



## Credit Card Disclosure Statement and Agreement for APGFCU® Business Visa® Credit and Share Secured Credit

**1. Introduction:** This Credit Card Agreement ("Agreement") covers each Business Visa Credit Card issued by Aberdeen Proving Ground Federal Credit Union ("APGFCU"). This Agreement covers any letter, card carrier, card insert, addendum, any other document accompanying this Agreement, any application that you submitted to APGFCU and any notifications to changes to this Agreement. This Agreement also covers APGFCU Business Visa Credit Card Convenience Checks, ("Convenience Checks"), which may be issued in connection with your Account.

**2. Definitions:** "Account" means the Business Visa Credit Card line of credit established with APGFCU pursuant to this Agreement.

"Applicable State Law" means the law of the state of Maryland, the location of the home office of APGFCU, the credit card Issuer.

"Application" means the oral, written, or electronically submitted application completed by the Business to request APGFCU extend credit to you under the Account and issue a card based on information you supplied and on which we relied.

"Authorized Officer" means the individual who has authority to bind the business to the terms of this Agreement and the APGFCU Business Visa Credit Card Agreement and Disclosure. The individual may be a Principal Owner of the Business or an individual duly authorized by Company Resolution or other authorizing documentation to sign on behalf of the Business.

"Authorized User" means any person you permit to use your Account or who has apparent authority to do so.

"Business" means the person or entity for which the Account is being opened.

"Business Days" means days of the week excluding Saturdays, Sundays and holidays.

"Card" means the Credit Card or Cards, and any duplicates or renewals, issued by APGFCU for use by the Business or Authorized Users.

"Convenience Checks" means the Convenience Check or Checks that may be issued from time to time at APGFCU's discretion as an additional means of Account access.

"Credit Limit" means the maximum amount of Debt that can remain outstanding and unpaid at any time in a Business Visa Credit Card line of credit Account.

"Debt" means all amounts charged to a Visa Business Credit Card Account, including Purchases, Cash Advances, Interest Charges and Other Fees.

"Guarantor" means the individual, Principal Owner or Authorized Officer who unconditionally guarantees, or promises to pay the amount due on your Account even if no demand for payment is first made to you.

"Holder", "you" or "your" means the Business, Principal Owner and Guarantor jointly and severally, and Authorized Officer.

"Issuer", "Credit Union", "we" or "us" means Aberdeen Proving Ground Federal Credit Union, with its home office in Edgewood, Maryland.

**3a. Business Visa Credit Line and Credit Limit:** If approved for a Business Visa Account, the Credit Union will establish a line of credit and inform you and notify you of your credit limit. You agree that your assigned credit limit is the maximum amount of Purchases, Cash Advances, Finance Charges, and any Other Charges and Fees (see #9 and #10) you will have outstanding on your Account at any given time. If you are ever over your credit limit, you must pay the amount you are over before payments will begin to restore your credit limit. You may request an increase to your credit limit in person, by phone, in writing, or by electronic mail. APGFCU 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.

**3b. Business Share Secured Credit Line:** If approved for a Business Visa Account, the Credit Union will establish a self-replenishing line of credit equal in amount to pledged shares for you and notify you of your credit limit. You agree that your assigned credit limit is the maximum amount of Purchases, Cash Advances, Finance Charges, and any Other Charges and Fees (see #9 and #10) you will have outstanding on your Account at any given time. If you are ever over your credit limit, you must pay the amount you are over before payments will begin to restore your credit limit. You may request an increase in your credit limit in person, by phone, in writing, or by electronic mail. APGFCU 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.

**4. Using the Account, Card and Convenience Checks:** You represent that your Account will be used exclusively for business, commercial, agricultural or organizational purposes and not for personal, family or household purposes.

Before using the Business Visa Credit card, it must be signed by the Authorized Officer or Authorized User whose name appears below the Business name on the Card.

By requesting, signing, keeping, using or authorizing an employee to use the Account, Card and/or Convenience Checks we issue to you, you agree to accept the terms of this Agreement.

If you are an Authorized Officer or Principal owner obtaining an Account for your Business, you agree to the terms of this Agreement in your personal capacity as well as your capacity as an officer or owner authorized to bind the Business to this Agreement.

You and any Authorized Users may use the account for Purchases made in person, by phone, mail or the Internet, from anyone who accepts the Card. In addition, you may obtain Cash Advances from APGFCU, other financial institutions participating in the Visa program and select Automated Teller Machines (ATMs) capable of providing access to the Visa system. You will need to use your Personal Identification Number (PIN) we furnish to obtain a Cash Advance from an ATM. You agree to keep the PIN confidential. You also agree that use of the PIN and Visa Card to make a purchase or obtain a Cash Advance constitutes your signature for purposes of such transactions.

If you give your account number to make a purchase or obtain a Cash Advance without presenting the Card (such as for a mail order or telephone purchase or Internet purchase) the legal effect will still be the same as if the Card itself was used by you.

We make no representation that any particular person, entity or ATM

will accept the Card for Purchase or Cash Advance.

You may not use the Card for any illegal purpose or to initiate any type of electronic gambling transactions through the Internet.

We may supply you with Convenience Checks from time to time. You may use these checks to draw from your available line of credit on your Account. A Convenience Check drawn on your Account is a loan from APGFCU. You will owe us for the amount of the Convenience Check plus the applicable Finance Charge from the date of the transaction.

**5. Overdraft Protection:** If you have requested your Account be used to provide Overdraft Protection for a Business Checking Account maintained with APGFCU, funds may be transferred from your Business Visa Account to the Business Checking Account in accordance with the All About Your Accounts disclosure governing your Business Checking Account. All funds will be transferred in increments of \$50 and are processed as a Cash Advance under this Agreement and are treated as such. Such transfers are loans by us to you. You will owe APGFCU for the amount of such transfers plus the applicable Finance Charge. You understand that anyone who is authorized to make withdrawals from the Business Checking Account may access your Business Visa Account through Overdraft Protection. Overdraft advances may be made for any lawful purpose except for payment to this Business Visa Credit Card.

**6. Responsibility:** You agree to pay all Purchases and Cash Advance charges (Balance transfers are treated as Cash Advances) made to your Account by you or anyone you authorize to use your Account. You also agree to pay all Finance Charges and any Other Charges and Fees added to your Account under the terms of this Agreement. Your obligation to pay the amount owed on your Account continues until paid in full, even though an agreement, business dissolution, divorce decree or other court judgment to which APGFCU is not a party may direct someone else to pay the Account balance. If more than one person signs this Agreement, as an Owner or Authorized Officer, each will be individually and jointly responsible for paying all amounts owed under this Agreement. The Owner or Authorized Officer that obtains the Account for the Business is also the Guarantor and is personally responsible for all amounts owed on the Account. This means that APGFCU can require all Guarantors together or individually to repay the entire amount owed under this Agreement.

**7. Finance Charges:** You can avoid Finance Charges on Purchases by paying the full amount of the New Balance of Purchases each month within 25 days of your statement closing date. Otherwise, the New Balance of Purchases, and subsequent Purchases from the date they are posted to your Account, will be subject to Finance Charges. Cash Advances are always subject to Finance Charges from the date they are posted to your Account. The total outstanding balance of Purchases and Cash Advances in the Account on the closing date of a billing cycle, including any Finance Charges will be shown on the Monthly Statement for that billing cycle as the "New Balance". Finance Charges will be calculated using an interest rate, also known as the Annual Percentage Rate (APR), set by the Credit Union. Finance Charges (interest) are calculated on the Average Daily Principal balances of Purchases and Cash Advances in the Account at the daily periodic rate and corresponding Annual Percentage rate disclosed to you when you opened your Account.

The principal balances of Purchases and Cash Advances are determined each day during the statement period, beginning with the principal portion of your Previous Balances, reduced by payments you make and credits we apply, and increased by Purchases and Cash Advances you make and debit adjustments we make during the statement period. The daily principal balances are totaled and divided by the number of days in the statement period, to produce separate average daily

principal balances for Purchases and Cash Advances to which the periodic rate is then applied.

**8. Variable APRs Based on Prime:** Your Annual Percentage Rate ("APR") is based on the U.S. Prime Rate ("Prime Rate"). Your APR will equal the Prime Rate plus a margin. The margin will be based on an evaluation of the credit history of each individual who applies for the Business Visa Card on behalf of the Business. If the Prime Rate increases, it will cause the APR to increase. If the Prime Rate decreases, it will cause the APR to decrease. Your Finance Charge for every \$1.00 in your daily balance may increase if the Prime Rate rises and will decrease if the Prime Rate falls. For example, a change in the Prime Rate of one percentage point will result in a one percentage point change in the same direction in your APR with a corresponding change in your daily periodic rate. For each billing period, we use the Prime Rate published in The Wall Street Journal on the first business day of each month. If the Prime Rate causes an APR to change, we put the new APR into effect as of the first day of the billing period following the month in which the Prime Rate changed. We apply the new APR to any existing balance, subject to any promotional rates that may apply.

**9. Late Charge:** In addition to the continued accrual of the Finance Charges at the daily rate, if you fail to pay at least the Minimum Payment within 15 days after it is due, we may access a late charge of \$25 per month.

**10. Fees:** If you request photocopies of sales slips, duplicate copies of monthly billing statements or a replacement card, you agree to pay our reasonable costs for such services. The present charges for these services are stated specifically in the current Service Price List. You can pick one up in any branch or call us and we will mail you a copy.

**11. Monthly Payment and Allocation:** You promise to pay all amounts you owe on your Account, including any Finance or Late Charges. When you receive your Monthly Statement you may pay the full amount due or some lesser amount, but the least you may pay is the minimum payment amount due.

The Minimum Payment on your account will be either (a) 2.0% of your Total New Balance, or \$25, whichever is greater, or (b) your Total New Balance, if it is less than \$25 plus (c) any portion of the Minimum Payment(s) shown on your prior statement(s) which remains unpaid. In addition, at any time your Total New Balance exceeds your Credit Line, you must immediately pay the excess upon our demand.

Subject to applicable law, we will apply payments first to previously billed and unpaid Finance Charges on Purchases, then on previously billed and unpaid Finance Charges on Cash Advances, then to any Late Charges and Other Fees due, then to Cash Advances, whether or not billed on the Monthly Statement, then to previously billed Purchases. However, any payment equal to, or greater than, the Previous Balance of Purchases will be applied first to the balance and any Finance Charge thereon so as to avoid continuing accrual of Finance Charges on that amount. Purchases and Cash Advances will be paid off in the order they were posted to your Account. If two or more Purchases were posted on the same day, your payment will be applied to the smaller one first.

**12. Irregular Payments:** We can accept late payments, partial payments, checks and money orders marked "paid in full" or language having the same effect without losing any of our rights under this Agreement.

**13. Security Interest:** You grant the Credit Union a purchase money security interest under the Uniform Commercial Code in any goods you purchased through your Business Visa Credit Card Account. You

agree that all collateral you have given the Credit Union to secure other business loan obligations, in the past and in the future, will secure your obligations under this Agreement. In addition, you agree this Account is also secured by all of your individual and joint shares and deposits, present and future, and all accounts (except Individual Retirement Accounts or any other account that would lose special tax treatment under state or federal law if given as security). You agree, upon default, the Credit Union may apply all security to pay any amounts due under this Agreement, without further notice to you.

**14a. Default:** You will be in default if a) you fail to make any minimum payment or other required payment by the date it is due; b) you breach any other condition of this Agreement; c) you are a natural person and you die; d) you are a Business and you cease to exist; e) you are a Business and you change your legal structure so that the person obligating the Business to this Agreement is no longer authorized to bind it to legal agreements; f) bankruptcy or insolvency proceedings are started by you or against you; g) you make any false or misleading statements in any credit application or credit update; h) you have an attachment or garnishment proceeding initiated against you or your property; i) something happens that APGFCU believes may substantially reduce your ability to repay what you owe; j) you use the Card in furtherance of any purpose deemed to be illegal under state or federal law.

In the event of any default or in the event this Agreement is terminated by you or by us for any reason, the entire balance on the Account becomes due and payable forthwith. You also agree that, in case of default, you will pay all usual and customary costs of collection permitted by law, including court costs and reasonable attorney fees. You agree that the jurisdiction in any dispute or for any collection purposes will be in the State of Maryland.

**14b. Business Share Secured Default:** You will be in default if a) you fail to make any minimum payment or other required payment by the date it is due; b) you breach any other condition of this Agreement; c) you are a natural person and you die; d) you are a Business and you cease to exist; e) you are a Business and you change your legal structure so that the person obligating the Business to this Agreement is no longer authorized to bind it to legal agreements; f) bankruptcy or insolvency proceedings are started by you or against you; g) you make any false or misleading statements in any credit application or credit update; h) you have an attachment or garnishment proceeding initiated against you or your property; i) something happens that APGFCU believes may substantially reduce your ability to repay what you owe; j) you use the Card in furtherance of any purpose deemed to be illegal under state or federal law.

In the event of any default or in the event this Agreement is terminated by you or by us for any reason, the entire balance on the Account becomes due and payable forthwith. You also agree that, in case of default, you will pay all usual and customary costs of collection permitted by law, including court costs and reasonable attorney fees. You agree that the jurisdiction in any dispute or for any collection purposes will be in the State of Maryland.

**15. Penalty APR:** The Penalty APR may be applied to your Account if you:

- Are over 60 days past due or
- Make a payment that is returned and causes your Account to be over 60 days past due.

The Penalty APR is 18.00% (or such other rates as may be permitted under the Federal Credit Union Act). If the Penalty APR is applied to your Account, it will apply to both existing and new transactions. It will no longer apply to existing transactions if you make the next six consecutive minimum payments. If you do not make these payments,

the Penalty APR may continue to apply to both new and existing balances indefinitely.

**16. Liability for Unauthorized Use:** You agree to notify us immediately, orally or in writing of the loss, theft, or unauthorized use of your Business Visa Credit Card. You may contact us at P.O. Box 1176, Aberdeen, MD 21001 or telephone us during business hours at 410-272-4000 or toll-free at 800- 225-2555 After business hours, call toll-free 800-543-5073 to contact the Lost/Stolen Center. You understand that you will not be liable for any card transactions resulting from the loss, theft or other unauthorized use of the card unless you have been grossly negligent or engaged in fraud, in which case your maximum liability shall not exceed \$50.

**17. Changing or Terminating Your Account or Authorized Users:** APGFCU may change the terms of this Agreement from time to time after giving you advance notice as required by law. Your use of the card after receiving notice of a change will indicate your agreement to the change. To the extent the law permits, and indicated in the notice to you, the change will apply to your existing Account balance as well as to future transactions.

Either you or APGFCU may terminate this Agreement at any time, but termination by you or APGFCU will not affect your obligation to pay the Account balance plus any Finance Charges you owe under this Agreement. APGFCU 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 APGFCU.

Termination shall also be binding on each Authorized User. You are responsible for all transactions made to your Account after termination, unless the transactions were unauthorized and you followed the guidelines in #16 above.

If you are a Business (incorporated or unincorporated) or organization or association, you agree to notify us within 10 days of any change in your legal structure or any change in your owners, officers or Authorized Users. You also agree to notify us by phone, by electronic mail, or in person of any change or termination of any Authorized User's charging privileges or rights to access the Account.

**18. Credit Review and Release of Information:** You authorize the Credit Union to investigate and evaluate your Business and Personal Credit Standing when opening or reviewing your Account and agree to immediately notify us should there be an adverse change in your credit or financial condition. You further agree that the information you provide to us on your application may be re-investigated or re-evaluated at any time. We may request updated credit bureau reports and may or may not ask you to provide annual financial statements, tax returns or other credit-related information. You authorize the Credit Union to disclose information regarding your Account to credit bureaus and creditors who inquire about standing.

**19. Foreign Transactions:** Purchases and Cash Advances made in foreign countries and foreign currencies will be billed to you in U.S. dollars. The conversion rate to U.S. dollars will be made in accordance with the operating regulations for international transactions established by Visa U.S.A. The conversion rate to U.S. dollars will be a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate Visa itself receives, or the government mandated rate in effect for the applicable central processing date, in each instance, plus or minus any adjustment determined by the Issuer. You will be charged an International Service Assessment (ISA) fee mandated by Visa, of 1% of the transaction amount regardless of whether or not currency conversion is involved. All transactions, including online transactions, that may have been originated by the cardholder in the U.S., but are

processed by a foreign merchant, are subject to this fee. You may not receive prior notification from the merchant that your transaction is processed overseas. This is not a fee assigned by APGFCU.

**20. Plan Merchant Disputes:** APGFCU is not responsible for the refusal of any plan merchant or financial institution to honor the Card. We are subject to claims and defenses (other than tort claims) arising out of goods and services you purchase with the card only if you have made a good faith attempt, but have been unable to obtain satisfaction from the plan merchant, and: (a) your purchase was made in response to an advertisement we sent or participated in sending you; or (b) your purchase cost more than \$50 and was made from a plan merchant in your state or within 100 miles of your home. Any other disputes you must resolve directly with the plan merchant.

**21. Loan Protection:** Loan Protection is not required to obtain credit. If loan protection is offered on your Account and you request loan protection, the fee will be calculated monthly by multiplying the fee rate by the outstanding balance of each Account. The fee rates per \$1,000.00 of the monthly outstanding balance are disclosed to you in the Business Visa Credit Card application. Fees will be posted at or after the end of each month. The fees for your loan protection will be added to your outstanding balance each month, upon which they will accrue interest. Although such protection is freely cancelable, it will be retained in effect until you have notified the Credit Union in writing of your intention to cancel. If you are late in paying or fail to pay your periodic payment, the Credit Union may advance funds on your behalf to pay such fees and the Credit Union may impose additional finance charges on the amount financed.

**22. Effect of Agreement:** This Agreement is the contract that applies to all transactions on your Account even though the sales, cash advance, credit or other slip you sign or receive may contain different terms. You agree to all the terms and charges contained in this Agreement.

**23. No Waiver:** APGFCU can delay enforcing any of its rights any number of times without losing these rights.

**24. Notices:** We will send statements and notices 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. You promise to notify us promptly in writing of any changes in your address.



Interest Rates and Interest Charges	
<b>Annual Percentage Rate (APR) for Purchases</b>  Business Visa Card	<b>10.49% – 17.49%</b>  Your APR is based on your creditworthiness at the time you opened your account and will vary with the market based on the Prime Rate.
Business Visa Share Secured <sup>a</sup>  Business Visa Money Market Share Secured <sup>b</sup>	<b>4.25%</b> <b>4.25%</b>  The APR will vary with the market based on the Prime Rate.
<b>Annual Percentage Rate (APR) for Balance Transfers</b>	For the Business Visa card, your APR will be <b>10.49% to 17.49%</b> APR based on product type and your creditworthiness at the time you opened your account. This APR will vary with the market based on the Prime Rate. Balance transfer approval conditions apply.  For each Visa card listed below, the APRs will vary with the market based on the Prime Rate. <ul style="list-style-type: none"> <li>• Business Visa Share Secured<sup>a</sup> <b>4.25%</b></li> <li>• Business Visa Money Market Share Secured<sup>b</sup> <b>4.25%</b></li> </ul>
<b>Annual Percentage Rate (APR) for Cash Advances and Convenience Checks</b>	For the Business Visa card, your APR will be <b>10.49% to 17.49%</b> APR based on product type and your creditworthiness at the time you opened your account. This APR will vary with the market based on the Prime Rate.  For each Visa card listed below, the APRs will vary with the market based on the Prime Rate. <ul style="list-style-type: none"> <li>• Business Visa Share Secured<sup>a</sup> <b>4.25%</b></li> <li>• Business Visa Money Market Share Secured<sup>b</sup> <b>4.25%</b></li> </ul>
<b>Penalty APR and When It Applies</b>	<b>18.00%</b> <b>This APR may apply to your account if you:</b> <ul style="list-style-type: none"> <li>• Are over 60 days past due; or</li> <li>• Make a payment that is returned and causes your account to be over 60 days past due.</li> </ul> <b>How long will the Penalty APR apply?</b> If your APRs are increased for either of these reasons, the Penalty APR may apply indefinitely.
<b>How to Avoid Paying Interest on Purchases</b>	Your due date is at least 25 days after the close of each billing cycle. We will not charge you interest on purchases if you pay the entire balance by the due date each month. We will begin charging interest on balance transfers, cash advances and overdraft advances, if enrolled, 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>Annual Fee</b>	<b>None</b>
<b>Transaction Fees</b> <ul style="list-style-type: none"> <li>• Cash Advance</li> <li>• Foreign Transaction</li> <li>• Balance Transfer</li> </ul>	<ul style="list-style-type: none"> <li>• <b>\$2</b></li> <li>• <b>Up to 1%</b> of transaction amount in U.S. dollars</li> <li>• <b>None</b></li> </ul>
<b>Penalty Fees</b> <ul style="list-style-type: none"> <li>• Late Payment</li> <li>• Returned Payment</li> </ul>	<ul style="list-style-type: none"> <li>• <b>\$25</b></li> <li>• <b>\$20</b></li> </ul>

**How We Will Calculate Your Balance:** We use a method called "average daily balance (including new purchases)." See your account agreement for more details.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

**Variable Rate Information:** Variable APRs are based on the **3.25% Prime Rate as of 04/01/2020**. Your APR may vary. Rates are determined and adjusted monthly, according to your statement cycle period, by adding a Margin to the Prime Rate published in the Wall Street Journal on the first business day of every month. The Margin will range from 7.24% to 14.24% based on creditworthiness. The Margin for the Share Secured and Money Market Share Secured Business Visa cards is below:

<sup>a</sup> We add **1.00%** to the Prime Rate for the Share Secured Business Visa, not to exceed **5.00%** above the current rate on the Regular Share Accounts

<sup>b</sup> We add **1.00%** to the Prime Rate for the Money Market Share Secured Business Visa, not to exceed **5.00%** above the lowest Money Market tier rate

Balance transfers will be applied to your account and sent to your designated payee(s) 10 days after we open your new account. If you want to cancel or modify your balance transfer within the first 10 days of account opening, please call 800-225-2555. Please continue to make regular payments to your other account(s) until you know the balance has been paid.

This disclosure was printed and accurate as of 04/01/2020, and is subject to change after that date. To find out what may have changed, or if you have any questions regarding this disclosure, call toll free 800-225-2555, or 800-811-4888 TTY.