

**VERITY CREDIT UNION**  
**BUSINESS SIGNATURE VISA CREDIT CARD AGREEMENT**  
**(June 2020)**

This Agreement covers your Business Signature VISA Credit Card, issued by Verity Credit Union ("Lender"). In this Agreement the words "you," "your," "yours," "applicant," and "Borrowers" mean the business member who signs the application for this credit card Account, any joint obligor, guarantor or authorized user. The words "we," "us," "our," and "Lender" means the Verity Credit Union. The word "Card" means any one or more the credit cards issued under the Credit Union's Business Signature VISA Credit Card for program for use by Borrower and its employees and authorized users. By signing the Application for the Business Signature VISA Credit Card, which is incorporated herein, you agree to the terms and conditions governing the Account.

**1. PURCHASES, CASH TRANSACTIONS AND CARD USE.**

You must sign the Card to use it. Once you have signed the Card, you can use it to make purchases and cash transactions up to the full amount of your credit line. You may not use your card before its validation date or after its expiration date. You may use a card for Purchases from participating merchants or other persons honoring Visa credit cards. You may also use your card to get a cash advance wherever VISA Cash Advances are available, and to access your line of credit at automatic teller machines (ATMs) within the Visa network, or any other available ATMs, subject to any restrictions on ATM use which we or the ATM network may impose from time to time. You may make up to 15 purchase transactions and ATM cash advances made using the VISA™ network per day (subject to credit limit availability). No purchase may exceed the available funds in your account. The Credit Union reserves the right to refuse any transaction that would draw upon insufficient funds.

**2. YOU PROMISE TO PAY.**

You promise to pay us all such amounts, plus any Interest Charges, which arise from use of the Card or Account by you or any other person, and to be jointly and severally liable with such a person, unless such other person does not have actual, implied, or apparent authority for such use, and you received no benefit from the use. You promise to pay us either by direct payment or by automatic transfers from your accounts.

**3. CREDIT LINE.**

This Agreement will constitute a revolving line of credit for an amount which will be the credit line under your Account. You may access your credit line through VISA Credit Card purchases at participating merchants. We will advise you of the amount of your initially approved credit line. We may increase or decrease your credit line at any time for any reason including based on changes in your credit qualification and any credit reports. Your approved credit limit is the maximum amount you may have outstanding at any one time. You agree not to attempt to obtain more credit than the amount of your credit line. However, if you temporarily exceed your credit line, you agree to pay any overlimit fees and repay the excess immediately, even if we have not yet billed you. Obtaining such credit does not increase your credit line. Any increase or reduction on the limit of your credit line will be shown on your monthly statement or by separate notice together with any changes in the applicable minimum monthly payments. Your eligibility for this credit line is determined by our loan policy and may be terminated at our sole discretion, without demand or notice. You may close your credit line 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 us under this Agreement and returned all Cards.

**4. MINIMUM MONTHLY PAYMENT.**

We will send you a statement every month showing your Previous Balances of purchases and cash advances, the current transactions on your account, the remaining credit available under your Credit Line, the New Balances of purchases and cash advances, the Total New Balance, the Interest Charge due to

date, and the Minimum Payment required. Every month you must pay at least the minimum Payment within 25 days of your statement closing date. You may, of course, pay more frequently, pay more than the Minimum Payment, or pay the Total New Balance in full, and you will reduce the Interest Charge by doing so. The Minimum Payment will be either 2.5% of your Total New Balance, or \$25.00 whichever is greater. In addition, at any time your Total New Balance exceeds your Credit Line, you must immediately pay the excess upon our demand. Payments and credits will be applied first to accrued Interest Charges on the Cash Advances new balance; next, to the accrued INTEREST CHARGES on the Purchases new balance; next, to any late charges; next, to any annual fee; next, to over-limit charges and other extraordinary fees or charges imposed on your account; next, to reduce the balance for Cash Advances; and finally, to reduce the balance for Purchases. Payment example: A statement balance of \$2305.20 x 2.5% = \$57.63. Rounding up to the nearest \$1, the payment would be \$58. If there is a past due amount of \$50, the total payment would be \$108. However, any payment equal to or greater than the Previous Balance of Purchases will be applied first to that balance and any Interest Charge thereon so as to avoid continuing accrual of Interest Charge on that amount.

## **5. SECURITY INTEREST.**

You grant the Credit Union a security interest under the Washington Uniform Commercial Code in any goods purchased through your VISA Credit Card Account. You agree that all collateral you have given the Credit Union to secure other business loan obligations (except real estate), in the past and in the future, will secure your obligations under this Agreement. In addition, by signing the Loan Application, you have given us a security interest in all your shares and deposits, present and future, and all accounts (except Individual Retirement Accounts) with the Credit Union. You agree, upon default, the Credit Union may apply all that is secured to pay any amounts due under this Agreement, without further notice to you.

## **6. MONTHLY STATEMENTS.**

Each month we will send you a statement showing purchases, payments, and credits made to your Account during the billing cycle, as well as your "New Balance," any Interest Charge and any late charge or other charges. Your statement also will identify the Minimum monthly payment you must make for that billing period and the date it is due. You agree to retain for statement verification copies of transaction slips resulting from each purchase, advance, and other transaction on your Account. Unless you notify us of any statement error, you accept your monthly statement as an accurate statement of your Account with us.

## **7. CIRCUMSTANCES UNDER WHICH AN INTEREST CHARGE WILL BE IMPOSED.**

The total outstanding balance of purchases and cash advances in the Account on the closing date of a billing cycle, including any Interest Charge will be shown on the Periodic Statement for that billing cycle as the "New Balance." An Interest Charge will be imposed on VISA cash advances on the date of the cash advance until fully paid. There is no grace period to avoid an Interest Charge on cash advances. An Interest Charge will be imposed on VISA Credit Card purchases included in the new balance when the entire new balance is not paid in full within 25 days after the closing date. This "grace period" allows you to avoid an Interest Charge on purchases for a billing cycle. If you do not pay within the grace period, your Interest Charge will accrue from the date of purchase. There is a Balance Transfer Fee (INTEREST CHARGE) of 3% on all balance amounts transferred to your account

## **8. METHOD USED TO DETERMINE THE BALANCE ON WHICH THE INTEREST CHARGE MAY BE COMPUTED AND AMOUNT OF INTEREST CHARGE.**

The Credit Union figures the Periodic Interest Charge on your Account by applying the Periodic Rate to the "Average Daily Balance" of purchases and cash advances for your Account. To get the "Average Daily Balance" we take the beginning purchase and cash advance balance of your Account each day, add any new purchases and cash advances and subtract any payments or credits, unpaid INTEREST CHARGES and unpaid late charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide by the number of days in the billing cycle. This gives us the Average Daily balance for both purchases and cash advances. However, no Interest Charge is imposed on purchases if payments

and credits are made sufficient to pay the "New Balance" shown on your periodic statement within 25 days of the closing date of the previous billing cycle. In addition to the Interest Charge based on the Periodic Rate for cash advances there is a Interest Charge of \$35.00 per cash advance.

## 9. PERIODIC RATE AND CORRESPONDING ANNUAL PERCENTAGE RATE.

The Interest Charge imposed during the billing cycle will be determined by multiplying the Average Daily Balance by the Periodic Rate. The Annual Percentage Rate is divided by 12 to produce the monthly rate. The Periodic Rate and Annual Percentage Rate are variable based on an index which is *The Wall Street Journal* Western Edition Prime Rate plus a margin of between 7.24 to 11.24% depending on your credit qualification. The Annual Percentage Rate may change on the first day of each month but will not change more than once per month. Any increase or decrease in the Annual Percentage Rate will affect the amount of the payment you will make. The Annual Percentage Rate will never be less than 6.0% and never exceed the rate permitted by applicable law. The Annual Percentage Rate applicable to your account will be disclosed to you with your Card and shown on each monthly statement. The "Total Interest Charge" shown on your monthly statement consists of the periodic Interest Charge on purchases, the periodic Interest Charge on cash advances.

## 10. CONDITIONS UNDER WHICH OTHER CHARGES MAY BE IMPOSED.

We may impose the following fees and charges on your Account:

**a. Late Charges.** If we do not receive your minimum payment on or before the payment due date, we will impose a Late Charge of \$25.00 for each late payment.

**b. Over-Limit Charges.** If the unpaid balance of your account exceeds the Credit Line stated on your monthly billing statement, we may impose an over-limit fee of \$25.00.

**c. Returned Item Charge.** If any check or draft we receive from you as payment for any amount you owed to us is returned to us unpaid, we may impose a returned item fee of \$20.00.

**d. Card Replacement Fee.** We will impose an \$8.00 card replacement fee for each VISA card which is lost, stolen, or damaged.

**e. Miscellaneous Photocopying.** If you request a copy of any document related to your Account, we may charge your Account \$6.00 per sales receipt copy, \$3.00 per statement copy and \$20.00 per hour. These charges cover the costs of locating, copying, and delivering the documents to you. If a request is related to a billing error and an error is found, we will reverse any photocopying charges.

**f. Attorney's Fees and Costs.** If you default on any part of this Agreement, you agree to pay us all costs to collect your Account, including outside collection agency fees as permitted by applicable law, court costs and reasonable attorney fees and collection agency costs whether or not there is a lawsuit, and fees on any appeal and fees for bankruptcy proceedings, appeals, and any post judgment collection services, if applicable.

**g. ATM Fees.** If you use an ATM to obtain a cash advance and the ATM is not operated by us, you may be charged an ATM surcharge by the ATM operator or an ATM network utilized for such a transaction. The ATM surcharge may be charged to your account if you complete the transaction.

**h. Currency Conversion.** Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. The currency conversion rate for international transactions as established by VISA International, Inc. 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.

i. **Check Copy Fees:** The Credit Union will provide five free check copies per account type per statement. After the fifth check copy request, the Credit Union will charge \$1.00 per additional item. After ten additional items, the Credit Union will charge an additional \$10.00 per hour check retrieval fee.

j. **Stop Payment Fee.** The Credit Union may charge stop payment fee of \$10.00 per check for a stop payment order on a Credit Card Convenience Check.

## 11. CONDITIONS OF CARD USE.

The use of your Card and Account are subject to the following conditions:

a. **Ownership of Cards.** Any Card or other credit instrument or device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the Card, immediately according to instructions. The Card may be repossessed at any time at our sole discretion without demand or notice. You cannot transfer your Card or Account to another person. You may not use the Card for any illegal or unlawful transactions and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness.

b. **Honoring the Card.** Neither we nor merchants authorized to honor the Card will be responsible for the failure or refusal to honor the Card or any other credit instrument or device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your Account in lieu of a cash refund.

c. **Notices and Payments.** All notices will be sent to your address as shown in the application. You agree to advise us promptly if you change your mailing address. All payments should be mailed to us at the remittance address shown on your monthly statements. Payments received at that address will be credited to your Account as of the date received.

## 12. CREDIT CARD CONVENIENCE CHECKS.

You may use Credit Card Convenience Checks supplied to you by the Credit Union to make purchases and to obtain cash advances from your credit card account. The Credit Card Convenience Checks can be used just like checks for a demand deposit (checking) account, except that the Credit Union need not honor checks that would cause your account balance to exceed your established credit limit. You may not use these checks to make minimum monthly payments on your account. You agree that any authorized user of your account whose signature is on file with us may request that we stop payment on any Credit Card Convenience Check. We need not stop payment on any check after accepting, certifying, or paying the check. You agree that we may suspend your right to use these checks at any time without notice. The Credit Union will not be liable for any loss that results from dishonor of any outstanding check if your right to use these checks is suspended.

## 13. DEFAULT.

You will be in default under this Agreement if any of the following occur: (a) Any Minimum monthly payment is not made when due; (b) You become insolvent, bankrupt, or you die; (c) You violate any part of this Agreement, or any other agreement with us; or (d) if we reasonably deem ourselves insecure on your credit line. We will notify you in writing of any such action as soon as practical if it occurs. Upon default, we may declare the entire unpaid balance immediately due and payable, and you agree to pay that amount plus any attorney's fees and costs including collection agency costs incurred by us. We can delay enforcing any right under this Agreement without losing that right or any other right.

## 14. CREDIT INFORMATION/FINANCIAL STATEMENTS.

You authorize us to release information to others (e.g., credit bureaus, merchants, and other financial institutions) regarding the status and history of your credit line. You agree to provide us, at any time we

deem necessary, with a current financial statement and updated credit information upon request. We may investigate your credit directly or through a credit reporting agency.

#### **15. UNAUTHORIZED CARD TRANSACTIONS.**

If you authorize anyone to use your Card in any manner, that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union immediately. You are responsible for any transactions made by such persons until you notify us that transactions and access by that person are no longer authorized and you return all cards issued to you. If you fail to maintain the security of the Card and the Credit Union suffers a loss, we may terminate your Card and account services immediately. You agree to notify us immediately of the loss, or the theft, or the use without your permission, of any Card or other credit instrument or device which we supply to you. You may be liable for any unauthorized use on the account. To the extent there are less than ten credit cards issued to you for business use by your, your offices, employees or authorized agents, you may not be liable for losses exceeding \$50 related to credit transactions by unauthorized parties, before you notify us of your lost or stolen credit card after discovery. If we have issued ten or more credit cards to you, you agree there is no limit on the losses related to any unauthorized use. You understand and agree that unauthorized use means the use of the card by someone other than you, your officers, authorized signers, employees or agents. If an employee uses the card in an unauthorized manner, there is no limit on the potential liability for such use. Please notify: Verity Credit Union, VISA Department, PO Box 75974, Seattle, WA 98175-0974 or the Credit Union at (206) 440-9000 or (800) 444-4589.

#### **16. GOVERNING LAW.**

This Agreement will not take effect until it is approved by us. This Agreement shall be governed by the laws of the State of Washington.

#### **17. ACKNOWLEDGMENT AND AMENDMENTS.**

You understand and agree to the terms and conditions in this Agreement. You acknowledge that you have received a copy of this Agreement and Disclosures. We have the right to change any terms and conditions, subject to applicable laws, of this Agreement at any time. If we change the periodic rate, and subsequent purchases or advances are made under this Agreement, the entire balance will be subject to the new rate.

**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**