

Credit Card Agreement and Disclosure Statement

13. Attorneys' Fees. You agree to pay all costs incurred by us in collecting your indebtedness or in enforcing this agreement, including attorney's fees and costs, as well as those costs, expenses and attorney's fees incurred in appellate, bankruptcy and post-judgment proceedings, except to the extent such costs, fees or expenses are prohibited by law.

14. 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 \$1.00 or more, refund it on your written request or automatically after 3 months.

15. Plan Merchant Disputes. We are not liable for the refusal of any plan merchant or financial institution to honor your Card.

16. Additional Benefits/Card Enhancements. The Credit Union may from time to time offer additional services to your Account, such as travel accident insurance, discontinue any credit service, or replace your Card with another Card 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.

17. Use of Card for Illegal or Risky Transactions. You agree that you will not use or allow others to use your credit card(s) for illegal transactions such as illegal online gambling. The Credit Union may refuse to honor any transaction you reasonably believe to be illegal. However, ultimate responsibility for determining the legality of transactions for which your credit card is used rests with you, not with the Credit Union. You agree to hold us harmless for any damages or other liability arising from a transaction initiated by you or your authorized user for the purpose of conducting an illegal activity, including but not limited to, Internet gambling or interstate sports betting. We reserve the right to decline authorization of transactions for activities we believe may violate law or pose significant risk to its members or us. You cannot use the actual or alleged illegality of a transaction for which authorized use of your account was made as a defense to your obligation to pay.

18. Liability for Card Holder Negligence and Unauthorized Use – Lost/Stolen Card Notification. REPORT A LOST OR STOLEN CARD OR CONVENIENCE CHECK, OR POSSIBLE UNAUTHORIZED USE OF YOUR CARD IMMEDIATELY at 1-800-336-3384 x6006 during regular business hours (7:30am-7:00pm) or after hours/weekends at 1-866-839-3485 or 727-570-4881 (overseas only) or via our website (www.nwfcu.org), or by writing to:

**Northwest Federal Credit Union
Attention: Card Services Department
P.O. Box 1229**

Herndon, Virginia 20172-1229, upon the loss, theft, or unauthorized use of your Credit Card or Convenience Check. You will have no liability for unauthorized purchases made with your Credit Card, unless you are grossly negligent in the handling of your card. You agree that Northwest may invalidate your card(s) and PIN if unauthorized transactions occur. You agree to assist us in the prosecution of persons for unauthorized use of your card.

19. Foreign Transactions.

Visa. All Visa purchases and cash advances will be billed to you in U.S. dollars. The rate of exchange used for processing international transactions 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.

MasterCard. All MasterCard purchases and cash advances will be billed to you in U.S. dollars. Currently the rate of exchange used is either a government mandated rate or a wholesale rate determined by MasterCard International for the processing cycle in which the transaction is processed. This rate of exchange may differ from the rate that would have been used on the purchase date or cardholder statement posting date. Purchases and cash advances made with Visa and MasterCard outside of the United States and its territories may incur an international transaction fee. This fee, which is up to one percentage point (1%) of the transaction amount, is assessed by Visa and MasterCard. Northwest Federal, as card issuer, does not assess an additional international transaction fee.

20. Special Rule 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 purchases 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.

21. Effect of Agreement and Amendments. This Agreement governs 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 or change this Agreement, including rates, at any time. If we do so, we will notify you in writing in accordance with the applicable law. However, we may reduce charges, fees and rates without sending you an advance notice. Except as limited by applicable law, any amendment will apply to all then outstanding unpaid indebtedness arising from the use of your Card prior to the effective date of the amendment. Any such amendment will not require your written consent, but your consent (if required by applicable law) may be evidenced by your use of the Card after we give you notice of the amendment.

22. 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 order to process these items more efficiently, please do not include letters or correspondence with your payment.

Northwest Federal Credit Union
ATTN: Card Services Department
P.O. Box 1229
Herndon, Virginia 20172-1229

In your letter, please include 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 items you are not sure about.

23. Your Rights and 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 did not 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. When the matter is finally settled, we must notify anyone whom we reported you to.

All information about the VISA and MasterCard Cards described in this disclosure is current as of 1/2010. Subject to change without notice.



Your Lifetime Financial Partner

In this Agreement the words “you” and “your” mean each and all of those signing, using or having a credit card account with Northwest Federal Credit Union, referred to as “we” and “us” or Northwest. The “card” means any credit card issued to you or those designated by you under the terms of this Agreement. “Use of the card” means any procedures used by you, or someone authorized by you, to make a purchase or obtain a cash advance whether or not the purchase or advance is evidenced by a signed written document. Virginia law will be used to interpret this Agreement unless federal law applies. The provisions of this Agreement are severable. If any provision of this Agreement is held by a court of law to be invalid or unenforceable the rest of this Agreement will not be affected.

1. Acceptance of Cardholder Agreement. Please read the Agreement carefully and keep a copy for your records. It is a summary of terms that control the use of your credit card account. When you accept or use our Card or if you use a Card issued under an account we hold, you agree to the terms of this Agreement. All cards issued to you remain our property and must be returned to us upon request. Once received, call the 1-800- Number shown on the front of your Card to ensure activation.

You acknowledge that you have received a copy of this agreement.

2. Credit Line. Your credit card account will be an open end or revolving account. This means that you can borrow the full amount of the line of credit, repay the principal in full or part, and borrow again up to your maximum line of credit, as long as you continue to be creditworthy and a member of the Credit Union in good standing. To remain in good standing, you must meet all of your loan and account obligations to the Credit Union and comply with applicable laws and the Credit Union’s bylaws.

3. Responsibility. You agree to pay us the amount of purchases, cash advances and finance charges that you, your co-applicant and/or authorized users make. Each person who uses the card(s) or permits another to use the card(s) agrees to be jointly and severally liable to the Credit Union for all obligations due to the Credit Union hereunder. You promise to pay for all Credit Purchases and Cash Advances made by anyone you authorize to use your account, with or without a card, and whether or not you notify us that he or she will be using it. If another person has use of your account and you want to end that person’s privilege, you must recover and return that person’s credit card, if any. If you are unable to recover and return the card, you will continue to be liable for any charges made unless you tell us to cancel all cards and establish a new account for you, which will be done automatically if you notify us of unauthorized use. Your obligation to pay the account balance continues even though an agreement, divorce decree or other court judgment to which we are not a party may direct you or one of the other persons responsible under this Agreement to pay the account.

4. Monthly Payment. Your monthly statement will tell you the total amount that you owe us, the minimum payment that you must make and your payment due date. The minimum payment for credit card accounts will be the greater of (1) 3% of the new balance or (2) \$20.00. If the new balance of your account is less than \$20.00 the minimum payment will be the new balance.

You may pay the new balance in whole or in part at any time. We will not charge you a penalty for paying more than the minimum payment. If you pay more than your monthly minimum payment, the remainder is applied toward your next month’s minimum payment. **You can pay your account ahead however paying ahead and skipping a payment will not reduce your liability for interest charges in the month that you do not make a payment.** We will determine at our option, the order in which payments will be applied toward Purchases, Cash Advances, Balance Transfer, unpaid Finance Charges and other Fees and Charges. We may accept checks marked “payment in full” or with words of similar effect without losing any of our rights to collect the full balance of your account with us.

5. Finance Charges, Grace Period and Index Rate. A FINANCE CHARGE will be imposed on Credit Purchases only if you elect not to pay the entire New Balance of purchases shown on your monthly statement for the previous billing cycle within 25 days from the closing date of that statement. If you elect not to pay the entire New Balance of purchases shown on your previous monthly statement within that 25-day 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 of purchases is paid in full or until the date of payment if more than 25 days from the closing date. A FINANCE CHARGE will be imposed on each Cash Advance from the transaction date and continue daily until the date each Cash Advance is paid in full.

The FINANCE CHARGE for a billing cycle is computed by applying the monthly Periodic Rate to the average daily balance of Credit Purchases and Cash Advances, 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 and Cash Advances is determined by adding to the outstanding unpaid balance of Credit Purchases and Cash Advances at the beginning of the billing cycle any new Credit Purchases and Cash Advances posted to your account, and subtracting any payments as received and credits as posted to your account, but excluding any unpaid FINANCE CHARGES.

VISA Platinum Periodic Rate: To determine the Periodic Rate, we take the “Index Rate,” as defined below, add a Margin and divide that number by 12 to arrive at the periodic rate. For example, if the index rate were 10.0% and the margin were 3.0%, the Periodic Rate for that billing cycle would be 1.0833% (10.0% plus 3.0% divided by 12). A periodic rate of 1.0833% corresponds to an ANNUAL PERCENTAGE RATE of 13.00%. The margin is based on an evaluation of your credit history. The Annual Percentage Rate will not be lower than 7.00% or higher than 18.00%, regardless of the index rate.

MasterCard Gold Card Periodic Rate: To determine the Periodic Rate, we take the “Index Rate” as defined below, add a Margin and divide that number by 12 to arrive at the periodic rate. For example, if the index rate were 10.0% and the margin were 5.0%, the Periodic Rate for that billing cycle would be 1.25% (10.0% plus 5.0% divided by 12). A periodic rate of 1.25% corresponds to an ANNUAL PERCENTAGE RATE of 15.00%. The margin is based on an evaluation of your credit history. The Annual Percentage Rate will not be lower than 8.00% or higher than 18.00%, regardless of the index rate.

The **Index Rate** used for calculating your Periodic Rate for a billing cycle is the Prime Rate as announced in the *Wall Street Journal* on the “Periodic Rate Adjustment Date” immediately preceding the first day of the billing cycle. There are 12 Periodic Rate Adjustment Dates: the last business day of each month.

Because the Index Rate may go up or down, the Periodic rate applied to your Average Daily Purchases Balance or Average Daily Cash Advance Balance, as the case may be, may also increase or decrease, thereby increasing or decreasing the number of payments you will be required to make in order to repay your Total New Balance.

The Periodic Rate that is applied to your Average Daily Purchases Balance and Average Daily Cash Advance Balance appears on your monthly statement. The Periodic Rate, in effect at the time of your Card approval, was provided to you in a separate Credit Union acceptance letter.

6. Share Savings Account Required. All applicants and co-applicants on a NWFCU credit card account must have an open share savings account that carries a par share balance. You must continue to be a member of the Credit Union and comply with the basic share account requirements to maintain eligibility for this Account. You may close your Account at any time by notifying us in writing and returning all Cards cut in half. If you terminate this Agreement or if we terminate or suspend your credit privileges, the provisions of this Agreement and your liability hereunder shall otherwise remain in full force and effect until you have paid us all sums due under this Agreement and returned all Cards.

7. Overdraft Protection Advances. Overdraft protection advances will begin only if you designate your credit card as an overdraft protection source in writing. If your checking account does not have sufficient available funds to cover the check, any overdraft up to your unused credit limit will be added to your credit card account balance under this Agreement if and when the Credit Union pays the check. The Credit Union has the right to refuse overdraft advances but will promptly notify you of the reasons for refusal.

8. Credit Card Fees. We may charge your Account for credit card related fees. The

application and payment of the fee will not correct the situation that caused the fee to be charged. Please refer to our current Schedule of Fees. Other Account Charges: If you ask the Credit Union for documentary evidence (i.e., copies of your statements and checks) in connection with a billing error resolution you will be charged the same amount being charged by the Credit Union for all of its checking accounts for that service if the result of this research does not show any erroneous billing as defined by Regulation Z of the Truth-In-Lending. If you ask the Credit Union for statement research and reconstruction services for any other reason, you will be charged the same hourly rate then being charged by the Credit Union for all of its checking accounts for that service.

9. Reevaluation of Credit. We can reinvestigate and reevaluate any information you provided on your credit application at any time, and in the course of doing so, we may ask you for additional information, request credit bureau reports and/or otherwise verify your current credit standing.

10. Termination. We can terminate your account at any time, or reduce the amount of your credit line, without notice to you, except in those situations where notice is required by law. If we terminate your account, you agree to destroy all Cards issued on your account by cutting them in half and returning them to us. You will continue to be responsible for full payment of the balance on your account and all charges to your account, including those not yet received by us, as well as subsequent Finance Charge and other charges. Each Card is our property, and you agree that the Cards are not transferable and to surrender any Card upon demand.

11. Default. You will be in default, and we may, without notifying you, temporarily suspend your credit, close your account, cancel all credit cards issued on it and require immediate payment of your entire balance if any of the following occurs:

- You fail to make a payment when it is due;
- You do not follow the terms of this Agreement in any way;
- You have made any false or misleading statement on the application for your account;
- You fail to pay any other loans you owe us;
- You become insolvent or die;
- There is an attachment, execution or levy against your property or you make an assignment for the benefit of creditors;
- A bankruptcy petition is filed by or against you or your spouse;
- A guardian, conservator, receiver, custodian or trustee is appointed for you;
- You are generally not paying your debts as they become due; or
- There has been a material adverse change in your financial standing.

12. Consent To Recover Delinquent Payments From Share.

- In consideration for and as a condition of Northwest issuing a credit card(s) to you, you agree that if you fail to make your required payments, the credit union can take any shares in which you have an interest to recover all or part of your delinquent debt without advance notice to you and without waiving other rights we have to collect what you owe. This consent is not a pledge of any shares and will not affect your right to withdraw shares prior to our exercise of our rights following your payment default. This consent applies to all funds you voluntarily deposit to Credit Union share accounts, including funds such as social security direct deposit that are normally exempt from creditors’ remedies (this does not include your Individual Retirement, KEOGH or SEPP account). You understand that we will never require you to deposit exempt funds to Credit Union share accounts.
- For credit cards secured by Shares, an amount equal to 100% of your credit limit is held in your Regular Shares Account as collateral for your credit. If you give the Credit Union a specific pledge of shares by signing a separate pledge of shares, your pledged shares will secure your Account. You may not withdraw amounts that have been specifically pledged to secure your Account until the Credit Union agrees to release all or part of the pledged amount. If you default in your payments under this Agreement, we have the right to apply the amount specifically pledged to pay off this account in full or in part.
- The security interests in this section apply even if your credit card(s) is otherwise designated “secured” or “unsecured.”