hour period may be combined for the purpose of this limitation. Although we do not charge a fee for this service, others may. **Owners of ATMs that we do not own may charge fees in addition to any fees disclosed in this Agreement. This is not a fee charged by your Credit Union; however, any such fee will be added to your account. The party charging the fee is required to provide appropriate disclosures to you with regard to any such fees.**

5. **Maximum Credit Limit.**

**Your Maximum Credit Limit** will appear on your monthly statement. At our discretion, we may change your credit limit at any time, and may provide separate limits for purchases and for cash advances. We will notify you if we do, either by mail or through your monthly billing statement. You may request a change to your credit limit by contacting the Credit Union by telephone or mail. Your continued use of the card will show your agreement to any such increase. If you object to an increase in your credit limit, you must notify Credit Union in writing. Upon receipt of such notice, your credit limit will be reduced to its prior limit; however, you will be responsible to pay any amounts by which you have exceeded the reduced limit. You agree to pay any

amounts you owe that exceed your maximum credit balance upon demand. You agree we are not obligated to extend to you credit for any amount that would cause your outstanding balance to exceed your Maximum Credit Limit, or for any amount if your outstanding balance already exceeds your Maximum Credit Limit. Any increase in your Maximum Credit Limit requested by you will require you to make a written application for our approval. In assessing any increase to your credit limit under the provisions in this Section: (a) we may and you authorize us to review your credit history, including consumer credit reports; (b) you authorize us to have this review made by third parties to determine whether you meet the criteria we have set for such an increase; and (c) this process shall not be pre-screening under the Fair Credit Reporting Act or other applicable laws or regulations based on our existing relationship and this Agreement.

Credit balances in excess of \$1.00 will be refunded to you immediately after collection as provided herein by mailing a check to the address to which statements are provided payable to the order of any cardholder or deposited to your share draft or other deposit account. You agree that the Maximum Credit Limit will at no time exceed the agreed upon amount, and that any credit balance will not be available or increase the Maximum Credit Limit available for new purchases or cash advances during any billing cycle.

**Limits for ATM and Over-the-Counter Cash Advances** can be determined by contacting the Credit Union as set forth at the end of this Agreement.

**6. General Terms Governing Your Payments.** You will be jointly and severally liable and agree to pay the Credit Union for all charges (purchases, cash advances, Interest charges, and other charges added to your Account under the terms of this or any other agreements with us) extended to you or anyone else using any Card issued for your account, unless the use of such Card is by a person other than you, who does not have actual, implied or apparent authority for such use and from which you receive no benefit. Authority includes, but is

not limited to, any authorized users permitting another person to use any Card(s). Further, all users are obligated to us for all charges they make, authorize or permit.

The Credit Union can accept late or partial payments as well as payments that are marked with "paid in full" or other restrictive endorsements, without losing any of our rights under this Agreement. If you pay more than the Minimum Payment Due, we will allocate the excess amount to your account balance at our discretion, unless you tell us otherwise. You must pay the Credit Union in U.S. dollars drawn on funds on deposit in the United States. If you make payment with other currencies or from an institution domiciled outside the United States, then your payment will not be credited until the funds have been collected by us in U.S. dollars. The Credit Union will determine the method of applying payments and credits to your account. We may accept checks marked "Payment in Full" or with words of similar effect without losing any right to collect the full balance of your account.

If the Credit Union receives a payment by mail you will receive credit on the day we receive the check. Payments made in any other manner, including in person, will be posted on that day. If payments are made online after 6:00 p.m. EST, you may not receive credit until the next business day.

You authorize us to honor any Purchase or Cash Advance you make by telephone or mail on this account. You agree that a signature is not necessary as identification in such cases. We reserve the right to refuse to honor any request for credit, to reduce your credit limit or terminate your account at any time using our sole discretion, based on changes in the economy, the Credit Union's financial condition, your creditworthiness or for any other reason not prohibited by law.

***To protect you and us, the Credit Union, in its sole discretion, may place a temporary freeze on all or part of the credit available to you for new purchases or cash advances under this agreement any time the***

***Credit Union receives a large payment (\$1,000.00 or more), by a method other than cash, certified funds or electronic transfer. In such cases, the Credit Union may freeze your credit line until payment is actually collected by us.***

**7. Minimum Payment Due.** You can pay off your account balance in full each month or you can pay in monthly installments. If you do not pay your balance in full, you agree to pay at least a minimum payment of 2% of your New Balance (rounded to the nearest whole dollar) or \$20.00, whichever is greater at the end of each statement period. If the New Balance shown on your periodic statement is \$20.00 or less, you agree to pay this amount. Unless the Credit Union takes other action as a result of a default under this Agreement, the Minimum Payment Due will also include any amount that is past due and any amount by which your new balance exceeds your credit limit. Payments and credits will be applied first to pay billed but unpaid Interest charges; annual fee (if applicable); late charges, and other fees or charges provided for herein; and next to unpaid cash advances; and then to your unpaid purchase balance. You must pay at least the minimum payment each month, but you may pay more than that amount at any time without a penalty. The sooner you pay your new balance, the less you will have to pay in Interest charges. The "Payment Due Date" will be shown on your periodic statement.

If you were to borrow \$1000.00 at an Annual Percentage Rate of 9.90% and planned to pay the revolving account in full within a 36 month time period, your required MONTHLY payment would be \$32.22. The statement above is a hypothetical scenario as required by the Credit Card Reform Act of 2009. In no way does the amount, interest rate, payment, or term apply to your specific Credit Card.

Grace Period For Repayment Of The Balance For Purchases: Grace period for repayment of the balance for purchases is from the closing date of the current cycle to the 13<sup>th</sup> of the following month unless the 13<sup>th</sup> of the month occurs during nonworking hours at which time the grace period will extend to the next working day. A late

fee will be charged if payments are made after this date.

**8. Returns and Adjustments.** Merchants and others who honor your Card may give credit for returns or adjustments, and they will do so by sending the Credit Union a credit slip which will be posted to your Account. If your credits and payments exceed what you owe the Credit Union, the amount will be applied against future purchases and cash advances. If the credit balance amount is \$1.00 or more, it will be refunded upon your written request or automatically after six months.

**9. Additional Charges for Transactions in a Foreign Currency and “Cross-Border” Transactions.**

**Currency Conversion Fee:** If you effect or authorize a transaction with your access device in a currency other than US Dollars, VISA™ will convert the charge into a US Dollar amount. The VISA™ currency conversion procedure includes use of either a government mandated exchange rate, or a wholesale exchange rate selected by VISA™, as applicable. The exchange rate VISA™ uses will be a rate in effect on the day the transaction is processed. This rate may differ from the rate in effect on the date of the purchase or the date the transaction was posted to your account. A Currency Conversion Fee of up to 2% will be applied to transactions that are converted from foreign currencies to U.S. dollars. **Cross-Border Transaction Fee:** In addition, VISA™ charges us a Cross-Border Assessment up to 1% on each transaction on all cross border transactions regardless of whether there is a currency conversion. For purposes of this Section, “cross-border transaction” shall include both (a) transactions initiated in a foreign country which are subsequently settled in the United States, and (b) transactions initiated in the United States but which are ultimately settled in a country outside of the United States. The Credit Union will assess these fees to you to reimburse it for the fee it is required to pay for each of your transactions subject to these terms. The Cross-Border transaction fee will be shown separately on your periodic billing statement. The Currency Conversion Fee, if it applies to the transaction, will be included in the transaction amount posted on your statement.



**10. Interest Charges on Account.** You agree to pay the INTEREST CHARGE on your account.

An **INTEREST CHARGE** computed on a monthly periodic rate ("MPR") will begin to accrue for new Purchases, if you do not pay the New Balance in full within 30 days after the billing date of the statement on which the new Purchases first appear. An **INTEREST CHARGE** computed on a monthly periodic rate ("MPR") will begin to accrue on the transaction date of Cash Advance(s) or Purchases (except as provided above), or the first day of the billing cycle, whichever is later, and will continue to be imposed until you have paid any outstanding balance in full. The Credit Union calculates the **INTEREST CHARGE** as follows:

a. The **INTEREST CHARGE** will be figured by applying the monthly periodic rate of your Account, indicated in the following schedule, to the average daily balance of Purchases and Cash Advances. The monthly periodic rate and **ANNUAL PERCENTAGE RATE (APR)** to be used is determined by the account applied for or approved by us pursuant to the terms of your application.

	<b>Classic</b>	<b>Gold</b>	<b>Platinum</b>
APR for Balance Transfers	11.90%	9.90%	6.75% – 8.90% <small>This APR will vary with the market based on the Prime Rate</small>
APR for Purchase	11.90%	9.90%	6.75% – 8.90% <small>This APR will vary with the market based on the Prime Rate</small>
APR for Cash Advances	11.90%	9.90%	6.75% – 8.90% <small>This APR will vary with the market based on the Prime Rate</small>
Variable Rate Information	None	None	Your APR may vary. The Rate is

			the Prime Rate plus 3.75% as published in the Wall Street Journal as of the 17th day of each month, but will be no more than 8.9% APR
Cash Advance Fee	None	None	None
	<b>Classic</b>	<b>Gold</b>	<b>Platinum</b>
Annual Fee	None	None	\$25.00 Annually
Balance Transfer Fee	None	None	None
Transaction Fee For Cash Advances	None	None	None
Minimum Interest Charge	None	None	None
Grace Period for Purchases	You have 25 days on average to repay your balance on purchases before an interest charge will be imposed.		
Balance Calculation Method for Purchases	The interest charge is calculated on the average daily balance (including new purchases).		

Various Payment Options Available	Yes	Yes	Yes
Warranty Services		Yes	Yes
Extended Warranty		Yes	
Warranty Registration			Yes
Extended Service Agreements		Yes	Yes
Travel & Emergency Services		Yes	
	<b>Classic</b>	<b>Gold</b>	<b>Platinum</b>
90-Day Product Protection			Yes
Identity Theft Victim Assistance			Yes
\$1,000 Identify Theft Reimbursement Insurance			Yes
Payment Card Registration			Yes
Personal Shopper			Yes
Travel Reservation Service			Yes

For Credit Card Tips from the Federal Reserve Board	<a href="http://www.federalreserve.gov/creditcard/">www.federalreserve.gov/creditcard/</a>
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Late Payment Fee: up to \$35.00
Over the Limit Fee: up to \$25.00 / Month
Card Recovery Fee: \$50.00
Sales Slip Copy Fee: \$8.00 per copy
Lost Card Replacement Fee: \$5.00
Convenience Check Copy Fee: \$3.00 per copy
Refinance Fee: 1% of Refinanced Balance or \$150.00, Whichever is Greater.

Charges incurred by use of the card are due on receipt of the statement. APR equals Annual Percentage Rate. Rates and terms are subject to change without notice. Information is accurate as of April 2012. This information may change thereafter.

b. To get the total average daily balance on your Account, we take the beginning balance of your Account each day, add any new Purchases and Cash Advances, unpaid Interest Charges, current late payment fees, any annual fee, if applicable, and other fees, and subtract any payments or credits. This is your daily balance. Then we add up all the daily balances for the billing cycle and divide their total by the number of days in the billing cycle. This gives you the average daily balance. This determines the balance subject to the **INTEREST CHARGE**.

The Credit Union, in its sole discretion, may change the Monthly Periodic Rate and ANNUAL PERCENTAGE RATE from time to time. Any change in the Interest Charge shall apply both to the outstanding balance and any new Purchase and Cash Advances. If the current effective rates are different, they are disclosed on an enclosed/attached insert.

11. **Promotional Interest Charges.** From time to time and in our sole discretion we may offer a special rate

applicable to certain transactions such as particular purchases (as defined by us), balance transfers, cash advances or purchases made by using Convenience Checks. Applicable terms and conditions will be disclosed at the time any such promotion is offered, and are incorporated into this Agreement by reference. The promotional rate will apply only to the transactions and for the period of time set forth in any such offer from us. Existing balances and new purchases or advances not expressly subject to any such promotion will remain governed by the terms and conditions of this Agreement. In addition, the terms and conditions of this Agreement will govern your obligations regarding any unpaid balance or transactions that are made subject to any such promotional offer, that are not fully paid within the time period set forth in such promotional offer.

**12. Monthly Statement.** We will send you a monthly billing statement whenever there is activity on your account. Your monthly statement will show an itemized list of current charges (Purchases and Cash Advances) and Convenience Check transactions to your account, your new balance, any Interest Charges, the minimum payment due, and the payment due date. In addition, it will show your current credit limit, payments, and credits, a summary showing your Purchases and Cash Advances, the merchant, electronic terminal or financial institution at which transactions were made, as well as other information concerning your account. Sales, Cash Advance, credit or other slips cannot be returned with any statement. You will retain a copy of such slip furnished at the time of the transaction in order to verify your monthly statement. **E-Statements:** If provided electronically, statements will be (1) e-mailed to you as an attachment; or (2) you will be sent a notice via e-mail that will direct you to a site we maintain or cause to be maintained where you may access, review, print and otherwise copy / download your periodic statements using procedures that we authorize. E-mails from us will be sent to the e-mail address provided by any owner.

**13. Additional Benefits/Card Enhancements.** The Credit Union may from time to time offer additional services to your Account, such as travel accident

insurance, purchase rewards or rebates at no additional cost to you. You understand that the Credit Union is not obligated to continue or to offer such services and may withdraw or change them at any time. If these benefits are withdrawn prior to any accrued use by you, the Credit Union will have no obligation to provide the benefit or enhancement, or any other compensation or consideration.

14. **Merchant Disputes.** The Credit Union is not responsible for the refusal of any merchant or financial institution to honor your Card except as set forth in the Special Rules for Credit Card Purchases set forth at the end of this Agreement.

15. **Skip Payment Option.** At our option, we may offer you the opportunity to not make ("skip") a minimum payment during certain designated billing cycles ("skip payment period"). If you do not make your minimum payments as provided in this Agreement, during such designated billing cycles, you understand that we will continue to apply interest charges to your account. Beginning with the billing cycle following an allowed skip payment period, all other provisions of this Agreement will apply. We have no obligation to accept your application for any skip payment period offered, and you authorize us to investigate your creditworthiness including obtaining consumer credit reports. We may charge you an application processing fee of up to \$35.00 for each skip payment period that we may offer to cover our costs of investigating your qualifications for this extension including but not limited to the costs associated with researching your creditworthiness.

16. **Exceeding Your Credit Limit Fee.** Credit Union will charge your account an over the credit limit fee of up to \$25.00 for each billing period in which your new Balance exceeds your credit limit, provided you have opted in to this program. This fee may be added to your account balance, or collected from you on demand. You agree that over limit charges are imposed only in the case of a breach of this Agreement, and that such activity constitutes an event of default under the terms and conditions of this agreement; and that such a charge is

not anticipated by any party to this Agreement to constitute a part of any Interest Charge, Monthly Periodic Rate or APR. If you have not opted into the Over the Limit Service, you will not be able to exceed your credit limit during a billing cycle. You may opt in to the Over the Limit program by filling out the opt in form or by calling our Telephone Service Center at 770-719-1111 or toll free at 1-800-338-5882. You may also visit your local branch or [www.southernonline.org](http://www.southernonline.org) to obtain the opt in form.

**17. Late Payment Fee.** If the minimum required payment is not received by the thirteenth (13) day of the month after the closing date, a late charge up to \$35.00 will be imposed. If your account balance at the time of delinquency does not exceed \$20.00 you will be charged a fee equal to the dollar amount of the outstanding balance. You may lose your ability to accrue and redeem reward points if your account is in a delinquent status.

**18. Returned Payment or Insufficient Funds Fee.** Credit Union will charge your account a up to \$30.00 fee if your payment by any method, including check, electronic transfer, home banking transaction or otherwise, is not honored, collected by us, or if we must return it to you because it cannot be processed for any reason. This fee may be added to your account balance, or collected from you on demand.

**19. Charge for Copies, Research and Card Replacement.** If you ask for a copy of any document, such as a sales slip, Convenience Check, or billing statement, a charge of \$25.00 per hour may be imposed for the time it takes to research and locate the document. In addition, a copying fee of up to \$8.00 per copy will be imposed. However, no charge will be imposed in connection with any actual or asserted billing error. We will charge a \$5.00 fee to replace a lost card.

**20. Card Recovery Fee.** A card recovery fee of \$50.00 will be charged if you use the card(s) after we mail you notice of termination of this Agreement.

**21. Convenience Checks.** Any individual cardholder or authorized user can use your Convenience Checks to purchase goods and services or to obtain cash up to the amount of your available credit limit unless that amount will cause you to exceed your credit limit. Credit Union will treat Convenience Checks as Purchases and will charge them against your credit limit. Credit Union may decline to honor a Convenience Check if you are over your credit limit, you are in default, your account privileges have been canceled, or your Card has expired. If we decline to honor a Convenience Check, Credit Union will charge you a fee of up to \$30.00, which the Credit Union will add to your account balance. Convenience Checks may be used only by the person whose name is printed on them. You may not use Convenience Checks to pay any amount which you owe the Credit Union under this or any other credit agreement with the Credit Union. Credit Union will not certify any Convenience Checks, nor will the Credit Union return paid Convenience Checks to you. It is in the Credit Union's sole discretion to issue Convenience Checks to any member. ***NOTE: There are no stop payment rights for any convenience check as such transactions are credit transactions, and are not treated as checking transactions.***

**22. Your Responsibility and Liability for Unauthorized Use and Lost or Stolen Cards or Convenience Checks.** If your Card or Convenience Checks are lost or stolen, or if you are afraid someone used or may use them without your permission, you must notify the Credit Union at once by calling 1-800-338-5882. If notice is given orally, you will promptly confirm it in writing. The Credit Union may require you to provide us certain information in writing to help us investigate any unauthorized use. Further, you agree to cooperate and assist us or any government or law enforcement agent or agency in investigating, collecting or pursuing any other rights (civil and criminal) relating to any unauthorized use. In this regard, you agree to file an appropriate police report when asked to do so. Do not use the Card or the Convenience Checks after you have notified the Credit Union, even if you find them or have them returned to you.



You are liable for all transactions that you authorize. *No Liability:* You will have no liability for unauthorized use of your Card, Convenience Checks or other Access Devices for non-ATM transactions made over the VISA™ Network if the following conditions are met: (1) You have not been grossly negligent; and (2) You have not committed, participated in or conspired to commit any fraudulent act or scheme involving the use of your VISA™ credit card account. *Limited Liability:* For transactions on other networks or ATM transactions, you may be liable for unauthorized transactions using your Card, Convenience Checks or other Access Devices that occur before we are notified. However, your liability for unauthorized use on networks other than VISA™ will not exceed \$50.00. In any case, you will not be liable for any unauthorized use after notifying us of the loss, theft or unauthorized use of your Card, Convenience Checks or other Access Devices.

23. **Default.** You will be in default if: (a) you fail to pay the Minimum Payment Due by the Payment Due Date; (b) the Credit Union, in its sole discretion, feels insecure (For example: Our good faith belief that your ability to pay your account is impaired; use of your account in any manner or in any way that may expose the Credit Union to a risk of loss; etc.); (c) your ability to repay is materially reduced by a change in your employment, by an increase in your obligations, by bankruptcy or insolvency proceedings involving you, by your death, or (for community property state residents only) by a change in marital status or domicile; (d) you exceed your credit limit without our permission; (e) you have made a false or misleading statement to us in your application or otherwise; (f) you are in default under any other agreement with us; (g) if you use or authorize the use of any Card(s) to make or facilitate any illegal transaction; or (h) you fail to perform any of your other obligations under the terms of this Agreement as it may be amended from time to time. Upon default we may close your Account to future purchases and advances and, to the extent not prohibited by Governing Law, demand immediate payment of your entire Account balance, after giving you any notice and opportunity to cure the default

if required by applicable law. The Credit Union's sole obligation hereunder with regard to determining and declaring an event of default is the exercise of "good faith," based on its subjective understanding of applicable facts. You may lose your ability to accrue and redeem reward points if your account is in a delinquent status

**24. Collection Costs.** You agree to pay all costs incurred by the Credit Union in collecting any amounts you owe or in enforcing or protecting the Credit Union's rights under this Agreement, including attorneys' fees of 20% of the unpaid balance or such greater sum as may be reasonable, and also those costs, expenses and attorneys' fees incurred in any appellate, bankruptcy and post-judgment proceedings, except as limited or prohibited by applicable law.

**25. Updating and Disclosing Financial Information.** We may report your performance under this Agreement to credit reporting agencies and secure follow-up credit reports on you for any legitimate business reason, including if you fail to make your minimum payments on time. We can reinvestigate and reevaluate any information you provide on your VISA™ Application at any time, and in the course of doing so, we may ask you to provide additional information, request credit bureau reports and/or otherwise verify your current credit standing.

*Access to Account Information: You agree that all borrowers and authorized users will have access to information regarding transactions on your account, including but not limited to purchases and cash advances, account balances, account history, payments and other information relating to or arising with regard to this account or any transaction.*

**26. Correcting the Credit Union's Credit Report.** If you think the Credit Union reported erroneous information about you to a credit reporting agency, call the Credit Union at the telephone number listed on your monthly billing statement. Credit Union will promptly investigate the matter. Credit Union will contact each credit reporting agency whose records may reflect an error. Credit Union

will require them to correct your report if its investigation decides that you were correct. If Credit Union disagrees with you after the investigation, Credit Union will advise you, in writing or by phone, and instruct you how to submit to those agencies a statement of your position that will become a part of your credit record with them. The instructions will include the name, address, and phone number of each such agency, along with other pertinent information.

**27. Closing Your Account.** Any individual cardholder without the consent of other cardholders may close your Account at any time by notifying us in writing as indicated in this Agreement. Credit Union may close your account or suspend your Card privileges or Convenience Checks at any time without prior notice. Credit Union may also reissue a different Card or different checks at any time. You must return the Card or the Convenience Checks to the Credit Union upon request. You agree that the Card and all Convenience Checks remain the property of Credit Union. Each Card we issue will have an expiration date. Upon expiration of your Card your account will automatically terminate; or the Credit Union, in its sole discretion, may extend your Agreement and issue a new card with a new expiration date. If your account is closed, expires or your credit privileges are terminated or suspended, you will remain responsible for paying all amounts you owe us according to the terms of this Agreement. Without limiting the foregoing, the Credit Union has the right to terminate your line of credit and to demand the return of all cards, access checks and other access devices if the Credit Union, in its sole discretion, feels that it is insecure for any reason whatsoever; including but not limited to mismanagement of your account, failing to safeguard any access device, creation of any credit balances by you that may increase the risk of loss or exposure of the Credit Union or failing to cooperate with the Credit Union or others with regard to any claim of unauthorized use or any other defense to payment under applicable law.

**28. Changing This Agreement.** The Credit Union may change the terms of this Agreement, including the Annual Percentage Rate, at any time. Except where limited by

applicable law, the new terms, including, but not limited to, increasing the interest charge or the way the Credit Union calculates interest charges, late charges, and the minimum payment due, will apply both to new purchases and cash advances and to the existing outstanding balance of your account as of the day of the change. In accordance with applicable law, the Credit Union will notify you of any increased charge or change by writing to you at the most recent address shown for you on the Credit Union's records.

**29. Delay in Enforcement/Waivers.** The Credit Union may delay or waive enforcement of any of the provisions of this Agreement, including any agreement to make timely payments, without losing its right to enforce the same provision later or any other provisions of this Agreement. You waive the right to receive notice of any waiver or delay or presentment, demand, protest or dishonor. You also waive any applicable statute of limitations to the full extent permitted by law and any right you may otherwise have to require the Credit Union to proceed against any person before suing you to collect. You understand that the Credit Union will not be liable for a merchant's or other parties' refusal to honor your Card whether due to an error by the Credit Union, the merchant, the Credit Union's authorized agent, or other third party.

**30. Change of Name, Address or Employment.** You will notify immediately the Credit Union in writing if your name, home address, or employment changes.

**31. Additional Terms of VISA™ Agreement** To the extent not prohibited by applicable law, the terms, interpretation and enforcement of any claim or dispute arising under this Agreement, as well as all parties' rights and duties, will be governed by Georgia law regardless where you may reside or use your account. Further, this Agreement is the contract which governs all transactions on your Account even though sales, cash advances, credit or other slips may contain different terms. You may not transfer or assign your account or Card to any other person. The Credit Union may assign or transfer this Account, your Account balance, or this Agreement to

another person, who will have all of our rights hereunder. This Agreement is binding on your heirs and legal representatives. If there are joint obligors or authorized users for this credit plan, each of you will have the right to use the Account to obtain loans pursuant to the terms hereof. Each of you will be liable for all obligations owing on the Account whether borrowed by you or otherwise and whether within or beyond the credit limit. Your liability will be joint and several. Either party has the right to cancel this Agreement. Further each of you is responsible for all amounts borrowed by any authorized user(s). Authorized users and other users may also be required to repay the amount owed for charges they make; however, you remain, at all times, primarily responsible for all amounts owed. All Cards, billing statements and notices will be mailed or delivered to the address given on the application for either applicant unless you direct otherwise in writing. **If any law or judicial ruling makes any part, provision, sentence or section of this Agreement unenforceable, the remainder will continue in full force and effect.** You agree that your account will also be subject to all rules and regulations of VISA™ U.S.A., Inc., as applicable. If there is any conflict between this Agreement and the rules and regulations of VISA™ U.S.A., Inc., the rules and regulations of VISA™ U.S.A., Inc. will control.

**Limitation of Lawsuits. You agree that any lawsuit based on a cause of action against us must be filed within one year from the date it arises, or you shall be barred from filing any lawsuit. This limitation includes, tort, contract and all other causes of action for which you and we may lawfully contract to limit.**

**32. Insurance.** If you elect insurance, as set forth in your application, then the charges will be added to your Account balance on each billing cycle, if your insurance application is approved. Credit insurance is voluntary and not required to obtain a credit card account with us. You have a right to terminate this insurance at anytime by notifying us in writing.

**33. Illegal Transactions.** You warrant and agree that your Credit Card, other access device or any related account will not be used to make or facilitate any illegal transaction(s) as determined by applicable law; and that any such use, including any such authorized use, will constitute an event of default under this Agreement. The Credit Union may decline to accept, process or pay any transaction that we believe to be illegal or unenforceable (regarding your obligation to pay us) under applicable law, including but not limited to any transaction involving or relating to any gambling activity. You agree that the Credit Union will not have any liability, responsibility or culpability whatsoever for any such use by you or any authorized user(s); or for declining to accept, process, or pay any such transaction. You further agree to indemnify and hold the Credit Union harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.

**34. CU Rewards Program –** For rewards program information, please call 1800.338.5882.

**35. Mandatory Arbitration of Disputes and Claims.** Arbitration is a method of deciding disputes outside the court system. The parties agree and understand that they choose arbitration instead of litigation to resolve all claims and disputes not specifically excluded. This provision governs when and how any disputes you and we may have will be decided. Unless specifically prohibited by applicable law all disputes, claims, damages, choses in action, claims for injunctive relief or controversies arising from or relating in any way to the agreements, relationships, accounts, loans, or security agreements between you and us; the relationships which result or arise as a result of this Agreement; any rights, privileges or services you receive from us now or in the future; any claims or disputes arising in or ancillary to any bankruptcy or other insolvency proceeding; or the validity of this clause (together referred to collectively as Agreement), shall be resolved by binding arbitration by a single arbitrator chosen with the mutual consent of the parties. The arbitrator must be an attorney with more than ten (10) years experience or a retired judge. If for any reason the parties do not consent to an arbitrator

within thirty (30) days from the date that notice of a claim or intent to arbitrate is provided to the other party, then an arbitrator will be selected pursuant to the Rules of the American Arbitration Association ("AAA"). This arbitration Agreement is made pursuant to a transaction in Interstate Commerce, and shall be governed by the Federal Arbitration Act ("FAA") at 9 USC § 1, et seq., as amended from time to time. It is understood and agreed that your Credit Plan Agreement(s), your Accounts, all transactions on your Accounts, and any dispute defined herein shall involve Interstate Commerce. If any dispute between us does not involve Interstate Commerce, such dispute shall be governed by the Arbitration Act for the State set forth in this Membership Agreement., as amended from time to time, in which case all references to the FAA herein shall be to said State Act. If the State has no Arbitration Act, then the parties will be governed by the Rules of the American Arbitration Act in any matter not involving interstate commerce. The parties agree and understand that the arbitrator shall have all power provided by the law and this Agreement to make and enter findings of fact and determination of judgment based on the parties' Agreements and applicable law, including but not limited to the rights of possession, offset, property rights, money damages, declaratory relief, and injunctive relief. No arbitrator shall have the jurisdiction or authority to add to, take from, nullify or modify any of the terms the Agreement. The arbitrator shall be bound by the facts and evidence submitted to him. Arbitration will be subject to the rules of procedure and evidence consistent with the Rules of the American Arbitration Association, and the Arbitrator will not apply federal or state rules. The decision of the arbitrator shall be final and binding and may be enforced in accordance with the terms of either the Federal or applicable State Law, except for any specific appeal right regarding a judgment under the FAA or a judgment for more than \$100,000. For these judgments, any party may appeal to a three-arbitrator panel appointed by and under the rules of the AAA. The decision of the panel will be by majority vote and will be final and binding except for any specific appeal right under the FAA. All provisions of this Arbitration Agreement will apply to the panel. Judgment

upon the award rendered may be entered in any court having jurisdiction.

**Exception to Mandatory-Binding Arbitration for Small Claims:** The parties to this agreement may bring any individual claim or action hereunder in the small claims court in the State that has jurisdiction pursuant to the provisions set forth in this Agreement as long as the amount of all claims or other actions does not exceed the lesser sum of \$7,500.00 inclusive of costs and legal fees or the maximum jurisdiction the venue of a State Court providing for the resolution of small claims. No representative or class claims may be brought or asserted pursuant to this exception.

36. **Money Transfer Services:** If you receive any transmittal amount from any Money Transfer Service (MTS) provider you agree not to receive more than [\$2,500.00] per day or more than [\$10,000.00] per month. We may increase or decrease these limits from time to time in our sole discretion. We reserve the right to accept or reject any MTS request in our sole discretion. Each transmittal amount that is sent to your Card will generally be posted to your Card [within two (2) Business Days after we receive the Transmittal Amount from the Sender].

**WITH THE EXCEPTION FOR THE PARTIES AGREE AND UNDERSTAND THAT ALL DISPUTES (INCLUDING ALL LEGAL AND EQUITABLE RIGHTS AND REMEDIES) ARISING UNDER CASE LAW, STATUTORY LAW, AND ALL OTHER LAWS INCLUDING, BUT NOT LIMITED TO, ALL CONTRACT, TORT, REGULATORY, AND PROPERTY DISPUTES WILL BE SUBJECT TO BINDING ARBITRATION IN ACCORD WITH THIS AGREEMENT.** Notwithstanding anything hereunto the contrary, the Credit Union retains an option to use judicial or non-judicial relief to enforce a security agreement relating to any collateral pledged to secure the Agreements between the parties, to enforce all monetary obligations by you to the Credit Union so long as there is no dispute that is subject to mandatory arbitration, or to foreclose on any collateral securing your obligations to us by way of replevin, claim and delivery,



or otherwise. The initiation and maintenance of an action for judicial relief in a court [on the foregoing terms] shall not constitute a waiver of the right of any party to compel arbitration regarding any other dispute or remedy subject to arbitration in this Agreement, including the filing of a counterclaim in any action brought by the Credit Union pursuant to this provision.

**Any arbitration proceeding will take place in the federal judicial circuit where you live. If you cannot afford to pay the fees charged by the Arbitrator or any panel for an appeal as provided herein, we will consider any reasonable written request by you for us to pay the fees of the Arbitrator or Arbitration Panel. We will pay any fees or costs specifically required by applicable law. However, each party must bear the expense of that party's own attorneys, experts, and witnesses, regardless of who wins the arbitration, except to the extent that applicable law specifically requires otherwise. The rules of the AAA will be applied to any arbitration between the parties, except in the event of any inconsistency between this Agreement and the rules of the AAA, in which case this Agreement will govern. Any costs we pay in order for you to bring a proceeding hereunder are subject to being awarded to us upon a ruling or an award by the arbitrator that is favorable to the Credit Union. The AAA and other legal assistance services may be able to refer you to legal assistance from government or non-profit organizations that provide assistance to those who can show a financial need for such assistance.**

**YOUR BILLING RIGHTS STATEMENT  
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 STATEMENT / BILLING AT:**

**The Southern Federal Credit Union  
430 East Lanier Ave  
P.O. Box 1509  
Fayetteville, GA 30214**

If you think your statement is wrong, or if you need more information about a transaction on your statement, you must write to us on a separate sheet of paper to the address listed in your periodic statement. You should write to 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, you should 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 payment on any amount you think is wrong. To stop the payment, your letter must reach us 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 business days, unless we have corrected the error by then. Within 90 business 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 INTEREST 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 the bill that are not in question.

If we find that we made a mistake on your statement, you will not have to pay the INTEREST CHARGES related to any questioned amount. If we didn't make a mistake, you may have to pay INTEREST 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 us and the date that it is due.

If you fail to pay the amount we think you owe us, we may report you as delinquent. However, if our explanation does not satisfy you and you write us within 10 business 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 you and 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 the 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 services. There are two limitations on this right:

1. You must have made the purchases in your home state or, if not within your home state, within 100 miles of your current mailing address; and
2. The purchase must have been more than \$50.00.
3. These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

If you feel that you need Counseling or Debt Management services, please contact Consumer Credit Counseling Service toll free at 1-800-251-2227 or visit them on the web at [www.ccsinc.org](http://www.ccsinc.org). You may also visit [www.frbatlanta.org](http://www.frbatlanta.org) for a list of Counseling and Debt Management Services.