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## CREDIT LINE ACCOUNT AGREEMENT AND DISCLOSURE

THIS IS YOUR CREDIT LINE ACCOUNT AGREEMENT AND IT INCLUDES NECESSARY FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENTS, MASTERCARD AND MASTERCARD GOLD CREDIT CARD AGREEMENTS, AND ANY SPECIAL INSTRUCTIONS REGARDING THE USE OF YOUR MASTERCARD AND MASTERCARD GOLD CREDIT CARDS AND/OR OTHER ACCOUNT ACCESS DEVICE. PLEASE READ THIS AGREEMENT CAREFULLY AND NOTIFY US AT ONCE IF ANY PARTS ARE UNCLEAR.

Interest Rate and Interest Charges	
<b>Annual Percentage Rate (APR) For Purchases</b>	MASTERCARD: <u>12.90</u> %                      MASTERCARD GOLD: <u>9.90</u> %
<b>Annual Percentage Rate (APR) For Balance Transfers</b>	MASTERCARD: <u>12.90</u> %                      MASTERCARD GOLD: <u>9.90</u> %
<b>Annual Percentage Rate (APR) For Cash Advances</b>	MASTERCARD: <u>12.90</u> %                      MASTERCARD GOLD: <u>9.90</u> %  Signature Line of Credit: <u>12.00</u> %
<b>Paying Interest</b>	For MASTERCARD, We will not charge You interest on purchases if You pay Your entire balance owed each month within 25 days of Your statement closing date. For all Feature Categories, We will begin charging interest on cash advances and balance transfers on the transaction date.
<b>For Credit Card Tips from the Consumer Financial Protection Bureau</b>	<b>To learn more about factors to consider when applying for or using a Credit Card, visit the website of the Consumer Financial Protection Bureau at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a>.</b>

Fees	
<b>Transaction Fees</b>  • Foreign Transaction	For MASTERCARD, <b>1.00%</b> of each foreign currency transaction in U.S. dollars For MASTERCARD, <b>0.80%</b> of each U.S. Dollar transaction that occurs in a foreign country
<b>Penalty Fees</b>  • Late Payment	For MASTERCARD, up to <b>\$25.00</b> Except MASTERCARD, the greater of <b>15.00%</b> of the payment due or <b>\$25.00</b>

**How We Will Calculate Your Balance:** For all Feature Categories (except MASTERCARD), We use a method called "daily balance." For MASTERCARD, We use a method called "average daily balance (including new purchases)." See Your Account Agreement for details.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided in Your Account Agreement.

In this Agreement, the references to "We," "Us," "Our," and "Credit Union" mean Allentown Federal Credit Union. The words "You" and "Your" mean each person accepting this Agreement. The words "Credit Card" or "Card" mean any MASTERCARD or MASTERCARD GOLD Credit Card issued to You by Us and any duplicates and renewals. Convenience Checks mean the special Account access devices that We may provide for Your use from time to time. If this is a joint account, read singular pronouns in the plural.

You, as the Borrower, under a Credit Line Account ("Account"), understand that the following Federal Disclosure Statement and the terms and conditions found herein constitute Our Agreement with You. Your Account may be accessible through a variety of means which could include advance request forms, vouchers, checks, charge slips, Convenience Checks, Credit Cards and the like. Regardless of the access means, You promise to pay Us all amounts charged to Your Account by You or by any user who has access to Your Account, with actual, apparent or implied authority for use of Your Account, including Finance Charges and other fees or charges described herein.

**FEATURE CATEGORIES.** Your Account has Feature Categories which may include Signature Line of Credit, MASTERCARD and MASTERCARD GOLD.

Account Feature Categories	Daily Periodic Rate	Annual Percentage Rate
Signature Line of Credit	_____ %	12.00 %
MASTERCARD	01.750 %	12.90 %
MASTERCARD GOLD	00.8250 %	9.90 %

**TRANSACTIONS/ADVANCES.** Whenever You request a transaction or an advance, We may require You to prove Your identity. If You request an advance by telephone, We will deposit the amount approved in Your share account or Your share draft account and You authorize Us to do this, or We may draw a draft or check made payable to You and mail it to You. When the amount advanced appears on a subsequent statement, that will be conclusive evidence of Your telephone request.

**LINE OF CREDIT LIMITS.** We will notify You of the Credit Limits given You for each Feature Category of Your Account. We expect that You will make repeated advances on Your Account and unless You are in default, Your Credit Limit will generally be self-replenishing as You make payments on Your Account.

You will keep Your unpaid balance within any Credit Limit set by Us, and You will pay any amount over Your Credit Limit on Our demand whether or not We authorize the advances or transactions which caused You to exceed Your Credit Limit. Even if Your unpaid balance is less than Your Credit Limit, We reserve the right to refuse credit advances during anytime that any aspect of Your Account is in default.

**JOINT ACCOUNTS.** Each Borrower will be responsible, jointly and severally, for the repayment of amounts owed. If any Account access device, such as a Personal Identification Number (PIN) is requested and approved, You understand that any such Account access device(s) will be mailed only to the Borrower(s) at the address indicated on the application for Your Account. We may refuse to follow any instructions which run counter to this provision.

**FINANCE CHARGES (EXCEPT FOR MASTERCARD).** A Finance Charge will be assessed on any unpaid principal balance(s) for each Feature Category of Your Account for the period such balance(s) is outstanding. Balance(s) change each time advances are made, payments are made, or credits given under any Feature Category. The Finance Charge begins to accrue on the date of each advance and there is no grace period.

**HOW TO DETERMINE THE FINANCE CHARGE (EXCEPT FOR MASTERCARD).** For all Feature Categories (except MASTERCARD) the Finance Charge is determined by multiplying Your unpaid balance at the close of each day in the billing cycle being accounted for by the applicable Daily Periodic Rate, after payments, credits and unpaid Finance or Late Charges have been subtracted and new advances, insurance premiums or other charges have been added to Your unpaid balance. These daily Finance Charges are then added together and the sum is the amount of Finance Charge owed for the Feature Category being accounted for. The total Finance Charge You owe on Your Account for each billing cycle is the sum of all the Finance Charges due for all applicable Feature Categories.

**MASTERCARD FINANCE CHARGES.** A Finance Charge will be imposed on credit purchases of goods and services that You obtain through the use of Your Card only if You elect not to pay the entire New Balance shown on Your previous monthly statement. If You elect not to pay such balance within 25 days from the closing date of the statement, a Finance Charge will be imposed on the unpaid balance of credit purchases made during the current billing cycle from the date of posting each such credit purchase to Your Account 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. Cash advances and balance transfers are always subject to a Finance Charge from the date they are posted to Your Account and are not subject to the 25 day grace period described above.

Balances subject to the periodic Finance Charges are the average daily transactions balances outstanding during the month (including new transactions). To get the average daily balance, We take the beginning balance each day, add any new purchases, cash advances, insurance premiums and debit adjustments and subtract any payments, credits, unpaid Finance 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 them by the number of days in the billing cycle which We multiply by the Daily Periodic Rate times the number of days in the billing cycle.

**MINIMUM MONTHLY PAYMENTS (PAYMENT SCHEDULE - EXCEPT FOR MASTERCARD).** Though You need only pay the Minimum Monthly Payment, You understand that You have the right to repay Your Account at any time without penalty. You may make larger payments without penalty at any time. You will be charged periodic Finance Charges to the date You repay Your entire Account balance. Any partial payment or prepayment of Your Account will not delay Your next scheduled payment. All payments to Us must be in lawful money of the United States. We may apply each payment to whichever Feature Category We wish. Payments will be applied first to any Late Charges owing, then to the Finance Charge due, then to the outstanding principal balance. Any unpaid portion of the Finance or Late Charge will be paid by subsequent payments and will not be added to the principal. You understand that any payment that delays the repayment of Your unpaid balance will increase Your Finance Charge and any payment that accelerates the reduction of Your unpaid balance will decrease Your Finance Charge. Payments are due as disclosed to You at the time of each advance. If an advance is made on a Feature Category having a zero balance or if an advance results in an increase in the Minimum Periodic Payment, payments will not be due until the second regular due date following the date of such advance.

Minimum Periodic Payments for all Feature Categories (except MASTERCARD) will be based on the amount necessary to fully repay Your entire loan, from the date of Your most recent advance, no later than the end of the Maximum Repayment Term shown in the following table. Your payment will not reduce as Your balance declines.

Feature Category	Maximum Repayment Term
Signature Line of Credit	36 months

**LATE CHARGE (EXCEPT FOR MASTERCARD).** If Your payment is 15 or more days late, You will be charged the greater of 15.00% of the principal and interest due or \$25.00.

**PERIODIC STATEMENTS.** On a regular basis, You will receive a printed statement showing all transactions on Your Account including amounts paid and borrowed since Your last statement. We will mail You a statement each month in which there is a debit or credit balance or when a Finance Charge is imposed. We need not send You a statement if We feel Your Account is uncollectible or if We have started collection proceedings against You because You defaulted. Each statement is deemed to be a correct statement of account unless You establish a billing error pursuant to the Federal Truth-in-Lending Act.

**OUR RESPONSIBILITIES TO HONOR CONVENIENCE CHECKS.** We are under no obligation to honor Your Convenience Checks if: (1) by paying a Convenience Check, You would exceed Your Credit Limit; (2) Your Cards or Convenience Checks have been reported lost or stolen; (3) Your Account has been cancelled or has expired. If a postdated Convenience Check is paid and, as a result, any other Convenience Check is returned unpaid, We are not responsible for any resulting loss or liability.

**SECURITY.** As permitted by law, to secure all transactions under this Agreement in either joint or individual Accounts, We have the right to impress and enforce a statutory lien against Your shares on deposit with Us (other than those deposits established under a governmental approved tax deferral plan such as an IRA or Keogh account), and any dividends due or to become due to You from Us to the extent that You owe on any unpaid balance on Your Account(s) and We may enforce Our right to do so without further notice to You. Additionally, You agree that We may set-off any mutual indebtedness.

**CONSENSUAL LIEN ON SHARES.** If You have been issued a Credit Card, You grant and consent to a lien on Your shares with Us (except for IRA or Keogh accounts) and any dividends due or to become due to You from Us to the extent You owe on any unpaid Credit Card balance.

**OTHER SECURITY.** Collateral (other than household goods or any dwelling) given as security under this Agreement or for any other loan You may have

with Us will secure all amounts You owe Us now and in the future if that status is reflected in the "Security" section under the "Truth-in-Lending Disclosure" in any particular Loan Agreement evidencing such debt.

**DEFAULT.** You will be in default if: (a) You do not make any payment or perform any obligation under this Agreement, or any other agreement that You may have with Us; or (b) You should die, become involved in any insolvency, filed a bankruptcy, receivership or custodial proceeding brought by or against You; or (c) You have made a false or misleading statement in Your credit application and/or in Your representations to Us while You owe money on Your Account; or (d) 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 Us; and/or (e) We should, in good faith, believe Your ability to repay Your indebtedness hereunder is or soon will be impaired, time being of the very essence.

If You are in default, We may, to the extent permitted by law, cancel Your rights under this Agreement, declare the entire unpaid balance of every Feature Category of Your Account immediately due and payable and require the return of all access devices.

**COLLECTION COSTS.** To the extent permitted by law, You will reimburse Us for all of Our costs and expenses, including reasonable attorneys' fees incurred in the course of collecting any amounts owed under this Agreement or for the recovery of any collateral.

**ENFORCEMENT.** We do not lose Our rights under this or any related agreement if We delay enforcing them. We can accept late payments, partial payments or any other payments, even if they are marked paid in full without losing any of Our rights under this Agreement. If any provision of this or any related agreement is determined to be unenforceable or invalid, all other provisions remain in full force and effect.

**NOTIFICATION OF ADDRESS CHANGE.** You will notify Us promptly if You move or otherwise have a change of address.

**CHANGE IN TERMS.** We may change the terms of this Agreement by mailing or delivering to You written notice of the changes as prescribed by the Federal Truth-in-Lending Act. To the extent permitted by law, the right to change the terms of this Agreement includes, but is not limited to, the right to change the periodic rate applicable to Your unpaid balance and/or future advances.

**CONSENT TO AGREEMENT.** You acknowledge a receipt of a copy of this Agreement. By signing the application, by using Your PIN or other Account access device, by using Your Account or by authorizing another to use Your Account, You agree to and accept its terms.

**UPDATING AND DISCLOSING FINANCIAL INFORMATION.** You will provide facts to update information contained in Your original Account application or other financial information related to You, at Our request. You also agree that We may, from time to time, as We deem necessary, make inquiries pertaining to Your employment, credit standing and financial responsibility in accordance with applicable laws and regulations. You further agree that We may give information about the status and payment history of Your Account to consumer credit reporting agencies, a prospective employer or insurer, or a state or federal licensing agency having any apparent legitimate business need for such information.

**INTEGRATED DOCUMENTS.** Any separate sheet of paper labeled Additional Disclosure - Federal Truth-in-Lending Act which is delivered together with this Agreement or provided at a later time is an integrated part of this Agreement.

**TERMINATION.** Either You or We may cancel Your Account or any particular Feature Category of Your Account, at any time, whether or not You are in default. You will, in any case, remain liable to pay any unpaid balances according to the terms of Your Account.

**GOVERNING LAW.** This Agreement is controlled and governed by the laws of the Commonwealth of Pennsylvania except to the extent that such laws are inconsistent with controlling federal law.

#### SPECIFIC TERMS APPLICABLE TO YOUR MASTERCARD CREDIT CARD

**OWNERSHIP.** All Cards remain Our property and may be cancelled by Us at any time without notice. You agree to surrender the Cards and to discontinue their use immediately upon Our request.

**USE OF YOUR CARD.** You may make purchases by presenting the Card to a participating plan merchant or by authorizing a sales draft. You may obtain cash advances by presenting the Card to Us; another financial institution; by authorizing a cash advance draft; or by using Your PIN in conjunction with the Card in an ATM or other type of electronic terminal that provides access to the MASTERCARD system. You agree not to use Your Card for illegal transactions including, but not limited to, advances made for the purpose of gambling and/or wagering where such practices are in violation of applicable state and/or federal law.

**MINIMUM MONTHLY PAYMENT.** Your Minimum Monthly Payment will be 3.00% of Your total Account balance at the end of each month plus other applicable charges, any past due Minimum Monthly Payments and any amount that exceeds Your Credit Limit, subject to the lesser of \$20.00 or Your Account balance.

**ISSUANCE OF PERSONAL IDENTIFICATION NUMBER.** You may be issued a Personal Identification Number (PIN) for use with participating Automated Teller Machines (ATM). This PIN is confidential and should not be disclosed to anyone. You may use Your PIN to access Your Account and all sums advanced will be added to Your Account balance. In the event a use of Your PIN constitutes an Electronic Fund Transfer, the terms and conditions of Your Electronic Fund Transfer Agreement may also affect Your rights. Your use of the PIN is Your authorization to Us to charge Your MASTERCARD Feature Category to cover such transactions.

**REFUSAL TO HONOR THE MASTERCARD CREDIT CARD.** We are not liable for the refusal or inability of merchants, financial institutions and others to accept the Card(s), or electronic terminals to honor the Card(s) or complete a Card withdrawal, or for their retention of the Card(s).

**UNAUTHORIZED USE.** You may be liable for the unauthorized use of Your Card. You will not be liable for the unauthorized use that occurs after You notify Us by calling (800) 237-6211 or in writing at the address shown in this Agreement, of the loss, theft, or possible unauthorized use. In any case, Your liability will not exceed \$50.00.

**REFUSAL TO HONOR CARDS OR CONVENIENCE CHECKS.** We are not liable for the refusal or inability of merchants, financial institutions and others to accept the Cards or Convenience Checks, or electronic terminals to honor the Cards or complete a Card withdrawal, or for their retention of the Cards or Convenience Checks.

**TRANSACTION SLIPS.** Your monthly statement will identify that merchant, electronic terminal or financial institution at which transactions were made, but sales, cash advances, credit or other slips cannot be returned with the statement.

**FOREIGN TRANSACTIONS.** For transactions initiated in foreign currencies, the exchange rate between the transaction currency and the billing currency (U.S. dollars) will be: (a) a rate selected by MasterCard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard itself receives; or (b) the government-mandated rate in effect for the applicable central processing date. In each instance You will be charged 8/10th of 1.00% calculated on the final settlement amount for transactions that are initiated in foreign countries, and if your transaction is also initiated in a foreign currency You will be charged an additional 2/10th of 1.00% calculated on the final converted settlement amount.

**EFFECT OF AGREEMENT.** Even though the sales, cash advance, credit or other slips You may sign or receive when using Your Card contain terms, this Agreement is the contract which solely applies to all transactions involving the Card.

**CREDITS.** If a merchant who honors Your Card gives You credit for returns or adjustments, they will do so by issuing a slip which will be posted to Your Account. If Your credits and payments exceed what You owe Us, We will hold and apply this credit against future purchases and cash advances, or if it is \$1.00 or more, refund it on Your written request or automatically deposit it to Your share account.

**LATE CHARGES.** If Your payment is more than 30 days late, You will be charged the lesser of: (a) the amount of the minimum payment due; or (b) \$25.00.

**LOST OR STOLEN CARDS OR CONVENIENCE CHECKS.** To report lost or stolen Cards or Convenience Checks, You must call Us immediately at (800) 237-6211.

#### **Your Billing Rights: Keep this Document for Future Use**

This notice tells You about Your rights and Our responsibilities under the Fair Credit Billing Act.

#### **What To Do If You Find A Mistake On Your Statement**

If you think there is an error on Your statement, write to Us at Our address shown in this Agreement. In Your letter, give us the following information:

- Account Information: Your name and Account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of problem: If you think there is an error on Your bill, describe what You believe is wrong and why You believe it is a mistake.

You must contact Us:

- Within 60 days after the error appeared on Your statement.

- At least 3 business days before an automated payment is scheduled, if You want to stop payment on the amount You think is wrong.

You must notify Us of any potential errors in writing. You may call Us, but if You do We are not required to investigate any potential errors and You may have to pay the amount in question.

**What Will Happen After We Receive Your Letter**

**When We receive Your letter. We must do two things:**

- 1) Within 30 days of receiving Your letter, We must tell You that We received Your letter. We will also tell You if We have already corrected the error.
- 2) Within 90 days of receiving Your letter, We must either correct the error or explain to You why We believe the bill is correct.

**While We investigate whether or not there has been an error:**

- We cannot try to collect the amount in question, or report You as delinquent on that amount.
- The charge in question may remain on Your statement, and We may continue to charge You interest on that amount.
- While You do not have to pay the amount in question, You are responsible for the remainder of Your balance.
- We can apply any unpaid amount against Your Credit Limit.

**After We finish Our investigation, one of two things will happen:**

- If We made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
- If We do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send You a statement of the amount You owe and the date payment is due. We may then report You as delinquent if You do not pay the amount We think You owe.

If You receive Our explanation but still believe Your bill is wrong, You must write to Us within 10 days telling Us that You still refuse to pay. If You do so, We cannot report You as delinquent without also reporting that You are questioning Your bill. We must tell You the name of anyone to whom we reported You as delinquent, and We must let those organizations know when the matter has been settled between Us. If We do not follow all of the rules above, You do not have to pay the first \$50.00 of the amount You question even if Your bill is correct.

**Your Rights If You Are Dissatisfied With Your Credit Card Purchases**

If You are dissatisfied with the goods or services that You have purchased with Your 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 purchase. To use this right, all of the following must be true:

- 1) The purchase must have been made in Your home state or within 100 miles of Your current mailing address, and the purchase price must have been more than \$50.00. (Note: Neither of these are necessary if Your purchase was based on an advertisement We mailed to You, or if We own the company that sold You the goods or services.)
- 2) You must have used Your Credit Card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses Your Credit Card account do not qualify.
- 3) You must not yet have fully paid for the purchase.

If all of the criteria above are met and You are still dissatisfied with the purchase, contact Us in writing at Our address shown in this Agreement.

While We investigate, the same rules apply to the disputed amount as discussed above. After We finish Our investigation, We will tell You Our decision. At that point, if We think You owe an amount and You do not pay, We may report You as delinquent.