Note: This procedure document was created based on detailed procedural information previously found in Policy 7210.

**7210.10: Credit Card Program**

**Model Content Revised Date: 05/13/2024**

[[CUname]] (Credit Union) will implement the credit card program in compliance with applicable policy (7210: Credit Cards), procedures and guidance.

1. **REQUIRED DOCUMENTATION.** The Credit Union will plan to collect documentation necessary to underwrite the loan and to determine the ability to repay in accordance with regulation. The following information will be consistently captured:  
   1. Application;
   2. Verification of Identity (compliant with Member Identification Program);
   3. Security agreement;
   4. Proof of income;
   5. Credit report; and
   6. Debt-ratio calculation.
2. **ABILITY TO PAY.**  
   1. **Consideration of Ability to Pay.** The Credit Union will **not** open a credit card account for a member under an open-end (not home-secured) consumer credit plan, or increase any credit limit applicable to such account, unless it considers the ability of the member to make the required minimum periodic payments under the terms of the account based on the member's income or assets and current obligations, regardless of the member’s age.  
      1. The Credit Union will not open a credit card account under an open-end (not home-secured) consumer credit plan for a member, unless the member has submitted a written application and the Credit Union has:  
         1. Financial information indicating the member has an independent ability to make the required minimum periodic payments on the proposed extension of credit in connection with the account; or
         2. A signed agreement of a cosigner, guarantor, or joint applicant who is at least 21 years old to be either secondarily liable for any debt on the account incurred by the member, or jointly liable with the member for any debt on the account, and
         3. Financial information indicating such cosigner, guarantor, or joint applicant has the ability to make the required minimum periodic payments on such debts.
      2. **Consideration of “Household Income.”** It is not enough to consider a member’s household income; the Credit Union must consider the member’s independent ability to make payments. The Credit Union may, however, use the income provided by an applicant to satisfy the ability-to-repay requirement by listing “income” or “salary” on its credit card application.
      3. **Credit Line Increases for Members Under 21.** If a credit card account has been opened for a member under the age of 21, no increase in the credit limit will be made on such account unless the member has the independent ability to make the requirement minimum periodic payments on the increased limit or the cosigner, guarantor, or joint accountholder who assumed liability at account opening agrees in writing to assume liability on the increase.
      4. **Reasonable Policies and Procedures.** The Credit Union will take the following into consideration in assessing the ability of a member to repay: The ratio of debt obligations to income; the ratio of debt obligations to assets; or the income the member will have after paying debt obligations. It would be unreasonable for the Credit Union to **not** review any information about a member's income, assets, or current obligations, or to issue a credit card to a member who does not have any income or assets.
      5. **Minimum Periodic Payments.** The Credit Union will use a reasonable method for estimating the minimum periodic payments the member would be required to pay under the terms of the account. The Credit Union complies if it estimates required minimum periodic payments using the following method:  
         1. Assuming utilization, from the first day of the billing cycle, of the full credit line that the issuer is considering offering to the member; and
         2. Using a minimum payment formula employed by the issuer for the product the issuer is considering offering to the member or, in the case of an existing account, the minimum payment formula that currently applies to that account, provided that:  
            1. If the applicable minimum payment formula includes interest charges, the Credit Union estimates those charges using an interest rate that it is considering offering to the member for purchases or, in the case of an existing account, the interest rate that currently applies to purchases; and
            2. If the applicable minimum payment formula includes mandatory fees, the Credit Union must assume that such fees have been charged to the account.
3. **MONTHLY PAYMENTS.** Monthly payments are required on all credit card accounts. Minimum payments are set at [[7210-1]]% of unpaid balance or $[[7210-2]], whichever is greater.
4. **DISCLOSURES**. The Credit Union will disclose the rates and terms of its credit card program in accordance with Regulation Z and the model forms.
5. **FINANCE CHARGE CALCULATION.** The Credit Union affords a 25 day grace period. If the balance is paid in full within the grace period, the account will incur no finance charge. Otherwise, the Credit Union will calculate interest based on a daily balance for the month.
6. **LATE CHARGES.** The Credit Union may assess late charges. However, with respect to consumer loans, the Credit Union may **not** collect any late charge or delinquency charge on a payment when the delinquency is due to unpaid late fees or delinquency charges assessed earlier (a/k/a “pyramiding” of late fees). Late fees will be charged in compliance with regulation.  
   1. **Smaller Card Issuers –** together with affiliates had less than one million open credit card accounts for the entire preceding calendar year, will charge less than the established safe harbor amounts under Regulation Z.
   2. **Larger Card Issuers** – together with affiliates had one million or more open credit card accounts for the preceding calendar year, will charge no more than $8 for late payments as required under Regulation Z.
7. **INCREASING APRS OR CHANGING TERMS OF AGREEMENT.** The Credit Union will provide members 45 days' notice before increasing a member’s annual percentage rate (APR) or changing any other significant terms in the credit agreement, pursuant to the Credit Union's Truth in Lending Policy (SeePolicy 7250).   
   1. **Monitoring and Review.** When the Credit Union increases an APR due to market conditions or a cardholder’s credit risk, the Credit Union will periodically monitor these factors to determine whether an APR decrease is appropriate. The Credit Union will review accounts where the APR has been increased at least every 6 months.
   2. **Changes Where Advance Notice is Required.** The Credit Union will provide **45 days** advance written notice regarding “significant account changes” to all members who may be affected, unless the member has agreed to the change (in which case, the notice must be provided any time before the effective date of the change).  
      1. The member acceptance exception only applies when a member substitutes collateral or when the Credit Union can advance additional credit only of a change relatively unique to that member is made (such as the member’s providing additional security or paying an increased minimum payment amount). The following are NOT considered agreements between the member and Credit Union under this section:  
         1. The member’s general acceptance of the Credit Union’s contract reservation of the right to change terms;
         2. The member’s use of the account (which might imply acceptance of its terms under state law);
         3. The member’s acceptance of a unilateral term change that is not particular to that member; and
         4. The member’s request to re-open a closed account or to upgrade an existing account to another account offered by the Credit Union with different credit or other features.
   3. **Significant Changes in Account Terms.**For purposes of this section, this term means a change to a term required to be disclosed in the account-opening table, an increase in the required minimum periodic payment, or the acquisition of a security interest. For changes that are not “significant,” the Credit Union will provide the 45-day notice or notify the member of the change before the member becomes obligated to pay the charge (orally or in writing), pursuant to the Credit Union's Truth-in-Lending Disclosures for Open-Ended Credit Policy (seePolicy 7250).
   4. **Right to Reject for Credit Cards Under an Open-End (Not Home-Secured) Plan.** In addition to the significant change in terms disclosure requirements, if the Credit Union makes such a change, the Credit Union will generally provide the information on the notice pursuant to **Policy 7250**.   
      1. The member’s right to reject does NOT apply in the following circumstances: increases in the periodic payment, an increase in a fee as a result of a reevaluation of a determination made under Reg Z 1026.52(b)(1)(i) (See Section (20)) or an adjustment to the safe harbors in Reg Z 1026.52(b)(1)(ii) (See Section (19)) to reflect changes in the Consumer Price Index, a change in the APR applicable to a member’s account, a change in the balance computation method, or when the change results from the Credit Union not receiving the member’s required minimum periodic payment within 60 days after the due date for that payment.
   5. **Changes Resulting from Failure to Make Required Minimum Periodic Payment Within 60 Days of Due Date (for Credit Cards Under an Open-End (Not Home-Secured) Plans).** The notice in these cases will include the information found in **Policy 7250.**
   6. **Notice Not Required.**For open-end (not home-secured) plans, the change-in-terms notice is NOT required for the following changes:  
      1. Changes involving charges for documentary evidence; a reduction of any component of a finance or other charge; suspension of future credit privileges or termination of an account or plan; when the change results from an agreement involving a court proceeding; when the change is an extension of the grace period; or if the change is applicable only to checks that access a credit card account and the changed terms are disclosed on or with the checks in accordance with the regulation.
      2. When the change is an increase in the APR upon the expiration of a specified period of time, provided that:  
         1. Prior to the commencement of that period, the Credit Union disclosed in writing to the member, in a clear and conspicuous manner, the length of the period and the APR that would apply after expiration of the period;
         2. The disclosure of the length of the period and the APR that would apply after expiration of the period are set forth in close proximity and in equal prominence to the first listing of the disclosure of the rate that applies during the specified period of time; and
         3. The APR that applies after the period does **not** exceed the previous rate or, if the rate was variable, the rate following such increase is a variable rate determined by the same formula (index and margin) that was used to calculate the variable rate disclosed;
      3. When the change is an increase in a variable APR in accordance with the credit card agreement that provides for changes in the rate according to operation of an index that is not under the control of the Credit Union and is available to the general public; or
      4. When the change is an increase in an APR, a fee or charge required to be disclosed, or the required minimum periodic payment due to the completion of a workout or temporary hardship arrangement by the member or the member’s failure to comply with the terms of such an arrangement, provided that:  
         1. The APR or fee or charge applicable to a category of transactions or the required minimum periodic payment following any such increase does **not** exceed the rate or fee or charge or required minimum periodic payment that applied to that category of transactions prior to commencement of the arrangement or, the rate that applied to a category of transactions prior to the commencement of the workout or temporary hardship arrangement was a variable rate, the rate following any such increase is a variable rate determined by the same formula (index and margin) that applied to the category of transactions prior to commencement of the workout or temporary hardship arrangement; and
         2. The Credit Union has provided the member, prior to the commencement of such arrangement, with a clear and conspicuous disclosure of the terms of the arrangement (including any increases due to such completion or failure). This disclosure must generally be provided in writing, but may be provided by telephone if the disclosure is mailed or delivered in writing as soon as reasonably practicable after the oral disclosure is provided.
   7. **Format**. The notice must be in a tabular format. If provided on with the periodic statement, it must be disclosed on the front of any page of the statement. If not provided on or with the periodic statement, it must either be on the front of the first page of the notice or segregated on a separate page from other information given with the notice. If the notice continues, the notice on the front page must indicate such.
   8. **Reduction of the Credit Limit.**For open-end (not home-secured) plans, if the Credit Union decreases the credit limit on an account, advance notice will be provided before an over-the-limit fee or a penalty rate can be imposed solely as a result of the member extending the newly decreased credit limit. Notice must be provided in writing or orally **at least 45 days before** imposing the over-the-limit fee or penalty rate and must state that the credit limit on the account has been or will be decreased.
   9. **Effect of Rejection.**If the Credit Union is notified of a rejection of a significant change to an account term, the Credit Union will **not** (unless the member fails to make a payment within 60 days after the due date):  
      1. Apply the change to the account;
      2. Impose a fee or charge or treat the account as in default solely as a result of the rejection; or
      3. Require repayment of the balance on the account using a method that is less beneficial to the member than one of the methods listed in the regulation.
8. **PERIODIC STATEMENTS.**   
   1. **Delivery.** The Credit Union will mail periodic statements to cardholders at least 21 days before payment is due for each billing cycle at the end of which an account has a debit or credit balance of more than $1 or on which a finance charge has been imposed.  
      1. A periodic statement need not be sent for an account if the Credit Union deems it uncollectible, if delinquency collection proceedings have been instituted, or if furnishing it would violate Federal law.
   2. **Due Date.** The due date of payment will be the same each month, or the next day if payments are not accepted on the given date.
   3. **Disclosures.** The periodic statement will contain all of the information outlined in **Policy 7250** (Truth-in-Lending Disclosures for Open-End Credit).
9. **PROMPT CREDITING OF PAYMENTS.**The Credit Union will credit a payment to the member’s account as of the date of receipt, except when a delay in crediting does not result in a finance charge or other charge.   
   1. **Specific Requirements for Payments.**The Credit Union will specify reasonable requirements for payments that enable most members to make conforming payments, such as:  
      1. Requiring that payments be accompanied by the account number or payment stub;
      2. Setting reasonable cut-off times for payments to be received by mail, by electronic means, by telephone, and in person, provided that such cut-off times shall be no earlier than 5 p.m. on the payment due date at the location specified by the Credit Union for the receipt of such payments;
      3. Specifying that only checks or money orders should be sent by mail;
      4. Specifying that payment is to be made in U.S. dollars; or
      5. Specifying one particular address for receiving payments, such as a post office box.
      6. **In Person Payments.** Payments on a credit card account under an open-end (not home-secured) consumer credit plan made in person or at the Credit Union’s a branch or office prior to the close of business of that branch or office must be considered received on the date on which the member makes the payment. The Credit Union will **not** impose a cut-off time that is earlier than the close of business for any such payments made in person at any branch or office at which such payments are accepted, unless the close of business of the branch or office is earlier than 5 p.m.
      7. **Non-Conforming Payments.**If the Credit Union specifies requirements for the member to follow in making payments (such as on or with the periodic statement or website) but accepts a payment that does not conform to the requirements, the Credit Union will credit the payment within 5 days of receipt.
   2. **Adjustment of Account.** If the Credit Union fails to credit a payment in time to avoid the imposition of finance or other charges, the Credit Union will adjust the member’s account so that the charges imposed are credited to the member’s account during the next billing cycle.
   3. **Crediting of Payments When the Credit Union Does Not Receive or Accept Payments on Due Date.**If the Credit Union does not receive or accept payments by mail on the due date for payments, the Credit Union will generally **not** treat a payment received the next business day as late for any purpose. If the Credit Union accepts or receives payments made on the due date by a method other than mail, such as electronic or telephone payments, the Credit Union will **not** treat a payment made by that method on the next business day as late, even if it does not accept mailed payments on the due date.
   4. **Limitations on Fees Related to Method of Payment.** For credit card accounts under an open-end (not home-secured) consumer credit plan, the Credit Union will **not** impose a separate fee to allow members to make a payment by any method, such as mail, electronic, or telephone payments, unless such payment method involves an expedited service by the Credit Union’s member service representative.
   5. **Changes by Credit Union.** If the Credit Union makes a material change in the address for receiving payments or procedures for handling payments, and such change causes a material delay in the crediting of a payment to the member’s account during the 60-day period following the date on which such change took effect, the Credit Union will **not** impose any late fee or finance charge for a late payment on the credit card account during the 60-day period following the date on which the change took effect.
10. **TREATMENT OF CREDIT BALANCES.**  
    1. **Credit Balances.** When a credit balance in excess of $1 is created on a credit account, the Credit Union will do the following:  
       1. Credit the amount of the credit balance to the member’s account;
       2. Refund any part of the remaining credit balance **within 7 business days** from receipt of a written request from the member;
       3. Make a good faith effort to refund to the member by cash, check, or money order, or credit to a deposit account of the member, any part of the credit balance remaining in the account for more than 6 months. No further action is required if the member’s current location is not known to the Credit Union and cannot be traced through the member’s last known address or telephone number.
    2. **Account Termination.** The Credit Union will **not** terminate an account prior to its expiration date solely because the member does not incur a finance charge. The Credit Union may, however, terminate an account if it is inactive for 3 or more consecutive months.
    3. **Timely Settlement of Debts.** Upon request by the administrator of an estate, the Credit Union will provide the amount of the balance on a deceased consumer’s account in a timely manner (**within 30 days**) to the administrator.  
       1. **Limitations After Receipt of Request from Administrator.** After receiving such a request, the Credit Union will **not** impose any fees on the account (such as a late fee, annual fee or over-the-limit fee) or increase any APR (unless it’s a variable rate). If payment is received in full **within 30 days after disclosure**, the Credit Union will waive or rebate any additional finance charge due to a periodic interest rate.
11. **SPECIAL CREDIT CARD PROVISIONS.**  
    1. **Issuance of Cards.**No card may be issued to any person except in response to an oral or written request or application for the card; or as a renewal of, or substitute for, an accepted card.
    2. **Liability for Unauthorized Use.**  
       1. Liability shall not exceed the lesser of $50 or the amount of money, property, labor or services obtained by the unauthorized use before notification to the Credit Union. If state law or an agreement between the cardholder and the Credit Union imposes lesser liability, the lesser liability will govern.
       2. Cardholders will be liable for unauthorized card use only if:  
          1. The credit card is an accepted credit card;
          2. The Credit Union has provided adequate notice of the cardholder’s maximum potential liability and of means by which the Credit Union may be notified of loss or theft of the card. The cardholder must be notified of the following:  
             1. The maximum amount of liability;
             2. The fact that cardholder may give oral or written notification; and
             3. A means of notification (i.e., a telephone number, address, or both); and
          3. The Credit Union has provided a means to identify the cardholder on the account or the authorized user of the card.
       3. **Business Use of Credit Cards.**If 10 or more credit cards are issued for the use by the employees of an organization, the Credit Union and the organization may agree to liability provisions outside of this subsection.
    3. **Right of Cardholder to Assert Claims or Defenses Against the Card Issuer.**When a person who honors a credit card fails to satisfactorily resolve a dispute related to a credit card purchase, the cardholder may assert all claims (other than torts) and defenses against the Credit Union arising out of the transaction and the failure to resolve the dispute. The cardholder may withhold payment up to the disputed amount and any finance or other charges imposed on that amount.   
       1. The Credit Union will **not** report the amount as delinquent to a credit reporting agency until the dispute is settled or judgment is rendered.
       2. In order for this to apply, the cardholder must make a good faith attempt to resolve the dispute with the person honoring the card; the amount is over $50; and the disputed transaction occurs in the same state as the cardholder’s current designated address or, if not within the same state, within 100 miles from that address.
    4. **Offsets Prohibited.**
       1. The Credit Union will **not** take any action, either before or after termination of credit card privileges, to offset a cardholder’s indebtedness against funds held on deposit.
       2. However, the cardholder may authorize an offset in writing. Examples of such authorization include the following:  
          1. A separate signature or initials on the agreement indicating that a security interest is being given;
          2. Placement of the security agreement on a separate page or otherwise separating the security interest provisions from other terms of the agreement; or
          3. Referencing a specific amount of deposited funds or to a specific deposit account number.
    5. **Prompt Notification of Returns and Crediting of Funds.**The Credit Union will credit a member’s account **within 3 days** of receiving a credit from a third party.
12. **DISPUTES.**   
    1. Credit Card bylaws dictate the following procedures for charge disputes: members must first attempt to settle discrepancies directly with merchants. If settlement efforts fail, the member must submit a written report to the Credit Union, explaining all of the details. The Credit Union will present the report to the credit card organization who will in turn confront the merchant. The organization will consider all the facts and circumstances and make a chargeback decision. The credit card organization, not the Credit Union, has final say on all chargebacks.
    2. The Credit Union will **not** accelerate any part of a member’s indebtedness or restrict or close an account solely because the member has exercised its billing error resolution rights in good faith.
    3. **“Billing Error” Defined.**The term “billing error” means a reflection on the periodic statement of the following:  
       1. An extension of credit that is not made to the member, or to a person with actual, implied or apparent authority to use the member’s credit card or open-end credit plan.
       2. An extension of credit for property or services not accepted by the member or the member’s designee, or not delivered to the member or the member’s designee.
       3. The Credit Union’s failure to properly credit a payment or other credit issued to the member’s account.
       4. A computational or similar error of an accounting nature that is made by the Credit Union.
       5. An extension of credit for which the member requests additional clarification, including documentary evidence.
       6. The Credit Union’s failure to make or deliver a periodic statement to the member’s last known address if that address was received by the Credit Union, in writing, at least 20 days before the end of the billing cycle for which the statement was required.
    4. **Billing Error Notice.** A billing error notice is a written notice from a member that:   
       1. Is received by the Credit Union no later than 60 days after the Credit Union transmitted the first periodic statement that reflects the alleged billing error;
       2. Enables the Credit Union to identify the member’s name and account number; and
       3. To the extent possible, indicates the member’s belief and the reasons for the belief that a billing error exits, and the type, date and amount of the error.
    5. **Time for Resolving Errors.** The Credit Union will mail or deliver written acknowledgement to the member **within 30 days** of receiving a billing error notice, unless the Credit Union has complied with the appropriate response procedures within the 30-day period. The Credit Union will comply with the response procedures within 2 complete billing cycles.
    6. **Rules Pending Resolution.** Until a billing error is resolved, the following rules apply:  
       1. The member need not pay (and the Credit Union will **not** try to collect) any portion of any required payment that the member believes is related to the disputed amount (including related finance or other charges). If the member pays its indebtedness through periodic deductions from a deposit account, the Credit Union will **not** deduct any part of the disputed amount if a billing error notice is received any time **up to 3 business days** before the scheduled payment date.
       2. The Credit Union will **not** make or threaten to make an adverse report to any person about the member’s credit standing, or report that an amount or account is delinquent, because the member failed to pay the disputed amount or related finance or other charges.
       3. The Credit Union will **not** accelerate any part of the member’s indebtedness or restrict or close a member’s account solely because the member has exercised in good faith rights provided by this section. However, the Credit Union will collect any undisputed portion of the item or bill; deduct any disputed amount and related finance charge or other charges from the member’s credit limit on the account; or reflect a disputed amount and related finance or other charges on a periodic statement, provided the Credit Union indicates on or with the periodic statement that payment of any disputed amount and related finance or other charges is **not** required pending the Credit Union’s compliance with this section.
    7. **Procedures if Billing Error Occurred as Asserted.**If the Credit Union determines that a billing error occurred as asserted, the Credit Union will correct the error, credit the member’s account with any disputed amount and related finance and other charges, and mail or deliver a correction notice to the member. This all must be done within the required 30-day period for resolving errors.  
       1. The Credit Union may reverse an amount previously credited to a member’s account when the account has been credited more than once for the same billing error (for example, when a merchant has credited the member’s account). In these cases, the Credit Union will **not** impose any fees or charges on the member’s account as a result of the timing of the reversal.
    8. **Procedures of Different Billing Error or No Billing Error Occurred.** If, after a reasonable investigation, the Credit Union determines that no billing error occurred or that a different error occurred from that asserted, the Credit Union will do the following within the required 30-day error resolution timeframe:  
       1. Mail or deliver to the member an explanation that sets forth the reasons for the Credit Union’s belief that the alleged billing error is incorrect in whole or in part;
       2. Provide copies of documentary evidence of the member’s indebtedness, if the member so requests; and
       3. If a different billing error occurred, correct the error and credit the member’s account with any disputed amount and related finance or other charges, if applicable.
    9. **Credit Union’s Rights and Duties After Resolution.** If the Credit Union determines, after a reasonable investigation, that the member owes all or part of the disputed amount and related finance and other charges, the Credit Union:  
       1. Will promptly notify the member in writing of the time when payment is due and the portion of the disputed amount and related finance or other charges that the member still owes;
       2. Will allow any time period during which the member can pay the amount due without incurring additional finance or other charges;
       3. May report an account or amount as delinquent after any time period allowed if the amount due is not paid, but
       4. May **not** report than an amount or account is delinquent because the amount remains unpaid, if the Credit Union receives further written notice that any portion of the amount is still in dispute, *unless* the Credit Union also:  
          1. Promptly reports that the amount or account is still in dispute;
          2. Mails or delivers to the member (at the same time the report is made) a written notice of the name and address of each person to whom the Credit Union makes a report; and
          3. Promptly reports any subsequent resolution of the reported delinquency to all persons to whom the Credit Union has made a report.
       5. If the Credit Union fully complies with this section, it has no further responsibilities under this section if the member reasserts substantially the same billing error.
13. **LOST OR STOLEN CARDS.** When a lost or stolen card is reported, the Credit Union promptly enters a block on the account. The Credit Union closely monitors the account, watching to determine if further action is required.
14. **AUTHORIZATIONS.** Generally, the credit card organization will authorize charges up to the member's credit limit unless a block is on the card, or unless the issuing credit union has placed restriction on the card usage. Authorization may not be given for various technical reasons such as ATM malfunction, inoperative credit card switches, or member using wrong PIN number.
15. **ISSUANCE OF ADDITIONAL AND REPLACEMENT CARDS.**  
    1. The Credit Union will not issue an additional or replacement credit card if such a request is received within a short time period (which must be at least 30 days) after receiving notification of a change of address for that account, unless the Credit Union does the following:  
       1. Notifies the cardholder of the request either (1) at the cardholder’s former address; or (2) by any other means of communication that the Credit Union and the cardholder have previously agree to use; and provides the cardholder with a reasonable means of promptly reporting incorrect address changes; and
       2. Otherwise assess the validity of the change of address in accordance with Credit Union’s policies and procedures.
       3. Any written or electronic notice that is provided under these rules will be “clear and conspicuous,” and provided separately from the regular correspondence that is sent to the member. “Clear and conspicuous” is defined as “reasonably understandable and designed to call attention to the nature and significance of the information.” Verbal notices may also be provided, if outlined in the policies and procedures that the Credit Union has established under the Red Flag rules.
16. **LIMITATIONS ON FEES.**  
    1. **Limitations During First Year Prior to or After Account Opening.** Except as provided below, if the Credit Union charges any fees to a credit card account under an open-end (not home-secured) consumer credit plan during the first year after the account is opened, the total amount of fees the member will be required to pay with respect to the account during that year will **not** exceed 25% of the credit limit in effect when the account is opened and prior to account-opening.  
       1. **Fees Not Subject to Limitations.** Section (19)(A) does **not** apply to the following:  
          1. Late payment fees, over-the-limit fees, and returned-payment fees; or
          2. Fees that the member is **not** required to pay with respect to the account.
    2. **Limitations on Penalty Fees**. The Credit Union may either (1) assess fees that are reasonable and proportional to the omission and violation to which the fee or charge relates, or (2) impose the safe harbor fee structure pursuant to Regulation Z as outlined herein.  
       1. **Fees Based on Costs**. The Credit Union may assess penalty fees that are reasonable and proportional to a violation, meaning the fee will represent a reasonable proportion of the total costs incurred by the Credit Union as a result of all violations of the same type. This amount will be reassessed every 12 months. If the fee becomes lower, it will begin to be imposed within 45 days of the reevaluation. If higher, the Credit Union will comply with the 45-day change-in-terms notice requirements. The cost assessment will be applied as follows:  
             
          1. **Returned Payment Fees**. The costs associated with processing returned payments and reconciling the Credit Union’s systems and accounts to reflect returned payments, investigating potential fraud with respect to returned payments, as well as notifying members of the returned payments and arranging for new payments.
          2. **Over-the-Limit Fees**. The costs associated with determining whether to authorize over-the-limit transactions and notifying members that the credit limit has been exceeded and arranging for payments to reduce the balance below the credit limit. The costs associated with obtaining the affirmative consent of members to the Credit Union’s payment of over-the-limit transactions may **not** be considered.
          3. **Declined Access Check Fees** – The costs associated with determining whether to decline payment on access checks, processing declined checks and reconciling the card issuer’s systems and accounts to reflect declined access checks, investigating potential fraud with respect to declined access checks, and notifying members or other parties that accepted the access checks that payment on the check has been declined.
       2. **Late Payment Fees.** Credit Unions that are considered “Large Card Issuers” under Regulation Z, will be only charge a fee of $8 for a late payment, including the same $8 limitation for subsequent violations.
       3. **Safe Harbor Fee Assessment**. The Credit Union may choose, in the alternative, to impose a $32 fee for the first violation of a particular type and a $43 fee for each additional (consecutive) violation of the same type during the next six (6) billing cycles (these fees are adjusted annually by the CFPB to reflect changes in the Consumer Price Index in effect on June 1 of each year).
    3. **Prohibited Fees**. Notwithstanding the above, the Credit Union is prohibited by Regulation Z from imposing penalty fees that exceed the dollar amount associated with the violation (for example, a member who exceeds the credit limit by $5 **cannot** be charged an over-the-limit fee of more than $5). Additionally, the Credit Union may **not** charge multiple penalty fees based on a single event or occurrence (for example, a late payment fee and a returned payment fee **cannot** be imposed on a single payment).  
       1. **Late Payment Fees**. The dollar amount associated with the late payment is the full amount of the required minimum periodic payment, rather than the unpaid portion. When a late payment is not imposed until the following billing cycle (due to the 21-day mailing requirement), the Credit Union must base the late payment fee on the required minimum periodic payment due immediately prior to assessment of the late payment fee.
       2. **Returned Payment Fees**. The dollar amount associated with returned payments is the amount of the required minimum periodic payment due immediately prior to the date on which the payment is returned to the Credit Union. If a payment has been returned and is submitted again for payment by the Credit Union, **no** separate or additional dollar amount associated with a subsequent return of that payment may be imposed. However, if two *separate payments* are made in the same billing cycle, the increased fee could be imposed for the second payment.
       3. **Over-the-Limit Fees**. The dollar amount associated with extensions of credit in excess of the credit limit during the billing cycle in which the over-the-limit fee is imposed.
       4. **Declined Check Fees**. The dollar amount associated with declining payment on a check that accesses a credit card account is the amount of the check. NOTE: this amount cannot exceed the cost determination or the safe harbor amount.
       5. **Declined Transaction Fees**. These fees are prohibited.
       6. **Account Inactivity Fees**. These fees are prohibited.
       7. **Account Closure/Termination Fees**. These fees are prohibited, even if disclosed prior to the closure or termination of the account.
17. **REEVALUATION OF RATE INCREASES**. When the Credit Union increases an APR that applies to a credit card account under an open-end (not home-secured) consumer credit card plan, based on the credit risk of the consumer, market conditions, or other factors, the Credit Union will review changes in such factors and, if appropriate, reduce the APR applicable to the account. The requirements of this section of Regulation Z do not apply to rate increases for which 45 days’ advanced notice is **not** required. Forty-five days advanced notice is only required if the reevaluated fees are actually imposed on an account.   
    1. **Factors**. The Credit Union will take into account the following factors when reevaluating rate increases:  
       1. [[7211-3]]
    2. **Changes in the Type of Rate**. If a change is made to the type of rate (e.g., non-variable to variable), a reevaluation will be conducted if the new rate exceeds the rate that would have applied if the change in the type of rate had not occurred.
    3. **Rate Reductions**. Rate reductions will apply to both outstanding balances, as well as new transactions that occur after the effective date of the rate reduction.
    4. **Timing**. The Credit Union will conduct the required review no less frequently than once every six (6) months after a rate increase. The Credit Union may reevaluate each account every six (6) months or review all accounts at the same time every six (6) months.
    5. **Rate Increases Subject to 60-Day Delinquencies**. If the Credit Union increases a rate due to a member’s account becoming more than 60 days delinquent, the Credit Union is **not** required to review factors prior to the 6th payment due date following the effective date of the rate increase. However, if the rate has **not** been decreased based on the member making six (6) consecutive timely minimum payments, Credit Union *would* be required to begin performing the required review; the first such review to occur no later than six (6) months after the 6th payment due following the effective date of the increase.
    6. **Termination of Obligation to Review Factors**. The obligation to review factors ceases to apply if:  
       1. The Credit Union reduces the APR applicable to a credit card account under an open-end (not home-secured) consumer credit plan to a rate applicable immediately prior to the increase or, if variable, to a variable rate determined by the same formula (index and margin) that was used to calculate the rate immediately prior to the increase; or
       2. The Credit Union reduces the APR to a rate that is lower than the rate described above.
       3. If the Credit Union decides to offer a lower rate on similar new credit card accounts prior to a review, the rate on the existing accounts may be reduced to the rate that was in effect prior to the rate increase (**not** the lower rate that would be offered to a comparable new member).
    7. **Acquired Accounts**. For accounts acquired from another credit union, the Credit Union may either review the factors that the other credit union considered when imposing the rate increase, or review the factors that the Credit Union currently considers in determining the APRs applicable to its credit card accounts. If the current factors are used, the review must occur no later than six (6) months after acquisition.
    8. **Exceptions**. The review requirements do not apply in the following circumstances:  
       1. Rate increases imposed when the requirement to reduce rates pursuant to the Servicemembers Civil Relief Act (SCRA) (See **Policy 7213**);
       2. Changes from a variable rate to a non-variable rate (or vice versa),if the rate in effect immediately prior to the change in the type of rate is equal to or greater than the rate in effect immediately after the change; and
       3. Charged-off accounts.
18. **LIMITATIONS ON THE IMPOSITION OF FINANCE CHARGES.**  
    1. **Limitations on Imposing Finance Charges as a Result of the Loss of a Grace Period.** Except for adjustments to finance charges due to a dispute or the return of a payment, the Credit Union will **not** impose finance charges as a result of the loss of a grace period on a credit card account under an open-end (not home-secured) consumer credit plan if those finance charges are based on:  
       1. Balances for days in billing cycles that precede the most recent billing cycle; or
       2. Any portion of a balance subject to a grace period that was repaid prior to the expiration of the grace period.
19. **LIMITATIONS ON INCREASING ANNUAL PERCENTAGE RATES, FEES, AND CHARGES.**  
    1. **General Rule.**Except as provided in Section (23)(B), the Credit Union will not increase an APR or a fee or charge required to be disclosed on a credit card account under an open-end (not home-secured) consumer credit plan.
    2. **Exceptions.** The Credit Union will increase an APR or a fee or charge required to be disclosed pursuant to an exception set forth in this paragraph even if that increase would not be permitted under a different exception.  
       1. **Temporary Rate, Fee or Charge Exception.** Before the Credit Union will increase an APR, fee or charge (to the account as a whole or in part), upon the expiration of a specified period of 6 months or longer, it will ensure that:  
          1. Prior to the commencement of that period, the Credit Union disclosed in writing to the member, in a clear and conspicuous manner, the length of the period and the APR, fee or charge that would apply after expiration of the period; and
          2. Upon expiration of the specified period:  
             1. The Credit Union may **not** apply an APR to transactions that occurred prior to the period that exceeds the APR that applied to those transactions prior to the period;
             2. If the required disclosures are provided, the Credit Union may **not** apply an APR to transactions that occurred within 14 days after provision of the notice that exceeds the APR that applied to that category of transactions prior to provision of the notice; and
          3. The Credit Union may **not** apply an APR to transactions that occurred during the period that exceeds the increased APR previously disclosed.
       2. **Variable Rate Exception.** Before the Credit Union will increase an APR, it will ensure the following:  
          1. The APR varies according to an index that is not under the Credit Union’s control and is available to the general public; and
          2. The increase in the APR is due to an increase in the index.
       3. **Advance Notice Exception.** The Credit Union will increase an APR or a fee or charge required to be disclosed after complying with the applicable notice requirements, provided that:  
          1. If the Credit Union discloses an increased APR, fee, or charge, the Credit Union may **not** apply that rate, fee, or charge to transactions that occurred prior to provision of the notice;
          2. If the Credit Union discloses an increased APR, fee, or charge, the Credit Union may **not** apply that rate, fee, or charge to transactions that occurred prior to or within 14 days after provision of the notice; and
          3. This exception does **not** permit the Credit Union to increase an APR or a fee or charge required to be disclosed, or during the first year after the account is opened.
          4. An increased rate, fee or charge **cannot** be imposed on an account that is closed or while the Credit Union does not permit the member to use the account for new transactions. However, an increased rate, fee or charge could be applied on a particular date and the account is closed/transaction privileges are suspended on that date, if the application of the increased rate, fee or charge is delayed until the first day of the following billing cycle without giving up the ability to apply that rate, fee or charge. If the account is closed or privileges are suspended on the first day of the billing cycle , the Credit Union must provide a new notice of the increased rate, fee or charge to the member.
       4. **Delinquency Exception.** The Credit Union will increase an APR or a fee or charge required to be disclosed due to the Credit Union not receiving the member's required minimum periodic payment within 60 days after the due date for that payment, provided that:  
          1. The Credit Union must disclose in a clear and conspicuous manner in the notice of the increase:  
             1. A statement of the reason for the increase; and
             2. That the increased APR, fee, or charge will cease to apply if the Credit Union receives 6 consecutive required minimum periodic payments on or before the payment due date beginning with the first payment due following the effective date of the increase; and
          2. If the Credit Union receives 6 consecutive required minimum periodic payments on or before the payment due date beginning with the first payment due following the effective date of the increase, the Credit Union must reduce any APR, fee, or charge increased pursuant to this exception to the APR, fee, or charge that applied prior to the increase with respect to transactions that occurred prior to or within 14 days after provision of the change-in-terms notice.
       5. **Workout and Temporary Hardship Arrangement Exception.** The Credit Union will increase an APR or a fee or charge required to be disclosed due to the member's completion of a workout or temporary hardship arrangement or the member's failure to comply with the terms of such an arrangement, provided that:  
          1. Prior to commencement of the arrangement, the Credit Union has provided the member with a clear and conspicuous written disclosure of the terms of the arrangement (including any increases due to the completion or failure of the arrangement); and
          2. Upon the completion or failure of the arrangement, the Credit Union may **not** apply to any transactions that occurred prior to commencement of the arrangement an APR, fee, or charge that exceeds the APR, fee, or charge that applied to those transactions prior to commencement of the arrangement.
       6. **Servicemembers Civil Relief Act Exception.** If an APR has been decreased pursuant to 50 U.S.C. app. 527, the Credit Union will increase that APR once 50 U.S.C. app. 527 no longer applies, provided that the Credit Union may **not** apply to any transactions that occurred prior to the decrease in APR that exceeds the APR that applied to those transactions prior to the decrease.

* 1. **Treatment of Protected Balances.**  
     1. **Definition of Protected Balance.** For purposes of this section, “protected balance” means the amount owed for a category of transactions to which an increased APR or an increased fee or charge required to be disclosed cannot be applied after the APR, fee, or charge for that category of transactions has been increased.
     2. **Repayment of Protected Balance.** The Credit Union will **not** require repayment of the protected balance using a method that is less beneficial to the member than one of the following methods:  
        1. The method of repayment for the account before the effective date of the increase;
        2. An amortization period of not less than 5 years, beginning no earlier than the effective date of the increase; or
        3. A required minimum periodic payment that includes a percentage of the balance that is equal to no more than twice the percentage required before the effective date of the increase.
  2. **Continuing Application.** This section continues to apply to a balance on a credit card account under an open-end (not home-secured) consumer credit plan after:  
     1. The account is closed or acquired by another creditor; or
     2. The balance is transferred from a credit card account under an open-end (not home-secured) consumer credit plan issued by a creditor to another credit account issued by the same creditor or its affiliate or subsidiary (unless the account to which the balance is transferred is a home equity loan).

1. **REQUIREMENTS FOR OVER-THE-LIMIT TRANSACTIONS.**  
   1. **Definition.** For purposes of this section, the term “over-the-limit transaction” means any extension of credit by the Credit Union to complete a transaction that causes a member's credit card account balance to exceed the credit limit.
   2. **Opt-In Requirement.**  
      1. **General.** The Credit Union will **not** assess a fee or charge on a member's credit card account under an open-end (not home-secured) consumer credit plan for an over-the-limit transaction unless the Credit Union:  
         1. Provides the member with an oral, written or electronic notice, segregated from all other information, describing the member's right to affirmatively consent, or opt-in, to the Credit Union's payment of an over-the-limit transaction;
         2. Provides a reasonable opportunity for the member to affirmatively consent, or opt-in, to the Credit Union's payment of over-the-limit transactions;
         3. Obtains the member's affirmative consent, or opt-in, to the Credit Union’s payment of such transactions;
         4. Provides the member with confirmation of the member's consent in writing, or if the member agrees, electronically; and
         5. Provides the member notice in writing of the right to revoke that consent following the assessment of an over-the-limit fee or charge.
      2. **Completion of Over-the-Limit Transactions Without Consumer Consent.** Notwithstanding the absence of a member's affirmative consent, the Credit Union will pay any over-the-limit transaction on a member's account provided that the Credit Union does **not** impose any fee or charge on the account for paying that over-the-limit transaction.
   3. **Method of Election.** The Credit Union will permit a member to consent to the Credit Union's payment of any over-the-limit transaction in writing, orally, or electronically, at the Credit Union's option. The Credit Union will also permit the member to revoke his/her consent using the same methods available to the member for providing consent.
   4. **Timing and Placement of Notices.**
      1. **Initial Notice.** The notice required by this section will be provided prior to the assessment of any over-the-limit fee or charge on a member's account.  
         1. **Oral or Electronic Consent.** If a member consents to the Credit Union's payment of any over-the-limit transaction by oral or electronic means, the Credit Union will provide the notice immediately prior to obtaining that consent.
      2. **Confirmation of Opt-In.** The required notice will be provided no later than the first periodic statement sent after the member has consented to the Credit Union's payment of over-the-limit transactions.
      3. **Notice of Right of Revocation.** The required notice must be provided on the front of any page of each periodic statement that reflects the assessment of an over-the-limit fee or charge on a consumer's account.
   5. **Content.**  
      1. **Initial Notice.** The required notice will include all applicable items in this sub-section and will **not** contain any information not specified in or otherwise permitted by this sub-section.  
         1. **Fees.** The dollar amount of any fees or charges assessed on a member's account for an over-the-limit transaction;
         2. **APRs***.* Any increased periodic rate(s) (expressed as an annual percentage rate(s)) that may be imposed on the account as a result of an over-the-limit transaction; and
         3. **Disclosure of Opt-In Right.** An explanation of the member's right to affirmatively consent to the Credit Union's payment of over-the-limit transactions, including the method(s) by which the member may consent.
      2. **Subsequent Notice.** The required notice will describe the member's right to revoke any consent, including the method(s) by which the member may revoke.
      3. **Safe Harbor.** Use of the Consumer Financial Protection Bureau's Model Forms of Appendix G to the regulation, or substantially similar notices, constitutes compliance with the notice content requirements of this section.
   6. **Joint Relationships.** If two or more members are jointly liable on a credit card account under an open-end (not home-secured) consumer credit plan, the Credit Union will treat the affirmative consent of any of the joint members as affirmative consent for that account. Similarly, the Credit Union will treat a revocation of consent by any of the joint members as revocation of consent for that account.
   7. **Continuing Right to Opt-In or Revoke Opt-In.** A member may affirmatively consent to the Credit Union's payment of over-the-limit transactions at any time in the manner described in the required notice. Similarly, the member may revoke the consent at any time in the manner described in the required notice.
   8. **Duration of Opt-In.** A member's affirmative consent to the Credit Union's payment of over-the-limit transactions is effective until revoked by the member, or until the Credit Union decides for any reason to cease paying over-the-limit transactions for the member.  
      1. **Time to Comply with Revocation Request.** The Credit Union will comply with a member's revocation request as soon as reasonably practicable after the Credit Union receives it.
   9. **Prohibited Practices.** Notwithstanding a member's affirmative consent to the Credit Union's payment of over-the-limit transactions, the Credit Union is prohibited from engaging in the following practices:  
      1. **Fees or Charges Imposed Per Cycle.**
         1. **General Rule.** The Credit Union may **not** impose more than one over-the-limit fee or charge on a member's credit card account per billing cycle, and, in any event, only if the credit limit was exceeded during the billing cycle. In addition, unless an exception applies, the Credit Union may **not** impose an over-the-limit fee or charge on the member's credit card account for more than 3 billing cycles for the same over-the-limit transaction where the member has not reduced the account balance below the credit limit by the payment due date for either of the last 2 billing cycles.
         2. **Exception.** The prohibition in Section (24)(I)(i)(1) on imposing an over-the-limit fee or charge in more than 3 billing cycles for the same over-the-limit transaction(s) does **not** apply if another over-the-limit transaction occurs during either of the last 2 billing cycles.
      2. **Failure to Promptly Replenish.** The Credit Union will **not** impose an over-the-limit fee or charge solely because of the Credit Union's failure to promptly replenish the member's available credit following the crediting of the member's payment.
      3. **Conditioning.** The Credit Union will **not** condition the amount of a member's credit limit on the consumer affirmatively consenting to the Credit Union's payment of over-the-limit transactions if the Credit Union assesses a fee or charge for such service.
      4. **Over-the-Limit Fees Attributed to Fees or Interest.** The Credit Union will **not** impose an over-the-limit fee or charge for a billing cycle if a member exceeds a credit limit solely because of fees or interest charged by the Credit Union to the member's account during that billing cycle.
2. **REPORTING AND MARKETING RULES FOR COLLEGE STUDENT OPEN-END CREDIT.**  
   1. **Definitions:**
      1. **College Student Credit Card.** This term, as used in this section, means a credit card issued under a credit card account under an open-end (not home-secured) consumer credit plan to any college student.
      2. **College Student.** This term, as used in this section, means a consumer who is a full-time or part-time student of an institution of higher education.
      3. **Institution Of Higher Education.** This term, as used in this section, has the same meaning as in sections 101 and 102 of the Higher Education Act of 1965 (20 U.S.C. 1001 and 1002).
      4. **Affiliated Organization.** This term, as used in this section, means an alumni organization or foundation affiliated with or related to an institution of higher education.
      5. **College Credit Card Agreement.** This term, as used in this section, means any business, marketing or promotional agreement between a card issuer and an institution of higher education or an affiliated organization in connection with which college student credit cards are issued to college students currently enrolled at that institution.
   2. **Public Disclosure of Agreements.** An institution of higher education shall publicly disclose any contract or other agreement made with the Credit Union for the purpose of marketing a credit card.
   3. **Prohibited Inducements.** The Credit Union will **not** offer a college student any tangible item to induce such student to apply for or open an open-end consumer credit plan offered by the Credit Union, if such offer is made:  
      1. On the campus of an institution of higher education;
      2. Near the campus of an institution of higher education; or
      3. At an event sponsored by or related to an institution of higher education.
   4. **Annual Report to the Consumer Financial Protection Bureau (CFPB).**  
      1. **Requirement to Report.** If the Credit Union was a party to one or more college credit card agreements in effect at any time during a calendar year, it must submit to the CFPB an annual report regarding those agreements in the form and manner prescribed by the CFPB.
      2. **Contents of Report.** The annual report to the CFPB must include the following:  
         1. The Credit Union’s identifying information and the agreements submitted, including the Credit Union's name, address, and identifying number (such as an RSSD ID number or tax identification number);
         2. A copy of any college credit card agreement to which the Credit Union was a party that was in effect at any time during the period covered by the report;
         3. A copy of any memorandum of understanding in effect at any time during the period covered by the report between the Credit Union and an institution of higher education or affiliated organization that directly or indirectly relates to the college credit card agreement or that controls or directs any obligations or distribution of benefits between any such entities;
         4. The total dollar amount of any payments pursuant to a college credit card agreement from the Credit Union to an institution of higher education or affiliated organization during the period covered by the report, and the method or formula used to determine such amounts;
         5. The total number of credit card accounts opened pursuant to any college credit card agreement during the period covered by the report; and
         6. The total number of credit card accounts opened pursuant to any such agreement that were open at the end of the period covered by the report.
      3. **Timing of Reports.** Except for the initial report described in this section, the Credit Union must submit its annual report for each calendar year to the CFPB by the first business day on or after March 31 of the following calendar year.
3. **INTERNET POSTING OF CREDIT CARD AGREEMENTS.**  
   1. **Definitions.**  
      1. **Agreement.** For purposes of this section, “agreement” or “credit card agreement” means the written document or documents evidencing the terms of the legal obligation, or the prospective legal obligation, between a card issuer and a consumer for a credit card account under an open-end (not home-secured) consumer credit plan. “Agreement” or “credit card agreement” also includes the pricing information, as defined in the regulation.
      2. **Amends.** For purposes of this section, an issuer “amends” an agreement if it makes a substantive change (an “amendment”) to the agreement. A change is substantive if it alters the rights or obligations of the Credit Union or the consumer under the agreement. Any change in the pricing information is deemed to be substantive.
      3. **Business Day.** For purposes of this section, “business day” means a day on which the creditor's offices are open to the public for carrying on substantially all of its business functions.
      4. **Offers.** For purposes of this section, an issuer “offers” or “offers to the public” an agreement if the issuer is soliciting or accepting applications for accounts that would be subject to that agreement.
      5. **Open Account.** For purposes of this section, an account is an “open account” or “open credit card account” if it is a credit card account under an open-end (not home-secured) consumer credit plan and either:  
         1. The cardholder can obtain extensions of credit on the account; or
         2. There is an outstanding balance on the account that has not been charged off. An account that has been suspended temporarily (for example, due to a report by the cardholder of unauthorized use of the card) is considered an “open account” or “open credit card account.”
      6. **Pricing Information.** For purposes of this section, “pricing information” means the information listed in **Policy 7250(4)(C)** (the account-opening disclosure table). Pricing information does **not** include temporary or promotional rates and terms or rates and terms that apply only to protected balances.
      7. **Private Label Credit Card Account and Private Label Credit Card Plan.** For purposes of this section:  
         1. "Private label credit card account” means a credit card account under an open-end (not home-secured) consumer credit plan with a credit card that can be used to make purchases only at a single merchant or an affiliated group of merchants; and
         2. “Private label credit card plan” means all of the private label credit card accounts issued by a particular issuer with credit cards usable at the same single merchant or affiliated group of merchants.
   2. **Submission of Agreements to the CFPB.**  
      1. **Quarterly Submissions.** Unless an exception applies (See Section (26)(B)(iv-vi)), the Credit Union will make quarterly submissions to the CFPB, no later than the first business day on or after January 31, April 30, July 31 and October 31of each year, in the form and manner specified by the CFPB, that contain:  
         1. The Credit Union’s identifying information and the agreements submitted, including the Credit Union's name, address, and identifying number (such as an RSSD ID number or tax identification number);
         2. The credit card agreements that the Credit Union offered to the public as of the last business day of the preceding calendar quarter that the Credit Union has not previously submitted to the CFPB;
         3. Any credit card agreement previously submitted to the CFPB that was amended during the preceding calendar quarter; and
         4. Notification regarding any credit card agreement previously submitted to the CFPB that the Credit Union is withdrawing.
      2. **Amended Agreements.** If a credit card agreement has been submitted to the CFPB, the agreement has not been amended and the Credit Union continues to offer the agreement to the public, no additional submission regarding that agreement is required. If a credit card agreement that previously has been submitted to the CFPB is amended, the Credit Union must submit the entire amended agreement to the CFPB, in the form and manner specified by the CFPB, by the first quarterly submission deadline after the last day of the calendar quarter in which the change became effective.
      3. **Withdrawal of Agreements.** If the Credit Union no longer offers to the public a credit card agreement that previously has been submitted to the CFPB, the Credit Union will notify the CFPB, in the form and manner specified by the CFPB, by the first quarterly submission deadline after the last day of the calendar quarter in which the Credit Union ceased to offer the agreement.
      4. **De Minimis Exception.**  
         1. The Credit Union is **not** required to submit any credit card agreements to the CFPB if the Credit Union had fewer than 10,000 open credit card accounts as of the last business day of the calendar quarter.
         2. If the Credit Union previously qualified for the de minimis exception but ceases to qualify, the Credit Union will begin making quarterly submissions to the CFPB no later than the first quarterly submission deadline after the date as of which the Credit Union ceased to qualify.
         3. If the Credit Union later qualifies for the de minimis exception, the Credit Union will continue to make quarterly submissions to the CFPB until it notifies the CFPB that the Credit Union is withdrawing all agreements it previously submitted to the CFPB.
      5. **Private Label Credit Card Exception.**
         1. The Credit Union is **not** required to submit to the CFPB a credit card agreement if, as of the last business day of the calendar quarter, the agreement:  
            1. Is offered for accounts under one or more private label credit card plans each of which has fewer than 10,000 open accounts; and
            2. Is **not** offered to the public other than for accounts under such a plan.
         2. If an agreement that previously qualified for the private label credit card exception ceases to qualify, the Credit Union will submit the agreement to the CFPB no later than the first quarterly submission deadline after the date as of which the agreement ceased to qualify.
         3. If an agreement that did not previously qualify for the private label credit card exception qualifies for the exception, the Credit Union will continue to make quarterly submissions to the CFPB with respect to that agreement until the Credit Union notifies the CFPB that the agreement is being withdrawn.
      6. **Product Testing Exception.**
         1. The Credit Union is **not** required to submit to the CFPB a credit card agreement if, as of the last business day of the calendar quarter, the agreement:  
            1. Is offered as part of a product test offered to only a limited group of consumers for a limited period of time;
            2. Is used for fewer than 10,000 open accounts; and
            3. Is **not** offered to the public other than in connection with such a product test.
         2. If an agreement that previously qualified for the product testing exception ceases to qualify, the Credit Union will submit the agreement to the CFPB no later than the first quarterly submission deadline after the date as of which the agreement ceased to qualify.
         3. If an agreement that did not previously qualify for the product testing exception qualifies for the exception, the Credit Union will continue to make quarterly submissions to the CFPB with respect to that agreement until the Credit Union notifies the CFPB that the agreement is being withdrawn.
      7. **Form and Content of Agreements Submitted to the CFPB.**
         1. **Form and Content Generally.**
            1. Each agreement must contain the provisions of the agreement and the pricing information in effect as of the last business day of the preceding calendar quarter.
            2. Agreements must not include any personally identifiable information relating to any cardholder, such as name, address, telephone number, or account number.
            3. The following are not deemed to be part of the agreement for purposes of this section and therefore are **not** required to be included in submissions to the CFPB:

Disclosures required by state or federal law, such as affiliate marketing notices, privacy policies, or disclosures under the E-Sign Act;

Solicitation materials;

Periodic statements;

Ancillary agreements between the Credit Union and the consumer, such as debt cancellation contracts or debt suspension agreements;

Offers for credit insurance or other optional products and other similar advertisements; and

Documents that may be sent to the consumer along with the credit card or credit card agreement such as a cover letter, a validation sticker on the card, or other information about card security.

* + - * 1. Agreements must be presented in a clear and legible font.
      1. **Pricing Information.**  
         1. Pricing information must be set forth in a single addendum to the agreement that contains only the pricing information.
         2. Pricing information that may vary from one cardholder to another depending on the cardholder's creditworthiness or state of residence or other factors must be disclosed either by setting forth all the possible variations (such as purchase APRs of 13%, 15%, 17%, and 19%) or by providing a range of possible variations (such as purchase APRs ranging from 13% to 19%).
         3. If a rate included in the pricing information is a variable rate, the Credit Union will identify the index or formula used in setting the rate and the margin. Rates that may vary from one cardholder to another must be disclosed by providing the index and the possible margins (such as the prime rate plus 5%, 8%, 10%, or 12%) or range of margins (such as the prime rate plus from 5 to 12%). The value of the rate and the value of the index are **not** required to be disclosed.
      2. **Optional Variable Terms Addendum.** Provisions of the agreement other than the pricing information that may vary from one cardholder to another depending on the cardholder's creditworthiness or state of residence or other factors may be set forth in a single addendum to the agreement separate from the pricing information addendum.
      3. **Integrated Agreement.** The Credit Union will **not** provide provisions of the agreement or pricing information in the form of change-in-terms notices or riders (other than the pricing information addendum and the optional variable terms addendum). Changes in provisions or pricing information must be integrated into the text of the agreement, the pricing information addendum or the optional variable terms addendum, as appropriate.
  1. **Posting of Agreements Offered to the Public.**  
     1. Except as provided below, the Credit Union will post and maintain on its publicly available website the credit card agreements that the Credit Union is required to submit to the CFPB. With respect to an agreement offered solely for accounts under one or more private label credit card plans, the Credit Union will fulfill this requirement by posting and maintaining the agreement in accordance with the requirements of this section on the publicly available website of at least one of the merchants at which credit cards issued under each private label credit card plan with 10,000 or more open accounts may be used.
     2. Posted agreements may be posted in any electronic format that is readily usable by the general public. Agreements will be placed in a location that is prominent and readily accessible by the public and must be accessible without submission of personally identifiable information.
     3. The Credit Union will update the agreements posted on its website at least as frequently as the quarterly schedule required for submission of agreements to the CFPB. If the Credit Union chooses to update the agreements on its website more frequently, the posted agreements will contain the provisions of the agreement and the pricing information in effect as of a date other than the last business day of the preceding calendar quarter.
  2. **Agreements for All Open Accounts.**  
     1. **Availability of Individual Cardholder's Agreement.** With respect to any open credit card account, the Credit Union will either:  
        1. Post and maintain the cardholder's agreement on its website; or
        2. Promptly provide a copy of the cardholder's agreement to the cardholder upon the cardholder's request. If the Credit Union makes an agreement available upon request, it will provide the cardholder with the ability to request a copy of the agreement both by using the Credit Union's website (such as by clicking on a clearly identified box to make the request) and by calling a readily available telephone line the number for which is displayed on the Credit Union's website and clearly identified as to purpose. The Credit Union will send to the cardholder or otherwise make available to the cardholder a copy of the cardholder's agreement in electronic or paper form no later than 30 days after the Credit Union receives the cardholder's request.
     2. **Special Rule for Issuers Without Interactive Websites.** If the Credit Union does **not** maintain a website from which cardholders can access specific information about their individual accounts, the Credit Union will make agreements available upon request by providing the cardholder with the ability to request a copy of the agreement by calling a readily available telephone line, the number for which is displayed on the Credit Union’s website and clearly identified as to purpose or included on each periodic statement sent to the cardholder and clearly identified as to purpose. The Credit Union will send to the cardholder or otherwise make available to the cardholder a copy of the cardholder's agreement in electronic or paper form no later than 30 days after the issuer receives the cardholder's request.
     3. **Form and Content of Agreements.**  
        1. Agreements posted on the Credit Union's website or made available upon the cardholder's request will conform to the form and content requirements for agreements submitted to the CFPB.
        2. If the Credit Union posts an agreement on its website or otherwise provides an agreement to a cardholder electronically, the agreement will be posted or provided in any electronic format that is readily usable by the general public and will be placed in a location that is prominent and readily accessible to the cardholder.
        3. Agreements posted or otherwise provided may contain personally identifiable information relating to the cardholder, such as name, address, telephone number, or account number, provided that the issuer takes appropriate measures to make the agreement accessible only to the cardholder or other authorized persons.
        4. Agreements posted or otherwise provided will set forth the specific provisions and pricing information applicable to the particular cardholder. Provisions and pricing information must be complete and accurate as of a date no more than 60 days prior to: (1) the date on which the agreement is posted on the Credit Union's website; or (2) the date the cardholder's request is received.
        5. Agreements provided upon cardholder request will be provided by the Credit Union in either electronic or paper form, regardless of the form of the cardholder's request.
  3. **E-Sign Act Requirements.** The Credit Union may provide credit card agreements in electronic form without regard to the consumer notice and consent requirements of section 101(c) of the Electronic Signatures in Global and National Commerce Act (E-Sign Act) (15 U.S.C. 7001 *et seq.*).

1. **CREDIT CARD ADD-ON PRODUCTS**. The Credit Union will ensure that it markets and sells its credit card add-on products (i.e., debt protection, identity theft protection, credit score tracking, etc.) in a manner that limits the potential for statutory or regulatory violations and related consumer harm.  
   1. Marketing materials, including direct mail promotions, telemarketing scripts, internet and print ads, radio recordings, and television commercials will reflect the actual terms and conditions of the products and are not deceptive or misleading to consumers;
   2. Employee incentive or compensation programs tied to the sale and marketing of add-on products do not encourage employees to provide inaccurate information about the products.
   3. Members are only enrolled when they provide clear affirmative consent to purchase the add-on products after they are informed of the terms and conditions.
   4. Staff is not encouraged to repeatedly rebut a member’s request for additional information or when products are declined.
   5. Members will not be told that a product is required as a condition of obtaining credit, unless there is such a requirement.
   6. Cancellation requests are handled in a manner consistent with the product’s actual terms and conditions and are not misleading.
   7. The Credit Union will review its add-on product program to ensure that these programs do not present an elevated risk of harm to members.
   8. Employees involved in the marketing, sale and operation of the Credit Union’s credit card add-on products will receive training to ensure members are not mislead or otherwise harmed.
   9. The Credit Union will ensure its third-party vendors that perform marketing or other functions related to credit card add-on products are held to the same standards as the Credit Union, including audits, quality assurance reviews, training, and compensation structure.
   10. The Credit Union will establish and maintain appropriate channels for receiving, investigating and properly resolving member complaints related to add-on products.