CARDHOLDER AGREEMENT

DEFINITIONS. The “Card” means the Pentagon Federal Credit Union (PenFed) credit card which we issue to you under this Agreement, and includes any check, gift card or transaction card used to obtain credit or cash from the Account. Unless otherwise stated, “Account” means your Card Account with us. An Authorized User is an individual receiving a Card, but who has no responsibility for payment of the Account. The words “you”, “your” and “cardholder” mean each person, jointly and individually who holds, uses, possesses or permits others to use or sign a Card. The words “our”, “we” and “us” mean PenFed or any of its assignees.

1. AGREEMENT. We agree to extend credit to you and advance amounts up to your credit limit, but transaction limits may apply. Your credit limit is not increased by any credit balance you may have on your Account. You agree to sign the back of the Card as soon as you receive it. You agree to pay us for credit extended for the use of the Card by you or any other cardholder, along with all applicable finance charges, fees and insurance, if any apply. By signing, using or permitting others to use the Card, you agree to the terms and conditions in this Agreement, on the Card, on any charge slip resulting from authorized use of the Card, on any authorized cash advance slip, and to accept responsibility for all actions taken with the Card.

2. CREDIT LIMIT. You agree to use the Card within the credit limit we authorize. You also agree that we can change your credit limit at any time. You agree to accept credit limit changes that would cause you to exceed your authorized credit limit but we may do so in our sole discretion. Any extension of credit to you, made or honored by us, shall be in our sole discretion, and for such purposes as to conform to this Agreement, and only when there is no default.

3. CHANGE IN TERMS. You agree that the terms of this Agreement are applicable to any cardholder. You also agree that we can change the terms of this Agreement at any time by adding, deleting, or modifying any provision of the Agreement. We will notify you of any such changes, if required by law. Termination of the Account by you or PenFed will not affect your obligation to pay the Account balance. The charge for any finance charges you owe under this Agreement. You are responsible for all transactions made to your Account after termination, unless the transactions were initiated or authorized by you prior to termination. After termination of your Account, the terms in effect at the time that you cancel the Account will apply until the outstanding balance of the Account is paid in full, unless you are in default. Your Card will no longer be available for use for new transactions, including purchases, as the Account will be closed (if it is not already closed.) Any rewards you have earned, if applicable, will be forfeited unless they are redeemed before the Account is closed. If you do not notify us of your decision to terminate the Account by the date stated in any notice we provide, or if you notify us but then use the Account after the date stated in the notice, you will be deemed to accept all changes to the Account’s terms and conditions under this Agreement. If you are in default because your payment has not been received within 60 days of the due date, you do not have the right to reject the changes we make to this Agreement or the Account’s terms and conditions.

4. FINANCIAL CONDITION CHANGE. You agree to advise us of any change in your financial condition that may affect your creditworthiness and to provide us with a current loan application whenever we request one. You expressly authorize any person, partnership, association, firm, corporation or consumer reporting agency, upon our request, to furnish us with information concerning you relevant to the review and evaluation of this Account. You understand and agree that we may take an opinion or inference upon revaluation of your creditworthiness.

5. FINANCE CHARGES WILL BE IMPOSED IN THE FOLLOWING MANNER AND WILL BE IN ADDITION AND NOT IN EXCESS OF THOSE PERMITTED BY APPLICABLE LAW.

A. PURCHASES. (1) No finance charge will be imposed during the next billing cycle (defined as the time interval between regular monthly billing statement dates) if you pay the entire new balance shown on the current periodic statement and we receive your payment on or before the payment due date shown on the statement. (2) In all other cases, a finance charge will be imposed based on the average daily balance of all purchases and debit adjustments, hereafter referred to as purchases. The average daily balance is the sum of the balance outstanding in each day during the billing cycle, divided by the number of days in the billing cycle. A purchase appearing on the periodic statement is considered a part of the outstanding balance from the date of posting. (3) The amount of the finance charge is calculated by multiplying the average daily balance of purchases by the monthly periodic rate. The monthly periodic rate is the yearly interest rate divided by 12.

B. CASH ADVANCES. (1) There is no grace period on cash advances. Finance charges accrue on any cash advance amount from the date charged to your Account and continue so long as such amounts remain outstanding. (2) A finance charge will be imposed on the average daily balance of cash advances, which is the sum of the cash advances outstanding each day during the billing cycle, divided by the number of days in the billing cycle. The sum of cash advances is determined by including new cash advances and deducting any payments or credits and excluding any unpaid finance charge. A cash advance appearing on the periodic statement is considered a part of the outstanding balance from the date of posting. (3) The amount of finance charge is calculated by multiplying the average daily balance of cash advances by the monthly periodic rate. The monthly periodic rate is the yearly interest rate divided by 12.

C. BALANCE TRANSFERS. (1) There is no grace period on balance transfers. Finance charges accrue on all regular or promotional balance transfer amounts from the date posted to your Account and continue so long as such amounts remain outstanding. (2) A finance charge will be imposed on the average daily balance of balance transfers, which is the sum of the balance transfers outstanding each day during the billing cycle, divided by the number of days in the billing cycle. The sum of balance transfers is determined by including new balance transfers and deducting any payments or credit and excluding any unpaid finance charge. A balance transfer appearing on the periodic statement is considered a part of the outstanding balance from the date of posting. (3) The amount of finance charge is calculated by multiplying the average daily balance for each balance transfer by its monthly periodic rate. The monthly periodic rate is the yearly interest rate divided by 12.

D. PAYMENTS. (1) We may reduce the amount of any credit balance you owe to us because it could not be processed, a cash advance amount over the minimum payment due, or you may pay any additional amount you wish over the minimum payment due. If your payment is not honored or we must return any payment to you because it could not be processed, a returned payment fee may be assessed to your Account. Your payment on your Account even though payment was made before the date of the check or a check which has a date more than 6 months old. We may delay the availability of any funds you withdraw at an ATM, through a Point of Sale transaction, or through your website. We may reduce the amount of any credit balance by any amount you wish over the minimum payment due, which is shown as the minimum payment due. All past due or over limit amounts are due and must be fully paid immediately upon notification. You may, however, pay the total amount due, which is shown as the minimum payment due. If your payment clears after the date of posting, you may pay any additional amount you wish over the minimum payment due. If your payment is not honored or we must return it to you because it could not be processed, a returned payment fee may be assessed to your Account.

6. PAYMENTS. A payment delivered by physical mail must be sent to the address on your periodic statement and be received by 5:00 pm, Monday through Friday, excluding holidays, to receive same day credit. Your payment by mail must be a check or money order in U.S. dollars with your account number on the check or money order and drawn on a U.S. financial institution, accompanied by the payment voucher from your statement. Payments received at other locations or not conforming to these procedures may be delayed in posting, but not more than 5 business days from the date of receipt. PenFed, in its sole discretion, may accept a payment on your Account even though payment was made before the date of the check or a check which has a date more than 6 months old. We may delay the availability of any funds you withdraw at an ATM, through a Point of Sale transaction, or through your website. We may reduce the amount of any credit balance by any amount you wish over the minimum payment due, which is shown as the minimum payment due. All past due or over limit amounts are due and must be fully paid immediately upon notification. You may, however, pay the total amount due, which is shown as the minimum payment due. If your payment clears after the date of posting, you may pay any additional amount you wish over the minimum payment due. If your payment is not honored or we must return it to you because it could not be processed, a returned payment fee may be assessed to your Account.

7. DEFAULT. You will be in default if you fail to make any payment by the Payment Due Date shown on your Account statement; if you become insolvent or file bankruptcy, if you become incompetent or die, if a judgment or garnishment should be issued against any of your property including any of your Accounts with us, if we in good faith consider our or your obligations or
If we issue you an account number, checks or mobile device: any other changes, whether due under this Agreement. You also agree our obligation for further credit extensions shall immediately end and we may terminate your Account. You hereby agree to notify us if you can do this if you make any false or misleading statements on your requests for an advance, if you die, file for bankruptcy or if any other creditor tries to take any of your shares for the payment of this balance due. The following transactions will be treated as balance transfers will increase to the Penalty APR period for purchases, cash advances, and periodic rate for purchases, cash advances, and periodic rate for cash advances, which may be received, whether held jointly or individually, up to the amount of your outstanding balance. The foregoing security interest includes the right to apply funds available to you in any jointly held account on your date of death. This does not include your individual retirement accounts (IRA). We may take all the shares needed by you to repay your credit extension or cash advance. If it is necessary to take all of your shares for the payment of this Account, you understand your membership in PenFed may end. Collateral securing other loans with the credit union may also secure this loan.

10. PENALTY ANNUAL PERCENTAGE RATE. If your required minimum payment has not been received within 60 days of the due date, any balance, including a balance transfer with a promotional rate, will increase to the Penalty Annual Percentage Rate (Penalty APR). See Section 10 below for details of the Penalty APR. If collection is necessary, you agree to pay all costs of collection, including attorney’s fees and court costs, in an amount not more than 25% of the balance due.

8. LATE PAYMENT FEES. You may be charged a late payment fee if the Minimum Payment Due is received 10 or more days past the due date.

9. VARIABLE RATES. One or more APRs that apply to your Account may vary with changes to the Prime Rate. We may increase the APR with or without notice. We calculate the APR by adding a margin to the Prime Rate published in The Wall Street Journal. If The Wall Street Journal stops publishing the Prime Rate, we will select a similar reference rate and inform you on your billing statement or through a separate notice. The “Prime Rate” is the highest (U.S.) Prime Rate published in the Money Rates section of The Wall Street Journal. A margin is the percentage we add to the Prime Rate to calculate the APR. On the first Tuesday of the first full week of each month, we will announce the Prime Rate as published in the Wall Street Journal. We then add a margin as set forth in the Summary of Terms issued with your Card to the Prime Rate to get the APR for the following month. If the APR increases, you will have to pay a higher periodic finance charge and may have to make a higher minimum payment. PenFed or non-PenFed account, bill pay, overdraft protection, ATM or over the counter advances, the purchase of travelers checks, foreign currency, money orders, bail bonds, cryptocurrencies, wire transfers, stock transactions, on cashing checks, race track wagers or similar betting transactions; and any payment using a third party service.

13. ACCOUNT CLOSURE. You or anyone jointly holding your Account may close it at any time by notifying us orally or in writing. However, this will not relieve you or any of the other joint owners from liability for the repayment of any outstanding balance in the Account. In addition, recurring charges from a third party vendor/merchant will be charged to your Account, even though you have requested cancellation. You must cancel the recurring charge with the third party vendor/merchant. Upon receipt of your notice, we may close your Account or suspend your Account and any privileges associated with it. You must return all of the Cards to us upon request.

14. THIRD PARTY DISCLOSURE. We may disclose information to third parties, including but not limited to credit reporting agencies or merchants, about your Account in order to advise such third parties of the existence or condition of your Account, to evaluate your current credit worthiness, or as otherwise provided by law.

15. GRANT OF SECURITY INTEREST IN SHARES,證券。In consideration of PenFed’s issuing you a Card, you pledge your PenFed Share account as security for this line of credit. To protect us if you are in default on any credit extended or cash advanced under this Account, you have granted a security interest in all of your shares, deposits, payments and dividends which may be received, whether held jointly or individually, up to the amount of your outstanding balance. The foregoing security interest includes the right to apply funds available to you in any jointly held account on your date of death. This does not include your individual retirement accounts (IRA). We may take all the shares needed by you to repay your credit extension or cash advance. If it is necessary to take all of your shares for the payment of this Account, you understand your membership in PenFed may end. Collateral securing other loans with the credit union may also secure this loan.

Additional notice for Visa Secured cardholders: In consideration of PenFed’s issuing you a Card, you pledge your PenFed Share account as security for this line of credit. To protect us if you are in default on any credit extended or cash advanced under this Account, you pledge all of your shares, deposits, payments and dividends which may be received, whether held jointly or individually, up to the amount of your outstanding balance. The foregoing security interest includes the right to apply funds available to you in any jointly held account on your date of death. This does not include your individual retirement accounts (IRA). We may take all the shares needed by you to repay your credit extension or cash advance. If it is necessary to take all of your shares for the payment of this Account, you understand your membership in PenFed may end. Collateral securing other loans with the credit union may also secure this loan.

16. CARD DISHONOR. If a merchant refuses the Card, we will not have any liability or responsibility. No cash advances accepted by you with respect to any adjustment for goods or services purchased. All adjustments will be made by credit to your PenFed Account by a properly executed credit voucher issued by the merchant.

17. ILLEGAL, EXCESSIVE, OR ABUSIVE CARD USE. You agree that illegal use of your Card, or behavior deemed by us to be excessive or abusive by cardholders(s), will be deemed an activity directly or indirectly related to it. You also agree to indemnify and hold PenFed harmless from any suit, claim, action or liability, directly or indirectly, resulting from such use.

18. AUTHORIZED USER. You may request us to issue a Card to an individual who has no financial responsibility under this Agreement. An Authorized User has the same access to your Account as you do, subject to any limitations made by the agreement. An Authorized User may only authorize or issue additional cardholders, request a replacement Card or terminate or modify this Agreement. An Authorized User’s authority to access your Account at any time. To do this, you must return the Card to PenFed. You agree that you are responsible for all charges and activity done by an Authorized User, including charges made before the Card is returned, recurring charges, or charges made without the use of the Card. At our option, a special promotional rate may be offered from time to time. The specific index for the variable rate has changed.¹ After three consecutive months of on-time payment, your minimum required payment is not received within 60 days of the due date, your Account will be charged with any related fees. No expired, revoked or otherwise invalid Card shall be used to obtain or attempt to obtain credit. You will remain responsible to pay the amount you owe us according to the terms of this Agreement. Cancellation of the Account will also terminate any and all services you have with the credit union.

20. ISSUANCE/USE OF CARD. Upon receipt of the Card, you and each other person who is listed as a joint owner on your Account and other related services may be used to obtain or attempt to obtain credit. You may be charged with any related fees. No expired, revoked or otherwise invalid Card shall be used to obtain or attempt to obtain credit. You will remain responsible to pay the amount you owe us according to the terms of this Agreement.

21. ISSUANCE/USE OF CHECKS. If we issue you checks, you may not use the checks either for payments when they are used and presented for payment. We may refuse to issue or reissue and may also terminate, limit or modify the use of the checks without notice to you, and you agree to surrender the checks upon our demand or upon learning of our cancellation or withdrawal of the checks. Use of checks or other methods of access for kiting or similar activity is an action of default. Checks at all times remain the property of PenFed and we may repossess them without the use of court process. All of the terms and conditions of this Agreement will apply to checks. Only checks written on blank checks and other methods authorized by PenFed now and in the future may be used to obtain funds from your Account. If so authorized by PenFed, your use of a personal identification number (PIN) for such purpose shall constitute your signature. Paid checks become our property and will not be returned to you. Copies may be provided upon request. You may return any item. Should we decline to pay any check, or if you instruct us not to pay a check, PenFed shall not be responsible therefor, except for negligence, for any action it takes regarding payment or nonpayment of a check. If we decline to pay a check, a charge may be made to your Account in the amount we determine. We may issue our current Schedule of Service Fees brochure, which is available at any banking office.
on request, or at PenFed.org. You will not date any check later than the date that you write it. If you do and the check is presented for payment before its date, PenFed, in its sole discretion may return it unpaid, or pay it, we will charge your Account. PenFed may, in its sole discretion, pay a check which has a date more than six months old.

22. ANNUAL FEE. You may be required to pay a nonrefundable annual fee for each Account you have with us for which a Card is issued. You will pay only one annual fee, even if more than one Card is issued for your Account. The fee will be charged to your Account. This charge will appear on your periodic statement for the billing cycle when it first becomes effective.¹

23. FOREIGN TRANSACTIONS. Purchases and cash advances made in foreign currencies will be debited in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is either a wholesale market rate or the government mandated rate in effect one day prior to the date processed by Visa and may include an international transaction fee.

24. DEBT PROTECTION PLAN. Your purchase of the Debt Protection Plan ("Plan") is optional. Whether or not you purchase this protection will not affect your application for credit or the terms of any existing credit agreement you have with PenFed. If you purchase the Plan, you may cancel it at any time by notifying us in writing. You understand that you may rescind this plan within 30 days after the date your Debt Protection Effective Notice is sent to you. If you rescind, you may pay at any time, and may include a transaction fee. The premiums will accrue on a daily basis and will be billed to your Account monthly. Complete details of this optional Debt Protection are included in The Debit Plan Program Agreement which you will receive upon enrollment.

25. ASSIGNABILITY OF ACCOUNT. You agree that PenFed may at any time sell, transfer or assign your Account.

26. LOST/STOLEN CARD. You are responsible for the safekeeping of the Card and maintain the confidentiality of the PIN. You will notify us at once if you believe your Card has been lost or stolen, or if you have reason to believe the Card has been stolen. You may notify us by calling 800-247-5626 or 541-225-6700, or by writing to us at: Pentagon Federal Credit Union, PO Box 456, Alexandria, VA 22313-0456.

27. LIABILITY FOR UNAUTHORIZED USE. If your statement has an error or a charge you did not authorize, you must tell us in writing within 60 days after you get that statement. You must follow all instructions on that statement. If we find no error after investigation, you owe us the original amount plus applicable interest and fees. If we find the error, we will make the correction and notify you. You may notify us immediately by calling 800-247-5626 or 541-225-6700, or by writing to us at: Pentagon Federal Credit Union, PO Box 456, Alexandria, VA 22313-0456 if you suspect unauthorized use of the Card, and to cooperate with us in the recovery of any amounts advanced based on unauthorized use. You will not be liable for any unauthorized use of the Card.

28. STATEMENTS. We will bill you monthly, on a date selected by us, for amounts due under this Agreement. If you elect to receive your credit card statement electronically, you will receive an email alerting you when your statement is ready to be viewed. If you pay a $1 fee for electronic delivery of your statement received¹. Failure to receive a monthly statement or electronic statement notification does not relieve you from making any required minimum payment. If you receive a statement receipt of each periodic statement, you should examine it and immediately notify us in writing of any transaction you believe to be in error. If your Account is a joint account, we can send statements and notices to either of you. You agree to notify us promptly of any change in your name or address. This provision will not affect your responsibilities under the Fair Credit Billing Act. We may change the terms of this Agreement by giving you notice at least 30 days before the change goes into effect. The premium, method of calculation and assessment are subject in advance of the termination. The premium, and any applicable rules and regulations, also apply to use of the Card. There may be minimum and/or maximum limits on the amount of a cash advance dispensed from the Card under this Agreement, including the terms of credit related to that amount.

29. PAYMENT SKIP OPTION. At our option, we may provide for a payment skip option, which means that you may be allowed to skip making the required minimum payment for a specific billing cycle following a skipped payment. All the terms and conditions of this Agreement (including minimum periodic payment and applicable late payment fees) will apply.

30. OTHER AGREEMENTS. All the terms and conditions of any other agreement between us and you and/or any other institution that is part of a network of automated teller machines (ATMs) in which we participate, and any applicable rules and regulations, also apply to use of the Card. 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. (Note: Neither of these is 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. 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 or electronically at: Pentagon Federal Credit Union, PO Box 456, Alexandria, VA 22313-0456, or online at PenFed.org. We will investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, you will receive a final decision on your dispute. If we find that you owe money, we will not report you as delinquent if you do not pay the first $50 of the amount you question even if your bill is correct.

WHERE YOU ARE DISASSOCIATED 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. (Note: Neither of these is 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 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 can report you as delinquent without also reporting that you are questioning your bill. We must tell 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 these rules above, you do not have to pay the first $50 of the amount you question even if your bill is correct.

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 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 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 these rules above, you do not have to pay the first $50 of the amount you question even if your bill is correct.

WHAT TO DO IF YOU FIND A MISTAKE ON YOUR STATEMENT. This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act. You must tell us within 60 days after the error appeared on your bill. Within 60 days after the error appeared on your bill, describe what you believe is an error and why you believe it is an error. You must contact us in writing or electronically at: Pentagon Federal Credit Union, PO Box 456, Alexandria, VA 22313-0456. You may also contact us on the Web via our Secure Online Message Center at: PenFed.org.

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 an error 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 or electronically. You may call us, but if you do, we are not required to investigate the potential errors and you may have to pay the amount in question.

¹ Refer to the Summary of Terms issued with your Card.

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