

SOUTHWEST IOWA LAWYERS
LEAGUE “SWILL”

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Presentation by:

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TRUTH IN LENDING ACT “TILA” and REGULATION “Z”

- I. PURPOSE:** Enacted in 1968, The Truth in Lending Act, 15 U.S.C. § 1601, *et seq.* (TILA) is, “[T]o assure a meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available to him and avoid the uninformed use of credit, and to protect the consumer against inaccurate and unfair credit billing and credit card practices.” 15 U.S.C. § 1601(a).

Congress also concluded that the stability of the economy and the competition among lenders would be enhanced by the informed use of credit.

12 CFR § 1025, *et seq.*, Regulation “Z” was enacted to implement the Federal Truth in Lending Act.

- II. CONSUMER FINANCIAL PROTECTION BUREAU (CFPB)** was created in July, 2010, by the Wall Street Reform and Consumer Protection Act (Dodd/Frank Act) (12 U.S.C. and 15 U.S.C., various statutes amended). Its purpose was to give a centralized Federal Agency to hear consumer credit complaints, and to sue in its own name on regulatory issues involving consumer credit transactions. (An interesting provision, supplemented the Agency’s budget by allowing it to keep a portion of settlements and judgments it obtains.) This provision, among others, led to early Constitutional challenges.

A. Name Change

An effort by former acting CFPB Director, Mick Mulvaney, to change the name from the Consumer Financial Protection Bureau (CFPB) to the Bureau of Consumer Financial Protection (BCFP) has been halted by current Director, Kathy Kraninger. Ms. Kraninger stated the Agency may refer to itself as the BCFP in legal filings, but would not seek to change its name more broadly.

B. CFPB Constitutionality

In January 31, 2018, the U.S. Court of Appeals for the District of Columbia Circuit *en banc* issued a divided ruling holding that the structure of the Bureau is constitutional, because it reflects the legislative goal of creating a truly independent agency. See PHH Corporation v. CFPB, 881 F.3d 75 (2018). The Opinion reversed an early panel decision finding the CFPB unconstitutional because the Director’s “for cause removal” clashes with Constitutional Separation of Powers. Neither the CFPB, nor PHH sought Supreme Court review. In May of 2019, a unanimous panel in the Ninth Circuit found the CFPB’s structure constitutional. The Opinion relied heavily on the D.C. Circuit Opinion in PHH. CFPB v. Seila Law, LLC, 923 F.3d 680 (C.A.9,2019). In October of 2019, the United States Supreme Court granted certiorari. The Supreme Court has agreed to address two questions;

- 1. Whether the vesting of substantial executive authority in the CFPB, an independent agency, led by a single director violates the separation of the Powers.**
- 2. Whether, if the CFPB is found constitutional on the basis of the separation of Powers, can the court sever the provision created in Dodd – Frank creating the “for cause” removal of the director.**

In September, 2019, the Fifth Circuit sitting *en banc* ruled a similar “for cause removal” provision under the Federal Housing Finance Agency (FHFA) unconstitutional. The court censored that provision

from the law. Collins v. Mnuchin, 938 F.3d 553. The CFPB argues the Supreme Court should follow suit in the Seila matter.

C. Pursuant to the Dodd-Frank Act, the CFPB was required to issue new rules and regulations under TILA

1. The CFPB largely adopted Regulation Z, making mostly nonsubstantive, technical, formatting, and stylistic changes

D. Authority of CFBP

1. Investigate

2. Issue subpoenas

3. Civil investigative demands

4. Compel testimony

5. Conduct hearings and adjudications to enforce compliance

6. Issue cease and desist orders

7. Initiate action for civil penalties or an injunction

E. Substantive Changes

1. In 2013, the CFPB revised the general limitation on the total amount of account fees that a credit card issuer may require a consumer to pay. Effective March 28, 2013, the limit is 25 percent of the credit limit in effect when the account is opened and applies only during the first year after an account is opened.

2. The CFPB also amended Regulation Z to remove the requirement that card issuers consider the consumer's independent ability to pay for applicants who are 21 or older and to permit issuers to consider income and assets to which such consumers have a reasonable expectation of access such as court-ordered child support, unemployment benefits or public assistance. (In other words, otherwise exempt income should be considered.)

F. Consumers may file complaints with the CFPB, but doing so is not jurisdictional to private suit under TILA.

III. COVERAGE:

- A. In general, TILA and Reg. Z apply when an individual or business offers or extends credit and four conditions are met:
 - 1. the credit is offered or extended to consumers;
 - 2. the offering or extension of credit is done regularly;
 - 3. the credit is subject to a finance charge;
 - 4. the credit is primarily for personal, family, or household purposes; and
 - 5. The credit extended is below \$58,300.00.
- B. Exemptions - TILA and Reg. Z do not apply to the following transactions:
 - 1. Business, commercial, agricultural, or organizational credit, or personal guarantees of this debt;
 - 2. Public Utility credit;
 - 3. Securities or commodities accounts;
 - 4. Student loan programs
- C. Dollar Thresholds in Regulation Z
In October 31, 2019, the CFPB announced the dollar threshold in Regulation Z (Truth in Lending) that will apply for determining exempt consumer transaction in 2020. The Truth in Lending Act will generally apply to consumer credit transactions of \$58,300.00 or less in 2020. Above \$58,300.00, the obligation is not “consumer debt.”

IV. DISCLOSURES: (see attachment A)

- A. General Standard
 - 1. The disclosures shall be “*clearly and conspicuously*” stated in writing (meaning in a reasonably understandable form)
 - 2. The terms finance charge and annual percentage rate (“APR”) shall be “more conspicuous” than any other required disclosure
- B. Credit Card Applications
 - 1. Required Disclosures:
 - (a) Annual Percentage Rate (“APR”)
 - (b) Fees for Card Issuance (annual fee, etc.)
 - (c) Minimum or Fixed Finance Charge
 - (d) Transaction Charges
 - (e) Grace Period
 - (f) Balance Computation Method

1. Average Daily Balance Method (including v. excluding new purchases)
 2. Adjusted Balance Method
 3. Previous Balance Method
 4. Daily Balance Method
 - (g) Statement on Charge Card Payments
 1. A statement that charges incurred by use of the card will be due when the periodic statement is received
 - (h) Cash Advance Fees
 - (i) Late Payment Fees
 - (j) Over-the-limit Fees
 - (k) Balance Transfer fees
 - (l) Return and Payment Fees
 - (m) Credit Issuance, Debt Cancellation, or Debt Suspension Coverage
 - (n) Available Credit
 - (o) Specific Website Reference
 2. Oral Disclosures
 - (a) Items (a-g) and (n) above need to be disclosed in a telephone solicitation
 - (b) All of the disclosures need to be made in writing within 30 days if the consumer requests the card
 3. Direct Mailings and Electronic Application Disclosures
 - (a) All disclosures except the balance computation method shall be disclosed in a “*prominent*” location and in a tabular format with headings. Also known as the “Schumer’s Box” (named after Senator Chuck Schumer).
 1. See attachment B
 - (b) The balance computation method must be directly beneath the table
- C. PERIODIC STATEMENTS**
1. Creditors are required to send out periodic statements at least 21 days prior to the payment due date that disclose the following items:
 - (a) Previous Balance
 - (b) Identification of transactions

- (c) Credits – include the amount and the date and payments
- (d) Periodic rates – the rate that may be used to compute finance charge. If different rates are used for different transactions, must list them all
- (e) Balance on which a finance charge is computed
- (f) Amount of finance charge
- (g) Annual percentage rate
- (h) Other charges (e.g. late fees)
- (i) Closing date of billing cycle and new balance
- (j) Free-ride period / grace period – the date by which the new balance must be paid before incurring new finance charges
- (k) Address for notice of billing errors
- (l) Minimum period payment and repayment disclosures
 - 1. “Minimum payment warning: if you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance”
 - 2. Must disclose how long it would take pay off the balance by making only the minimum payments, and how much it would take in order to pay off outstanding balance in 36 months
- (m) Due date and late payments costs
- (n) Change-in-terms and increased penalty rate summaries

D. SUBSEQUENT DISCLOSURE REQUIREMENTS

- 1. Statement of Billing Rights
 - (a) Creditors must mail or deliver at least once per calendar year a statement of billing rights.
 - 1. The notice must explain that if the borrower believes an error has occurred, written notice should be provided within 60 days to the creditor
- 2. Supplemental or Additional Features

- (a) Whether additional disclosures are required depends upon:
 - 1. Whether the finance charge terms for the new feature or device differ from those as originally disclosed
 - 2. When the feature or device is added to the account
 - 3. Whether the feature or device is a supply of checks that can be used to access a credit card account
 - (b) If a creditor adds a credit feature within 30 days of the initial disclosure for which the finance terms remain as previously disclosed, no additional disclosure is required.
 - (c) If the new feature does not change the finance terms, and is added more than thirty days from the initial disclosures, the creditor must inform the cardholder before use of the feature.
 - (d) If the new credit feature changes the finance terms in any way, the creditor must disclose the change before the consumer uses the feature.
3. **Change in Terms**
- (a) Disclosure must be in writing and mailed or delivered at least 45 days prior to effective date of change for:
 - 1. Any change in the initial disclosure terms
 - 2. If the required minimum periodic payment is increased
 - 3. Changes in billing cycle if it affects initial terms or increases minimum payments
 - 4. Increases in rates applicable to a consumer's account due to delinquency, default or penalty
 - 5. Acquisition of a security interest
 - (b) No notice is required for charges regarding changes in:
 - 1. Documentary evidence
 - 2. Reduction in finance charge
 - 3. Suspension in future credit privileges

4. Results from an agreement involving a court proceeding
 5. Extension of grace period
 6. Credit limit is reduced if it does not result in an overlimit fee or penalty
4. **Renewal**
- (a) Creditors must also disclose any annual renewal fees, at least thirty days or one billing cycle, whichever is less, before the mailing of the periodic statement on which the renewal fee is charged.

V. PROMPT CREDITING OF PAYMENTS

1. **General Rule:** Payments must be credited to the account on the date of receipt.
2. **Specific Requirements:** If the creditor specifies how the consumer is to make payments, but accepts a payment that does not conform to those requirements, the payment must be credited to the account within five days of receipt. (Example: A payment is sent to wrong address, but nonetheless received and accepted.)
3. **Adjustment of account:** If the creditor fails to promptly credit an account, and finance charges result, the creditor shall adjust the account so that the finance charges are removed.
4. Payments received in amounts in excess of the minimum payment requirement shall be applied to the amounts with the highest interest rate and then to each successive balance bearing the next highest interest rate

VI. PERIODIC PAYMENTS

- A. Creditors cannot treat payments as late, unless they have adopted procedures to ensure that the billing statements are mailed or delivered to the consumer not more than 21 days from the payment due date
- B. Payment due dates shall be the same day each month
- C. If the due date is on a day in which the creditor does not receive mail (i.e. a holiday or weekend), a payment received

on the next business day shall be treated as on time for crediting purposes

VII. Over Limit Fees

- A. The creditor must provide the consumer an opt-in to the Agreement to allow the creditor to complete transactions over the limit, but may impose a fee to do so**
- B. Creditor must inform the consumer of the amount of the fee for going over the limit**
- C. Creditors can only charge one over limit fee per billing cycle**

VIII. BILLING ERROR NOTICE

- 1. A notice from the consumer must be sent to the creditor, and received by the creditor, within sixty days of the consumer receiving the periodic statement that contained the alleged billing error (which may include unauthorized transactions).**
- 2. The Notice shall contain the consumer's name and account number, and also the basis of the alleged error, including the date, type, and amount of error.**
- 3. A common situation creditors experience is a consumer will attempt to submit a "billing error" or "dispute letter" at the end of the credit relationship and vaguely dispute an entire balance. This does not constitute a "dispute letter" for several reasons,**
 - (a) The letter is usually not within sixty days of a statement that contains each and every transaction on the account;**
 - (b) The letters are vague letters that do not identify particular transactions, just the whole amount; and**
(The reason for the sixty (60) days dispute period is that if a particular transaction is disputed, the creditor must contact the merchant and request documentation of the transaction. Usually, card issuers require Merchants to retain copies of transactions for sixty days. Usually, the creditor does not

receive a copy of any signed receipts, etc. absent a specific request.)

4. The creditor shall mail written acknowledgement within thirty days of receiving the billing error notice.
5. Creditor must conclude reasonable investigation within two billing cycles, but no later than ninety days.
 - (a) If a billing error occurred, creditor must correct the billing error.
 - (b) If no billing error occurred, creditor must mail the consumer a statement setting forth the basis of the belief that no error occurred along with any documentary evidence that supports the belief.

IX. Violations

A. Criminal Liability

1. A Creditor may be subject to criminal penalties and statutory and actual damages for violations of TILA.
 - (a) Whoever *willfully and knowingly* gives false or inaccurate information or fails to disclose something that they are required to disclose, or uses a chart that consistently understates the annual percentage rate, or fails to comply with any other requirement in this section, shall be fined not more than \$5,000, or imprisoned not more than one year, or both. 15 U.S.C. §1611.
2. Private Remedies
 - (a) Statutory and actual damages may also be awarded in limited situations. Eg's. Class action suit or consumer lease situations. 15 U.S.C. §1640.
 - (b) An action for a violation of TILA must be brought within one year from the date of the violation. 15 U.S.C. §1640(E). See Kucera v. Citizens Bank & Trust Co., 754 F.2d 280 (8th Cir. 1985) (Holding cause of action barred by the one year statute of limitation).
 - (c) Statutory damages are addressed at 15 U.S.C. § 1640, and range from \$200.00 to \$5,000.00 per violation, depending on the nature of the

infraction, plus attorney fees. Class action damages are based on the net worth of the violator.

3. Creditor's Defenses

(a) Correction of Errors

- a. A creditor will not be liable for a violation if within sixty days of discovering said violation, and prior to the institution of a judicial action or prior to the receipt of a notice from the consumer, the creditor makes the correction and ensures that the consumer will not be charged any excess fees.

(b) Bona Fide Error

- a. A creditor will not be liable for a violation under TILA, if the creditor can show by a preponderance of the evidence that *"the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid such error."* 15 U.S.C. §1640(c).

(c) Statute of Limitations

- a. General rule – 1 year

X. FREQUENTLY ENCOUNTERED CAUSES OF ACTIONS

A. Information must be "Clearly and Conspicuously" Disclosed.

1. Brown v. Payday Check Advance, Inc., 202 F.3d 987 (7th Cir. 2000). A violation of TILA occurred because the terms "finance charge" and "annual percentage rate" were not clearly and conspicuously stated because they were in the same typeface as "amount financed" and "total of payments."

2. Andrews v. Chevy Chase Bank, FSB, 240 F.R.D. 612 (E.D. Wis. 2007). The Bank violated TILA in its disclosure of bank repayment schedule on an adjustable rate mortgage loan, where the disclosure statement did not clearly disclose that payments were due monthly.

B. Periodic Statement Violations

1. Schmidt v Citibank N.A. (CBSD), 677 F Supp 687 (D. Conn. 1987). The Bank violated TILA by failing to clearly and conspicuously disclose, in a periodic statement of the cardholder's account, an address to be used for notice of billing errors, where the conspicuousness of the address provided was lessened by a provision that had the bank's phone number to be used for disputes.

C. What Constitutes “unauthorized use”

1. “The term ‘unauthorized use,’ ... means a use of a credit card by a person other than the cardholder who does not have actual, implied, or apparent authority for such use and from which the cardholder receives no benefit.” 15 U.S.C. § 1602(o).

2. Carrier v. Citibank (South Dakota), N.A., 383 F.Supp.2d 334 (D. Conn. 2005). Credit card holder clothed employee with apparent authority to make charges to account, when card holder, over course of several months, paid statements showing unauthorized charges without examining statements.

D. Creditors that provide information to consumer reporting agencies must perform a “reasonable investigation” of consumer disputes.

1. Johnson v. MBNA America Bank, NA, 357 F.3d 426 (4th Cir. 2004). The Court denied credit card company’s motion notwithstanding the verdict, when jury concluded that creditor did not perform a reasonable investigation of consumer’s dispute.

2. King v. Asset Acceptance, LLC, 452 F.Supp.2d 1272 (N.D.Ga. 2006) (citing Johnson above, “‘investigation’ clearly requires some degree of careful inquiry by creditors.”).

E. Failure to provide prior written notice of increased interest rate due to balance exceeding applicable credit limits

1. McCoy v. Chase Manhattan Bank, USA, 131 S. Ct. 871 (2012). At the time of the transaction at issue, Regulation Z did not require issuer to provide cardholder with a change-in-terms notice before it implemented the agreement terms allowing it to raise his interest rate following delinquency or default.

2. Swanson v. Bank of America, 559 F.3d 653 (7th Cir. 2009). Issuing a bank's application of higher rate to entire billing cycle which default occurred did not violate regulations.

F. Cryptocurrency Acquisitions; Are They "Cash-Like" Purchases?

1. Tucker v. Chase Bank U.S.A., N.A., 399 F.Supp.3d 105. Plaintiffs filed a class action stating that their purchases of cryptocurrency were changed from being classified as "purchases" to "cash advances". The change in classification subjected the cardholders to higher interest rates. Defendant Chase filed a Motion to Dismiss. The court concluded that the Plaintiff offered a reasonable argument that purchases of cryptocurrency did not constitute cash advances. Finding "Cash-Like" used in the Cardholder Agreement referred to only government issued financial investments. As such, the court allowed the Plaintiff's breach of claim and Plaintiff's TILA "clear and conspicuous" disclosure claim to survive the Motion to Dismiss. The court did dismiss the remaining TILA claims, finding the Bank did not change the terms of the contract without notice, but rather the application of the contract. The court also found the periodic statements accurately conveyed what was owed by the cardholders to the bank.

XI. SUPREMACY CLAUSE

A. To the extent state consumer protection law is inconsistent, the Supremacy Clause (Article VI, Clause 2 of the U.S. Constitution) applies, and this TILA supersedes the State's regulations, except that State law may generally be more restrictive.

XII. IOWA COMPLIANCE WITH TRUTH IN LENDING ACT

A. Statute

A person upon whom the Truth in Lending Act imposes duties or obligations shall make or give to the consumer the disclosures, information and notices required of the person by that Act and in all respects shall comply with that Act. To the extent the Truth in Lending Act does not impose duties or obligations upon a person in a credit transaction, other than a consumer lease, which is a consumer credit

transaction under this chapter, the person shall make or give to the consumer disclosures, information and notices in accordance with the Truth in Lending Act, with respect to the credit transaction. 537.3201. Compliance with Truth in Lending Act, IA St § 537.3201

B. Case Law

1. With respect to the possibility of damages, we note that § 537.3201, the Code makes a violation of the Truth-In-Lending Act a violation of the Iowa Consumer Credit Code. To the extent that damages are awarded under the Truth-in-Lending Act, additional damages may not be awarded under § 537.3201 for the same violation.

Northwest Bank and Trust Co. v. Gutshall, 274 N.W.2d 713, 721 (Iowa,1979)

2. The ICCC requires the APR be disclosed according to the federal Truth in Lending Act. Iowa Code § 537.3201; see 15 U.S.C. § 1601, *et seq.* (2006).

Midwest Check Cashing, Inc. v. Richey, 728 N.W.2d 396, 401 (Iowa,2007)

3. Iowa Code § 537.3201 requires that those who have duties and obligations imposed upon them under the federal Truth in Lending Act (“Act”) comply with the Act, including making or giving to consumers the disclosures, information and notices required under the Act. Earlham Sav. Bank v. Morrell, 2013 WL 3457739, at Iowa Code § 537.3201 (Iowa App.,2013)

| CITI DISCLOSURES | |
|---|---|
| Interest Rates and Interest Charges | |
| Annual Percentage Rate (APR) for Purchases | <p>0% introductory APR for 21 months from date of account opening.</p> <p>After that, your APR will be 13.24% to 23.24%, based on your creditworthiness. These APRs will vary with the market based on the Prime Rate.^a</p> |
| APR for Balance Transfers | <p>0% introductory APR for 21 months from date of first transfer when transfers are completed within 4 months from date of account opening.</p> <p>After that, your APR will be 13.24% to 23.24%, based on your creditworthiness. These APRs will vary with the market based on the Prime Rate.^a</p> |
| APR for Cash Advances | <p>13.24% to 23.24%, based on your creditworthiness.</p> <p>This APR will vary with the market based on the Prime Rate.^b</p> |
| How to Avoid Paying Interest on Purchases | <p>Your due date is at least 23 days after the close of each billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month.</p> |
| Minimum Interest Charge | <p>If you are charged interest, the charge will be no less than 50 cents.</p> |
| For Credit Card Tips from the Consumer Financial Protection Bureau | <p>To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at http://www.consumerfinance.gov/learnmore.</p> |
| Fees | |
| Annual Fee | None |

| | |
|--|---|
| Transaction Fees <ul style="list-style-type: none"> • Balance Transfer • Cash Advance • Foreign Purchase Transaction | <p>Either \$5 or 3% of the amount of each transfer, whichever is greater.</p> <p>Either \$10 or 5% of the amount of each cash advance, whichever is greater.</p> <p>3% of each purchase transaction in US dollars.</p> |
| Penalty Fees <ul style="list-style-type: none"> • Returned Payment | <p>Up to \$35</p> |

How We Will Calculate Your Balance: We use a method called "daily balance."

New York residents may contact the New York State Banking Department to obtain a comparative listing of credit card rates, fees and grace periods by calling 1-877-226-5697.

Payment Allocation: We may apply the portion of your payments up to your Minimum Payment Due to lower APR balances first, including transferred balances. Generally, payments above your Minimum Payment Due will be applied to your highest rate balance first.

Prime Rate: The variable rates shown here are accurate based on the 3.5% Prime Rate as of 02/29/2016.

^a We add 9.74% to 19.74% to the Prime Rate to determine the Purchase/Balance Transfer APR.

^b We add 9.74% to 19.74% to the Prime Rate to determine the Cash Advances APR.

Variable rate APRs will not exceed 29.99%.

TERMS AND CONDITIONS OF OFFER

- This offer is only valid for new accounts. You must be at least 18 years of age. If you are married, you may apply for a separate account. Citibank, N.A. ("we" or "us") is the issuer of your account. Citibank, N.A. is located in Sioux Falls, SD.
- Federal law requires us to obtain, verify, and record information that identifies each person who opens an account, in order to help the government fight the funding of terrorism and money laundering activities. To process the application, we must have your name, street address, date of birth, and other identifying information, and we may ask for identifying documents from you as well.
- Please allow four weeks from date of submission to process a completed application.
- We may gather information about you, including from your employer, your bank, credit bureaus, and others, to verify your identity and determine your eligibility for credit, renewal of credit, and future extensions of credit. If you ask us, we will tell you whether or not we requested a credit bureau report and the names and addresses of any credit bureaus that provided us with such reports.
- To receive a Citi Simplicity[®] credit card, you must meet our applicable criteria bearing on creditworthiness. Your credit limit will be determined by your annual salary and wages, your other annual income and a review of your debt, including the debt listed on your credit report. You will be informed of the amount of your credit limit when you receive your card. Some credit limits may be as low as \$500. Please note that cash advances may be limited to a portion of your credit limit.

- **Notice to Ohio Residents:** The Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.
- **Notice to Wisconsin Residents:** No marital property agreement, unilateral statement, or court decree adversely affects our rights, unless you give us a copy of such agreement, statement or court order before we grant you credit, or we have actual knowledge of its terms before your account is opened.

IMPORTANT INFORMATION ABOUT BALANCE TRANSFERS

Balance Transfer Instructions:

1. After receiving your card, you may call the customer service number on the back of your card to transfer balances. However, if you are presented with the option to transfer a balance with your application, it will take at least 14 days after your account is opened to process balance transfer payments. During this time you may cancel or modify your balance transfer request by calling the number on the back of your card.
2. You may transfer any amount, but the total amount of your balance transfers and balance transfer fees must be less than your available credit limit. Be sure you do not transfer any disputed purchase or other charge amount, as you may lose your dispute rights. You cannot transfer balances from other accounts issued by Citibank, N.A. or its affiliates. If you are unsure of the issuer on the account, please visit www.citi.com/affiliatesproducts for a list of Citi products and affiliates.
3. Continue to make payments on your other accounts until you have confirmed this balance transfer has been received. Once approved, we pay the amount of the balance transfer directly to that issuer. The available credit limit for your new card will be reduced by the total amount of the transfers, including fees, we approve.

Things You Should Know About Your Balance Transfer Offer:

- If you transfer a balance with this offer, interest will be charged on purchases made with your credit card unless your purchases have a 0% APR or you pay the New Balance shown on your statement (including the amount of your balance transfer) in full by the payment due date each billing period.
- Balance transfers are made available at our discretion. All balance transfers are subject to the standard purchase APR unless an introductory or other promotional rate applies.

[Close](#)

Attachment B



SOUTH CAROLINA
FEDERAL
CREDIT UNION

Variable Rate Credit Card Application Disclosure

This Disclosure along with your Credit Card Agreement governs your Visa(R) Platinum Variable Rate Credit Card

| Interest Rates and Interest Charges | |
|--|--|
| Annual Percentage Rate (APR) for purchases, balance transfers, and cash advances – VISA Platinum | APR will be 8.50% to 18.00% based on your credit worthiness. This APR will vary with the market based on Prime Rate |
| How to Avoid Paying Interest on Purchases | Your due date is at least 25 days after the close of each billing cycle. You will not be charged interest on purchases if your balance is paid in full by the due date each month. We will begin charging interest on cash advances and balance transfers on the transaction date. |
| For Credit Card Tips from the Consumer Financial Protection Bureau | To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at http://www.consumerfinance.gov/learnmore |

| Fees | |
|--|--|
| Annual Fee | None |
| Transaction Fees | |
| <ul style="list-style-type: none"> • Foreign Transaction • Expedited payment fee • Convenience check stop payment fee | Up to 2% of the transaction amount \$11.00 \$35.00 |
| Penalty Fees | |
| <ul style="list-style-type: none"> • Late Payment • Returned Payment | Up to \$30.00 Up to \$35.00 |
| Other Fees | |
| <ul style="list-style-type: none"> • Account research fee • Copy fee | \$22.00/hour \$5.00/copy |

How We Will Calculate your Balance: We use a method called "average daily balance (including new purchases and cash advances)."

Balance transfers may not be used to repay existing South Carolina Federal loan products. This information was updated in April 2015, was accurate as of and subject to change after that date. Contact South Carolina Federal at 843-797-8300(Charleston) or 800-845-0432(Nationwide) to find out what may have changed.

January 1, 2016