

Explanation of Finance Charge Calculation

FINANCE CHARGES will be incurred from the statement date on the average daily balance of previously billed but unpaid purchases, and on new purchases from the date such new purchases are posted to your account, unless you have paid your account in full by the due date shown on your previous monthly statement, or there is no previous balance. In such case, you have not less than 25 days to repay your account balance before a **FINANCE CHARGE** on new purchases will be imposed. **FINANCE CHARGES** will be incurred on the average daily balance of cash advances from the date posted to your account until payment in full is posted to your account.

No **FINANCE CHARGE** will be incurred on purchases if you pay the entire new balance by the due date shown on the statement. Cash advances, however, are subject to **FINANCE CHARGE** from the date posted to your account. There is no grace period for cash advances.

We figure the **FINANCE CHARGE** on your account by multiplying the periodic rate by the average daily balance of your account.

To get the average daily balance we take the beginning balance of your account each day, and adding any new cash advances, and unless you pay your account in full by the due date shown on your previous monthly statement or there is no previous balance, add any new purchases and subtract any payments or credits and unpaid **FINANCE CHARGES**. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the average daily balance.

Payments must be RECEIVED, NO POSTMARKED, by the due date to avoid **FINANCE CHARGES** on the purchases if paying in full. Also, when a due date falls on a day we are not open, we must receive your payment prior to that date, not after it. Payments made after business hours through our Touch Tone Teller or MemberConnect home banking system may be posted the following business day, but are effective on the date made.

YOUR BILLING RIGHTS, KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act. NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT. If you think your statement is wrong, or if you need more information about a transaction on your statement, you must write us on a separate sheet at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than sixty (60) days after we sent you the first statement on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information: (or use form provided below)

- Your name and account number.
- The dollar amount on the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your credit card bill automatically from your share savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three (3) business days before the automatic payment is scheduled to occur.

YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE

We must acknowledge your letter within thirty (30) days, unless we have corrected the error by then. Within ninety (90) days, we must either correct the error or explain why we believe the statement was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including **FINANCE CHARGES**, and we can apply an unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your statement that are not in question.

If we find that we made a mistake on your statement, you will not have to pay any **FINANCE CHARGES** related to any questioned amount. If we didn't make a mistake, you may have to pay **FINANCE CHARGES**, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write us within ten (10) days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your statement. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been finally settled between us when it finally is. If we do not follow these rules, we cannot collect the first \$50 of the questioned amount, even if your statement was correct.

SPECIAL RULE FOR CREDIT CARD PURCHASES

If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right: (a) you must have made the purchase in your home state, or if not within your home state, within 100 miles of your current mailing address; and (b) the purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.