



## **Volunteer Federal Savings Bank**

### **VolFed VISA Business Credit Card Agreement**

This VolFed VISA Business Credit Card Agreement (“Agreement”) covers the use of your Account with us. It includes the *Disclosure of Credit Card Terms* on the enclosed letter or the document that accompanies your Card, as well as any subsequent disclosures which we will provide to you from time to time, all of which are incorporated here by reference. Please read this Agreement 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. You agree to the terms of this Agreement when you accept, sign, or use your Card or your Account.

#### **1. Definitions**

- Account means your credit card account established under this Agreement.
- APR means **Annual Percentage Rate**. Your Interest Charge is based on the APR.
- ATM means Automated Teller Machine
- Authorized User means an individual to whom you have asked us to issue a Card on your Account.
- Bank, we, us, and our refer to Volunteer Federal Savings Bank.
- Billing Cycle means a period of time that is approximately 30 days in length. Each Billing Cycle ends on the Statement Closing Date provided on your Billing Statement
- Billing Statement (or Statement) means a document we provide to you showing Account Information including, but not limited to, your Credit Limit and Available Credit, Account Activity during a Billing Cycle, New Balance, Minimum Payment Due and Payment Due Date.
- Card means either one or more Visa® credit cards or any other access device such as a debit or ATM card, used to access your account.
- Check means any one or more convenience checks we may send you to access your Account.
- Daily Periodic Rate means the APR divided by the number of days in the year (365 days, or 366 days in the case of a leap year)
- Finance Charge is the cost of credit as a dollar amount. It is the sum of the Interest Charges plus all Transaction Fees imposed during that Billing Cycle.
- Interest Charge is the periodic rate charge based on the applicable APR. It is a component of the Finance Charge. Your Total Interest is a summary of the Interest Charges for each balance and associated APR.
- Merchant means a business displaying the Visa sign and accepting your Card for the purchase of goods and services.
- Minimum Payment Due and Payment Due Date mean the amount you must pay, and the date by which you must pay it, to avoid a Late Payment Fee. See Section 7 for details.
- New Balance or (“Balance”) means your outstanding balance for the current month as of the Statement Closing Date
- Transaction Fees are components of your Finance Charge and include Foreign Transaction Fees, Balance Transfer Fees, and Cash Advance Fees.
- You, your and yours means each applicant or co-applicant for the Account, any person responsible for paying the Account, and anyone authorized to use, access or service the Account, including any Authorized User.

**2. Your Responsibility for the Account:** We may charge your Account for any transaction you authorize. Valid authorization for a transaction may be given (1) in writing (e.g., by signing a sales slip or cash advance slip), (2) verbally (e.g., by telephone), or (3) electronically (e.g., over the internet). You are responsible for the balance on the account, and you agree to pay the balance under the terms of the Agreement. You need to protect and control the use of the Card by not letting any other person use it. If you let another person use the card, you agree to be responsible for any and all charges they make. The Cards remain our property and you agree to return them upon our request, or we have the right to have a merchant keep the card and return it to us. If your card is lost or stolen or you suspect unauthorized use of your Account, you agree to notify us immediately.

**3. Using the Account:** You or an Authorized User on your Account must sign your Card in order to use it. You may use your Card to buy goods and services from Merchants or to borrow cash from us at one of our branches or at other banks where the Card is honored up to the credit limit we establish for you. You must follow any and all reasonable and proper procedures required by us or the other bank or Merchant honoring the Card. You may request a PIN (personal identification number for use at ATMs to obtain Cash Advances. Your Card and Account cannot be used for illegal charges and cannot be used for online gambling.

4. **Credit Limit:** We will provide you with notice of your credit limit when we send you your Card, and it will also be listed on each Billing Statement we send you. At our discretion, we may change your limit at any time as permitted by law and after providing you with appropriate notice as required. We do not automatically increase your credit limit if you make a payment that results in your Account having a credit balance. You may request a change to your credit limit by contacting the Bank at the number listed on the back of your Card and on your Statement. We do not have to pay any Check or honor any cash advance or purchase with your Card that puts your Account balance over your credit limit. You agree not to exceed your credit limit, but if you do, and we pay or accept any Checks, advances or purchases that put your unpaid Account balance over your credit limit, you promise to pay these amounts without our notice or demand. We reserve the right to demand immediate payment of any amount over your credit limit.
5. **Transaction Limitations/Suspensions:** There is no minimum dollar amount for Card purchases, cash advances or balance transfers. At our discretion, we may limit the number of transactions that may be approved on any one day. We reserve the right to deny certain transactions for any reason, including default, suspected fraudulent or unlawful activity, or any increased risk related to the transaction. We are not responsible if a transaction on your Account is not approved, either by us or by a third party, even if you have sufficient credit available. We may, in our discretion, approve transactions that cause your balance to exceed your credit limit without waiving any of our rights under this Agreement.
6. **Billing Statement and Notification of Billing Error:** We will send you a periodic Billing Statement every month. It will also show the Minimum Payment Due and the Payment Due Date. It is your responsibility to review the Statement and notify us promptly of any charge or item you believe to be in error or subject to dispute. If you do not notify us of any disputed items within sixty (60) days after the date we send you the statement on which the error first appears, the item(s) will be conclusively deemed as correct to the extent permitted by law. You will not receive any cancelled Checks with your Statements; however, you may obtain a photocopy of an electronic image of any Check we have in our records that you request. You may be required to pay a Document Fee for such copies. (See Section 12 for Fees).
7. **Minimum Payment and Monthly Payment:** You must pay at least the minimum payment shown on your statement by the date specified on the statement. You may pay more frequently, pay more than the minimum payment, or pay the balance in full. If you make extra 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% of your total new balance or \$25, whichever is greater, plus the amount of any prior minimum payments that have not been made, any amount you are over the credit limit and all outstanding unpaid fees and charges. The minimum payment due is rounded up to the nearest dollar.

The Payment Due Date will be twenty-five (25) days from the closing date. The closing date is the last day of the Billing Cycle.

8. **Payments:** Payments should be sent to the address on your Billing Statement. If you send a payment to any other address, there may be a delay in crediting it to your account. We do not lose any of our rights to collect the full balance if we accept late payments, partial payments or checks or money orders marked "payment in full" or similar language. Do not send us postdated checks. If you do, we may deposit these checks when we receive them and will not be liable for any fees that may result. We will post payments when received but we may restrict your ability to make new charges against that payment amount for up to 2 days. We may convert and present your payment, or any returned payment, to your bank electronically. If this occurs, your check will not be sent to your bank, but they can get a copy of it at your request.
  - **Payment Methods:** Payments must be made in U.S. dollars. Unless the payment is made electronically, it must be in the form of a personal check, money order or cashier's check and capable of being processed through the Federal Reserve System. Payments must be drawn on a U.S. Financial Institution. We do not accept cash payments through the mail.
  - **Applying Your Payments** – In general, the payment will be applied in the following order: Unpaid Interest, Unpaid Fees, and other Charges; and then principal balance. Payments on an account over the Minimum Payment due will be applied to the Cash Advance balance before being applied to the Purchase balance. Making payments over your Minimum Payment Due does not pre-pay your future Minimum Payments.
9. **Average Daily Balance:** We figure the Interest Charge on your account by applying the periodic rate to the "average daily balance" of your account. To get the "average daily balance," we start with the Previous Balance and add purchases, balance transfers and cash advances as of their posted dates and fees and charges as of the transaction date. We subtract payments and credits as of their posted dates. Then we add the daily balances and divide by the number of days in the billing cycle. To calculate the interest, we multiply the Average Daily Balance by the Daily Periodic Rate. The Daily Periodic Rate is calculated by dividing the APR (currently Prime Rate plus 12%) by the number of days in the year. Balance Transfers and Cash Advances continue to accrue interest until payment of the total Balance Transfer or Cash Advance balance is posted. If you are charged interest, the charge will be no less than \$1.00.
10. **Variable Rates:** We use APRs to calculate interest charges on your Account. Your APR will vary with the market based on the U.S. Prime Rate. Any change to your APR will not apply until the first day of your next billing cycle that begins after a rate change date. We will add a "Margin" to the U.S. Prime Rate to determine your standard variable rate. For each billing period, we will use the U.S. Prime Rate published in the Money Rates table of *The Wall Street Journal* as of the first day of the month. An increase in the Prime Rate will result in an increase in the APR. A decrease in the Prime Rate will have the opposite effect of an increase. The maximum APR for your card is 29.99%.

**11. When Interest is Charged:** Interest will be charged on Purchases if you do not pay the entire New Balance shown on your Statement by the Payment Due Date. For Balance Transfers and Cash Advances, interest is charged from the date the Balance Transfer or Cash Advance is made until it is paid in full, and there is no grace period in which you can repay a Balance Transfer or Cash Advance to avoid interest.

**12. Fees:** You agree to pay us the following fees which will be billed to your account as a purchase and will accrue interest:

- Annual Fee – None
- Late Payment Fee – You will be billed a late fee of \$25 if your payment is not received by the Payment Due Date.
- Returned Payment Fee – You will be billed \$25 if your payment is returned for any reason.
- Cash Advance Fee – You will be billed a fee of \$10 or 3% of the amount of each cash advance, whichever is greater, up to \$25.
- ATM Cash Advance Fee – You will be billed a fee of \$10 or 5% of the amount of each cash advance, whichever is greater, up to \$25.
- Balance Transfer Fee – You will be billed a fee of \$10 or 3% of the amount of the balance transfer, whichever is greater.
- Foreign Transaction Fee – You will be billed a fee of 1% on single and multi-currency international transactions.
- Document Fee (for duplicate copies of Statements and copies of charge slips or other documents not requested in connection with a billing error): \$10 per Statement or item
- Replacement Card Fee (for each replacement card requested): \$10
- Expedited Card Fee (for requests of expedited delivery of Card{s}): \$35

**13. Delay in Enforcement:** We can delay enforcing or fail to enforce any of our rights under this Agreement without losing them.

**14. Unlawful Internet Gambling Notice:** You acknowledge that we will ask you if my business is engaged or involved in internet gambling. If you deny such involvement, you will provide us at our request with a written certification that your business does not engage in internet gambling. If you confirm my business' involvement in internet gambling, you understand that we may, in our discretion, either (i) decline to open an account for your business; or (ii) require you to provide us with a copy of the license issued by the appropriate state or tribal authority that expressly authorizes your business to engage in an internet gambling business or, if such license is not available, a reasoned written legal opinion that your internet gambling business does not involve restricted transactions under the federal Unlawful Internet Gambling Act as implemented by the federal interagency rules entitled Prohibition on Funding of Unlawful Internet Gambling (Regulation GG, 12 C.F.R.233).

**15. Lost or Stolen Cards:** If your card is lost, stolen, or being used without your permission, you agree to notify us *immediately* upon such discovery:

- In writing at: 108 Main Street, Madisonville, TN 37354
- By telephone at: (423) 442-4545

You agree to cooperate with us completely in our attempts to recover from unauthorized Card or Check users and to assist in the prosecution of such persons.

**16. If Card is Refused:** We are not responsible if a Merchant refuses to honor your Card of Checks. Although you may have the credit available, we may be unable to authorize credit due to system difficulties or mistakes. If your Account is over the Credit Limit or Past Due, authorization for charges may be declined.

**17. Returns and Adjustments:** Merchants and others who honor the Card may give credit for returns or adjustments, and they will do so by sending the Bank a credit slip which will be posted to your account. You agree not to accept any cash refunds with respect to any adjustments for goods or services purchased. If your credits and payments exceed what you owe the Bank, the amount will be applied against future purchases and cash advances. If the amount is \$1 or more it will be refunded upon your written request or automatically after 6 (six) months.

**18. Credit Reports:** You authorize us at any time and from time to time to make or have made whatever credit investigation we feel is proper to evaluate your credit, personal or financial standing and/or employment, and you authorize us to share our credit experience with credit bureaus, creditors, and any others. Upon our request, you will provide us with current financial information. (For purposes of this paragraph, "you" and "your" also include all owners and principals of the applicant.)

**19. Change in Terms of your Credit Account:** We may change any term of this Agreement at any time upon notice to you as required by law. You may have the right to reject the change in terms, depending on the type of change and, if you do, your account will be closed and you will be able to pay off the balance under the terms of this Agreement.

**20. Notices and Statements:** Any notice or Statements we mail to the address we have for you as shown in our records for this Account shall be considered to have been given and received by you.

**21. Governing Law:** This Agreement is entered into in the State of Tennessee, where the decision to grant credit will be made. Therefore, this Agreement will be governed by the laws of the State of Tennessee applicable to agreements, and applicable to Federal Law.

**22. Default:** Each of the following constitutes an event of default:

- Your failure to make any payment when due and payable
- Any payment is dishonored
- Your failure to comply with any provision of this Agreement or any other agreement relating to other cards or devices that access your Account
- You made an untrue statement on your application
- Your death or insolvency, or your making an assignment for the benefit of creditors
- The filing of a petition or commencement of any other proceeding under any bankruptcy, insolvency, or receivership law by or against you
- Issuance of any writ, order or notice of attachment, levy, or garnishment against you or any of your property, assets, or income.
- The occurrence of an event that gives us reason to believe that your ability to pay us on time has been impaired or that you may use your Card or Checks improperly.

Our rights in the event of default: We may, at our option and after giving you all legally required notices and rights to cure, declare all amounts you owe us immediately due and payable with interest at the rate provided in this Agreement, refuse to authorize further transactions, close your Account, cancel all cards, and revoke any privileges associated with such Cards. If this occurs, you agree to pay us, to the extent permitted by applicable law, all costs of collection, including, without limitation, reasonable attorneys' fees, and expenses. Any such attorneys' fees will be added to the unpaid Balance on your Account and interest will be charged on this amount at the rate provided in this Agreement. We also have the right to cancel this Agreement and take immediate possession of all Cards and Checks. If we close or permanently suspend your Account, you must destroy all Cards. If you resolve a default situation, we can still declare the same or another default later on your Account.

**23. Collection Costs:** Unless prohibited by applicable law, if we start collection proceedings to recover amounts you owe us by reason of this contract, you agree to pay reasonable attorney's fees and other collection costs.

**24. Cancellation:** You may cancel your Account at any time by notifying us in writing at the address on your monthly Statement and returning all cards issued on your Account (cut in half). Even if your Account is closed, you agree to pay the balance on the account under the terms of this Contract. We can suspend your Account privileges or cancel your Account at any time, for any reason. We will notify you after we do so, unless you are in default at that time. We have no obligation to notify you prior to suspending your charging privileges or cancelling your Account.

**25. Joint and Several Liability:** Each applicant who signs the Account application shall be jointly and severally liable for all loans, purchases, advances, and balance transfers made on the Account, whether by Card, Check or otherwise.

**26. Severability:** If any provision of this Agreement is invalid or unenforceable under any law, rule, or regulation, it will not affect the validity or enforceability of any other provision of this Contract.

**27. Headings:** The headings used in this Agreement are for convenience only and are not intended to define, limit, or describe the scope or intent of this Agreement or in any way affect this Agreement.