

**CREDIT CARD AGREEMENT AND TRUTH-IN-LENDING DISCLOSURES**

In this Agreement the words "you" and "your" mean each and all of those who agree to be bound by this Agreement; "card" means a VISA Classic credit card and any duplicates, renewals, or substitutions the Credit Union issues to you; "Account" means your VISA Classic credit card line of credit account with the Michigan Schools and Government Credit Union and "Credit Union" means the Michigan Schools and Government Credit Union or anyone to whom the Credit Union transfers this agreement.

1. Using Your Account. If you are approved for an Account, the Credit Union will establish a line of credit for you and notify you of your credit limit. You agree that your credit limit is the maximum amount (purchases, cash advances, FINANCE CHARGES, plus "other charges") that you have outstanding on your Account at any time. Each payment you make to your Account will restore your credit limit by the amount of the principal payment, unless you are over your limit. If you are over your credit limit, you must pay the amount you are over before payment will begin to restore your credit limit. You may request an increase in your credit limit only by a method acceptable to the Credit Union. The Credit Union has the right to reduce your credit limit, refuse to make an advance and/or terminate your Account at any time for any reason not prohibited by law.

2. Using the VISA Card. You may use your Card or account number to make purchases from merchants and others who accept VISA Cards. In addition, you may obtain cash advances from the Credit Union and from other financial institutions that accept VISA cards, and from automated tellers machines (ATMs), such as the VISA Network, that accept VISA Cards. (Not all ATMs accept VISA Cards.) To obtain cash advances from an ATM, you must use the Personal Identification Number (PIN) that is issued to you to use with your Card.

You agree not to make or permit to be made any illegal transactions on your account through use of a Card, a check, or in any other manner. We may deny authorizations for any Internet gambling transactions. We will, upon request, furnish you with a copy of a draft at a charge of \$6.00 per copy unless such a request is made in connection with a billing error.

3. Promise to Pay. You promise to pay all charges (purchases and cash advances) to your Account that are made by you or anyone whom you authorize to use your Account. You agree not to authorize anyone to use your Account without prior written consent of the Credit Union. You also promise to pay all FINANCE CHARGES and other charges added to your Account under the terms of this Agreement or another agreement you made with the Credit Union. Your liability will extend throughout the term of this Agreement and until all issued and outstanding Cards are returned to the Credit Union and all Preauthorized Charges are cancelled by you. If you lend your Card to another person, you will have given that person actual, implied or apparent authority to use your Card and you will be liable for all Credit Purchases and Cash Advances made by that person on your Account until the Card is returned to you or the Credit Union. If more than one person is obligated under the Agreement, the Credit Union may accept directions and written notices from any one of those persons without requesting the consent of any other persons.

4. Default and Remedy. You will be in default and the Credit Union may, for the extent permitted by law, terminate your Account and declare the entire unpaid balance of your Account immediately due and payable if:

- You do not make any payment or perform any obligation under this Agreement or any other agreement that you have with the Credit Union; or
- You have made a false or misleading statement on your Application and/or in your representations to the Credit Union while you owe money on your Account; or
- You should die, or be involved in any bankruptcy, insolvency, receivership or custodial proceedings brought by or against you; or
- A judgment or tax lien should be filed against you or any attachment or garnishment should be issued against any of your property or rights, specifically including anyone starting an action or proceeding to seize any of your funds on deposit with the Credit Union; and/or
- The Credit Union should, in good faith, believe your ability to repay any indebtedness due under your Account is or soon will be impaired, time being of the very essence.

If more than one person is obligated under this Agreement, the Credit Union may proceed with collection action against any one of the persons obligated under this Agreement without first proceeding against or collecting from any other person. To the extent permitted by law, the Credit Union shall be reimbursed by you for all of its costs and expenses, including reasonable attorney fees, incurred in the course of collecting any amount owed on your Account.

5. Liability for Unauthorized Use-Lost/Stolen Card Notification. You may be liable for the unauthorized use of your Card. You will not be liable for unauthorized use that occurs after you notify the Credit Union, orally or in writing, of the loss, theft, or possible unauthorized use. In any case, liability will not exceed \$50. You can notify the Credit Union by calling (586) 263-8800 during business hours, (800) 991-4961 after hours or on weekends, and writing to Visa Department, 40400 Garfield Road, Clinton Township, MI 48038.

6. Security Interest. The granting of a security interest in your shares and deposits with us is a condition for your credit card account. By signing your card, you grant us a consensual security interest in all individual and joint accounts you have with us now and in the future to secure all advances made under your credit card agreement. We may, but do not have to, allow you to withdraw a portion of your shares or deposits without affecting that security

VISA Classic

interest. Shares in an Individual Retirement Account and any other account that would lose special tax treatment under state and federal law if given as security are not subject to the security interest you have given in your shares. Collateral securing other loans with us also secure your account under this agreement. You understand and agree that the personal property security for each loan you have with us (and any and all proceeds thereof) if any, shall secure this credit card account and any and all other loans, line of credit accounts and credit card accounts you now have with us or obtain in the future with us. In addition, any personal property (and any and all proceeds thereof and all insurance proceeds and insurance premium refunds) securing other loans, line of credit accounts, and credit card accounts you now have with us or obtain in the future will also secure all funds advanced by you under this credit card account. This shall not apply to any loan, line of credit agreement or credit card agreement secure by real property or where otherwise prohibited by federal or state law or regulation.

7. Finance Charges. The FINANCE CHARGES shown on your Monthly Billing statement are figured by multiplying a Daily Periodic Rate times the Average Daily Balance of both Credit Purchases and Cash Advances. The Daily Periodic Rate for the Classic VISA is .034931% and an ANNUAL PERCENTAGE RATE of 12.75% and the Daily Periodic Rate for the Titanium VISA is .026712% and an ANNUAL PERCENTAGE RATE of 9.75%. The FINANCE CHARGE is achieved as follows:

a. *Cash Advances.* A FINANCE CHARGE will be imposed on Cash Advances from the date made and will continue to accrue until the date of payment in full. The FINANCE CHARGE for a Billing Cycle is computed by applying the Monthly Periodic Rate to the average daily balance of Cash Advances, which is determined by dividing the sum of the daily balances by the number of days in each Billing Cycle. Each daily balance of Cash Advances is determined by adding the outstanding unpaid balance of Cash Advances at the beginning of each day of the Billing Cycle and new Cash Advances posted to your Account and subtracting any payments as received or credits as posted to your Account, but excluding any unpaid FINANCE CHARGES.

b. *Credit Purchases.* A FINANCE CHARGE will be imposed on Credit Purchases only if you elect not to pay the entire New Balance shown on your Monthly Billing Statement for the previous Billing Cycle within 25 days from the Closing Date of the Statement. If you elect not to pay the entire New Balance shown on your previous Monthly Billing Statement within that 25 day GRACE PERIOD, a FINANCE CHARGE will be imposed on the unpaid average daily balance of such Credit Purchases from the previous statement Closing Date and on New Credit Purchases from the date of posting to your Account during the current Billing Cycle, and will continue to accrue until the Closing Date of the Billing Cycle preceding the date on which the entire New Balance is paid in full or until the date of payment if more than 25 days from the Closing Date. The FINANCE CHARGE for a Billing Cycle is computed by applying the Monthly Periodic Rate to the average daily balance of Credit Purchases, which is determined by dividing the sum of the daily balances during the Billing Cycle by the number of days in the cycle. Each daily balance of Credit Purchases is determined by adding to the outstanding unpaid balance of Credit Purchases at the beginning of each Billing Cycle and New Credit Purchases posted to your Account and subtracting any payments as received and credits as posted to your Account, but excluding any unpaid FINANCE CHARGES.

8. Payments. Each month you must pay at least the minimum payment shown on your statement by the date specified on the statement or 25 days from the statement closing date, whichever is later. If your statement says the payment is "Now Due," your payment is due no later than 25 days from the statement closing date. You may pay more frequently, pay more than the minimum payment or pay the total New Balance in full. If you make extra payments or larger payments, you are still required to make at least the minimum payment each month your Account has a balance (other than a credit balance). The minimum payment is 2.5% of your total New Balance, but not less than \$25 plus the amount of any prior minimum payments that you have not made, and any amount you are over your credit limit. The Credit Union also has the right to demand immediate payment on any amount by which you are over your credit limit.

9. Monthly Billing Statements. The Credit Union will mail you a Monthly Billing Statement each month in which there is a debit or credit balance over \$1.00, or when a FINANCE CHARGE is imposed. The Credit Union need not send you a monthly statement if the Credit Union feels your Account is uncollectible or has started collection proceedings against you because you defaulted. Except where federal law requires otherwise, the Monthly Billing Statement will be final as to the amount owed unless you object in writing within 60 days after the Credit Union has mailed the Monthly Billing Statement to you. Your right under federal law to the correction of billing errors is explained in the notice of Your Billing Rights which appears at the end of this Agreement.

10. Payment Allocation. Subject to applicable law, your payments may be applied to what you owe the Credit Union in any matter the Credit Union chooses.

11. Changing or Terminating Your Account. The Credit Union may change the terms of this Agreement from time to time. Notice of any change will be given in accordance with applicable law. Use of your Card after receiving notice of a change will indicate your agreement to the change.

If permitted by law and specified in the notice to you, the change will apply to your existing Account Balance as well as to future transactions.

Either you or the Credit Union may terminate this agreement at any time but termination by you or the Credit Union will not effect your obligation to pay the Account balance plus any finance or other charges you owe under this Agreement. You are also responsible for all transactions made to your Account after termination, unless the transactions were unauthorized.

The Card or Cards you receive remain the property of the Credit Union and you must recover and surrender to the Credit Union all Cards upon request or upon termination of this Agreement whether by you or the Credit Union. The Credit Union has the right to require you to pay your full Account balance at any time after your Account is terminated, whether it is terminated by you or the Credit Union. If this is a joint Account, Section 19 of this Agreement also applies to termination of the Account.

12. Credit Information. You authorize the Credit Union to investigate your credit standing when opening or reviewing your Account. You authorize the Credit Union to disclose information regarding your Account to credit bureaus and creditors who inquire about your credit standing.

13. Returns and Adjustments. Merchants and other who honor your Card may give credit for returns or adjustments, and they will do so by sending the Credit Union a credit 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 or more, it will be refunded upon your written request or automatically after six months.

14. Additional Benefits/Card Enhancements. The Credit Union may from time to time offer additional services to your Account such as travel accident insurance, at no additional cost to you. You understand that the Credit Union is not obligated to offer such services and may withdraw or change them at any time.

15. Foreign Transactions. Purchases and cash advances made in foreign countries and currencies will be billed to you in U.S. dollars. A 1% International Transaction Fee will be assessed on all transactions where the merchant country differs from the country of the card issuer. The converted transaction amount will be shown separately from the International Transaction Fee on your billing statement. This fee will be assessed on all international purchases, credit vouchers, and cash disbursements.

The exchange rate for transactions in a foreign currency will be 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 plus the 1% International Transaction Fee.

16. Disputes. You agree to make a good faith effort to settle all disputes concerning Credit Purchases made through the use of your Card with the merchant or other person honoring the Card. Except as provided in the notice of Your Billing Rights, you agree to pay the Credit Union all amounts charged to your Account despite any such disputes.

17. Waiver of Claims. You waive and release the Credit Union from all defenses, rights and claims you may have against any person or company honoring a Card or other access device or not permitting a Credit Purchase or Cash Advance, except where such rights cannot be waived under the Fair Credit Billing Act (see Your Billing Rights). If your Account is available to provide overdraft protection to a deposit account under a separate overdraft protection agreement, you hold the Credit Union harmless from any and all claims which might otherwise arise if an advance is not processed to cover an overdraft regardless of whether or not credit was available under your Account.

18. Joint Accounts. If this is a joint Account, each person on the Account must sign the Agreement. Each of you will be individually and jointly responsible for paying all amounts owed under this Agreement. This means that the Credit Union can require any one of you individually to repay the entire amount owed under this Agreement. Each of you authorizes the other(s) to make purchases or cash advances individually. Any one of you may terminate the Account and the termination will be effective to all of you.

19. Effect of Agreement. The Agreement is the contract which applies to all transactions on your Account even though the sales, cash advances, credit or other slips you sign or receive may contain different terms.

20. No Waiver. The Credit Union can delay enforcing any of its rights any number of times without losing them.

21. Statement and Notices. Statements and notices will be mailed to you at the most recent address you have given the Credit Union. Notice sent to any one of you will be considered notice to all.

22. Copy Received. You acknowledge that you have received a copy of this Agreement.

23. Signatures. By signing in the Signature area of the application form, you agree to the terms of this Agreement. You should retain the Agreement for your records.

24. Delay in Enforcement. The Credit Union does not lose any of its rights under this Agreement if it delays enforcing them.

25. Assignability. You shall have no right to transfer your Account or to assign this Agreement. The Credit Union shall have the right to assign and transfer, at any time and in its sole discretion, this Agreement or any and all of its rights under this Agreement to any other person or entity.

26. Governing Law. Except to the extent that federal law controls, this Agreement is controlled by the laws of the State of Michigan.

YOUR BILLING RIGHTS - keep this 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 not 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, please 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 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 you 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 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 questioned amount, even if your bill is correct.

Special Rules for Credit Card Purchases

If you have a problem with the quality of property or services that you have 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.

Interest Rates and Interest Charges	VISA Classic
Annual Percentage Rate (APR) For Purchases	12.75%
Annual Percentage Rate (APR) for Cash Advances	12.75%
Annual Percentage Rate (APR) for Balance Transfers	12.75%
How to avoid paying interest on purchases	You have 25 days to repay your balance for purchases before a finance charge will be imposed
Minimum Finance Charge	None
Fees	
Annual Fees	None
<i>Transaction Fees:</i>	
Balance Transfer Fee	None
Cash Advance Fee	None
Foreign Transaction Fee with Currency Conversion	1% of transaction amount
Foreign Transaction Fee with no Currency Conversion	0.8% of transaction amount
<i>Penalty Fees:</i>	
Late Payment Fee	\$25
Please visit the Federal Reserve Board's website, www.federalreserve.gov/creditcard/ , to learn more about shopping for and using credit card accounts.	

Balance Computation Method: Average Daily Balance (including new transactions). An explanation of this method is detailed in the account opening disclosure.

If a Replacement Card is needed, there will be a \$5.00 charge.