

SUBJECT: Fair Credit & Charge Card Disclosure Act

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INTRODUCTION

This release applies to all credit unions, state and federal, that offer credit cards. It describes the amendments to Truth in Lending (TIL), which implement the Fair Credit and Charge Card Disclosure Act of 1988, as modified by the Credit Card Accountability and Disclosure Act (the “Credit Card Act”) in 2010.

EXECUTIVE SUMMARY

This release describes special credit card disclosure requirements for:

- Renewals of credit cards which have annual fees,
- Changes in credit insurance providers, and
- Credit card applications and solicitations, whether provided by direct mail, electronic, telephone, made available to the general membership (“take one” brochures), or in person.

Credit card programs with annual fees must comply with the rules for renewals. A notice must be provided at least 30 days before an annual fee shows up on a periodic statement. It must disclose certain items and advise the member when and how he may terminate the account in order to avoid the fee.

The *change in credit insurance provider* rule calls for credit unions to provide two notices to each member paying for credit insurance on a credit card. The first notice advises the member 30 days in advance, of any resulting increase in rate, any substantial decrease in coverage, and the right to discontinue coverage. The second notice gives the name and address of a new insurance provider, a copy of the insurance certificate, and notice of the right to discontinue coverage.

Virtually any credit card program will have to comply with the *application and solicitation* disclosure requirements on an ongoing basis. Compliance for those requirements is easily met by providing up to 15 disclosure items (listed in Exhibit A) in a tabular format on credit card applications. Some supplementary information is required to indicate how current the information is and how additional information can be obtained. Information is provided on how credit unions can give the application and solicitation disclosures electronically.

The main purpose of the credit card application disclosures is to facilitate “comparison shopping” by consumers, by providing more detailed and uniform disclosures early in the application process. Most of the disclosures are required in a special tabular format intended to make comparison easier.

RENEWALS OF CREDIT CARDS WITH ANNUAL FEES (REG. Z § 1026.9(E))

These disclosures must be mailed or delivered if the credit union imposes any annual or other periodic fee (including any fee based on account activity or inactivity) to renew a credit or charge card. This requirement only applies to a card subject to Reg. Z § 1026.60. Thus, for example, it does not apply to a card used to access a HELOC.

These disclosures are also required if the credit union has changed or amended a rate or fee that is required to be disclosed in disclosure items 1 or 2 (see Exhibit A) that has not been previously disclosed to the consumer.

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Any of disclosure items 1-7 (see Exhibit A) that will apply if the account is renewed must be included in a notice, along with information on how and when the cardholder may terminate access to the credit card account to avoid paying the annual fee.

The credit union must clearly disclose the time by which the cardholder must act to terminate the account to avoid paying a renewal fee.

In a situation where a cardholder has provided timely notice of termination and a renewal fee has been billed to a cardholder's account, the credit union must reverse or otherwise withdraw the fee promptly. Once a cardholder has terminated an account, no additional action by the cardholder may be required.

Format

A tabular format is not required, but the disclosures must be clear and conspicuous. The normal Truth in Lending requirements for the terms "finance charge" and "annual percentage rate" to be more conspicuous than other required disclosures do not apply to these disclosures.

This renewal disclosure may be made on or with a periodic statement, but must meet the timing requirements below. If any of the disclosures are provided on the back of a periodic statement, a reference to those disclosures must be included on the front.

Timing

If the credit union imposes an annual or other periodic fee for renewal, written disclosures must be mailed or delivered at least 30 days or one billing cycle (whichever is less) before the mailing or the delivery of the periodic statement, which initially shows the renewal fee being charged to the account.

If the credit union has changed or amended any rate or fee required to be disclosed under disclosure items 1 or 2 (see Exhibit A) and the changed or amended term has not previously been disclosed to the consumer, the notice must be provided at least 30 days prior to the scheduled renewal date of the consumer's credit or charge card.

A renewal notice is deemed to be provided when mailed or delivered. Similarly, notice of termination is deemed to be given when mailed or delivered.

Please see Reg. Z § 1026.9(e) and Commentary for additional guidance.

CHANGES IN CREDIT INSURANCE PROVIDERS (REG. Z § 1026.9(F))

These disclosures apply if the credit union decides to change the provider of credit insurance on the credit card account. They consist of an advance notice of the change and another notice when the change occurs. They do not apply to changes in insurers not initiated by the credit union (such as resulting from acquisitions or mergers of insurance companies). Nor do they apply to changes in insurers where the credit union pays for the credit insurance without charge to the cardholders.

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Two notices are generally required when credit insurance providers are changed, one advance notice and a different notice when the change in providers occurs. The two notices can be combined into one if it meets the timing requirements of the advance notice. Reg. Z Appendix G-13(A) provides a sample combined notice:

G-13(A)—Change in Insurance Provider Model Form (Combined Notice)

The credit card account you have with us is insured. This is to notify you that we plan to replace your current coverage with insurance coverage from a different insurer.

If we obtain insurance for your account from a different insurer, you may cancel the insurance.

[Your premium rate will increase to \$ _____ per _____.]

[Your coverage will be affected by the following:

- ☐ The elimination of a type of coverage previously provided to you. [(explanation)] [See _____ of the attached policy for details.]
- ☐ A lowering of the age at which your coverage will terminate or will become more restrictive. [(explanation)] [See _____ of the attached policy or certificate for details.]
- ☐ A decrease in your maximum insurable loan balance, maximum periodic benefit payment, maximum number of payments, or any other decrease in the dollar amount of your coverage or benefits. [(explanation)] [See _____ of the attached policy or certificate for details.]
- ☐ A restriction on the eligibility for benefits for you or others. [(explanation)] [See _____ of the attached policy or certificate for details.]
- ☐ A restriction in the definition of “disability” or other key term of coverage. [(explanation)] [See _____ of the attached policy or certificate for details.]
- ☐ The addition of exclusions or limitations that are broader or other than those under the current coverage. [(explanation)] [See _____ of the attached policy or certificate for details.]
- ☐ An increase in the elimination (waiting) period or a change to nonretroactive coverage. [(explanation)] [See _____ of the attached policy or certificate for details.]

[The name and mailing address of the new insurer providing the coverage for your account is (name and address).]

Advance notice (1st notice). The advance notice must inform the cardholder of the change in insurance providers and of the following, as applicable:

- Any increase in the rate that will result from the change,
- Any “substantial” decrease in coverage that will result from the change, and
- A statement that the cardholder may discontinue the insurance.

A “substantial” decrease in coverage is a decrease in a significant term of coverage that might reasonably be expected to affect the cardholder’s decision to continue the insurance. The advance notice must be mailed or delivered not less than 30 days before the change in insurance providers occurs.

Notice when change in providers occurs (2nd notice). This notice must give:

- The name and address of the new insurance provider,
- A copy of the new policy or group certificate containing the basic terms of the insurance, including the rate to be charged, and
- A statement that the cardholder may discontinue the insurance.

If the second notice is not combined with the first, it must be provided within 30 days after the change in providers takes place. The model form in Reg. Z Appendix G-13(B) states:

G-13(B)—Change in Insurance Provider Model Form

We have changed the insurer providing the coverage for your account. The new insurer's name and address are (name and address). A copy of the new policy or certificate is attached.

You may cancel the insurance for your account.

Format

Both notices must be provided in writing. They may be provided on or with a periodic statement, but the copy of the new policy or group certificate must be included.

Please see Reg. Z § 1026.9(f) and Commentary for additional guidance.

APPLICATIONS AND SOLICITATIONS (REG. Z § 1026.60)

Scope

Reg. Z calls for special disclosures on or with an application or solicitation to open a new credit or charge card account in the following situations:

- Direct mail and electronic applications or solicitations,
- Telephone applications and solicitations,
- Applications and solicitations made available to the general public (for credit unions, general membership), e.g. “take-ones” or magazine inserts, and
- In-person applications and solicitations.

A mere invitation to submit an application is not an “application” covered by this rule. Thus, the requirements described in this release will not apply to advertising pieces (even if sent by direct mail) that do not meet the definition of an “application” or “solicitation.” The CFPB’s commentary to *Reg. Z §1026.60(1)* explains:

A card issuer may contact a consumer who has not been preapproved for a card account about opening an account (whether by direct mail, telephone, or other means) and invite the consumer to complete an application. Such a contact does not meet the definition of solicitation, nor is it covered by this section, unless the contact itself includes an application form in a direct mailing, electronic communication or “take-one”; an oral application in a telephone contact initiated by the card issuer; or an application in an in-person contact initiated by the card issuer.

The disclosure requirements do not apply to:

- Credit cards used to access a home equity line of credit subject to Reg. Z § 1026.40,
- Debit cards or check guarantee cards used to access overdraft lines of credit tied to asset accounts,
- General purpose applications, unless they indicate they may be used to open a credit card account,
- Lines of credit accessed by check guarantee cards or by debit cards that can be used only at automated teller machines,
- Adding a credit or charge card to an existing open-end plan,
- Lines of credit accessed by solely by account numbers, or
- Consumer-initiated requests for applications.

Preemption of Wisconsin Law

The Federal Reserve Board has determined that this regulation preempts Wis. Stats. § 422.308 (Open-end Credit Disclosures) as it applies to credit cards. Thus, credit card applications are not required to include the open-end credit application addendum described in *ii Release B010*. This preemption does not apply to other forms of open-end credit. Reg. Z § 1026.28(d).

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For direct mail and electronic applications and solicitations:

- Provide disclosure items 1-15 from Exhibit A of this release, as applicable. They must be accurate as of the time they are mailed. The APR must be one in effect within 60 days before mailing. § 1026.60(c).
- Disclosures provided in electronic form must be accurate as of the time they are sent, in the case of disclosures sent to a consumer's e-mail address, or as of the time they are viewed by the public, in the case of disclosures made available at a location such as a card issuer's Web site. An accurate variable annual percentage rate provided in electronic form is one in effect within 30 days before it is sent to a consumer's e-mail address, or viewed by the public, as applicable. § 1026.60(c)(2)(ii).

For telephone applications and solicitations initiated by the card user:

- Immediately (orally) provide disclosures 1-7 and 14 as applicable. Oral disclosures must be accurate as of the time that they were given; or
- Send the consumer written disclosures 1-15 and provide notice of the fact that the consumer need not accept the card or pay any fee or charges disclosed until the consumer uses the card or made a payment after receiving a billing statement. The notice must be provided within 30 days after the consumer requests the card or when the card is delivered, whichever is sooner. This alternative to oral disclosures is generally not available if there is an annual fee or any other fee for issuance or availability as described in disclosure item #2. § 1026.60(d)(2). The written disclosures must be accurate as of the time they are mailed or delivered. The rate must be accurate as of a specific date, updated each calendar month.

For applications and solicitations that are made available to the general public (or general membership) do any of the following:

- (A) Provide written disclosure items 1-15 from Exhibit A of this release, as applicable, in a prominent location on the application or solicitation and (1) the date the disclosure was printed, (2) a statement that the required information was accurate as of that date but is subject to change after that date, (3) a statement that the consumer should contact the credit union for any change in the required information since the date of printing, and (4) a toll-free number or mailing address for that purpose.

The disclosures must be accurate as of the date of printing. A verbal APR is accurate if in use within 30 days prior to printing. Reg. Z Appendix G-11(a) includes this model language for items 1-4:

The information about the costs of the card described in this [application]/[solicitation] is accurate as of (month/year). This information may have changed after that date. To find out what may have changed, [call us at (telephone number)] [write to us at (address)].

- (B) State in a prominent location on the application or solicitation (1) that there are costs associated with the use of the card, (2) that the consumer may contact the credit union to request specific information about the costs, along with a toll-free number and a mailing address for that purpose. Under this option, there is no need to provide written disclosure of items 1-15. Reg. Z Appendix G-11(b) provides model language for disclosure items 1-2:

There are costs associated with the use of this card. To obtain information about these costs, call us at (telephone number) or write to us at (address).

Prompt Response To Consumer Inquiries. If a consumer contacts the credit union and requests any of the information referred to in disclosure items 1-15, the credit union must fully disclose the information promptly, i.e., within 30 days of the request or before delivery of the card, whichever is sooner.

For in-person applications and solicitations:

- Disclose items 1-15 from Exhibit A of this release, in writing, to the extent applicable, on or with an application or solicitation that is initiated by the card issuer and given to the consumer in person. A card issuer complies with the requirements if it provides the disclosures as required for direct mail applications or solicitations, or for option A under applications for the general public above.

Format

When disclosure items 1-15 must be disclosed, they must generally be in the form of a table, with headings, contents, and format substantially similar to the samples in Reg. Z Appendix G-10 (see Exhibits B, C, and D of this release). However, the information described in disclosure item 1 for “variable rate” and disclosure item 6 for “balance computation method” must go below the table.

The table must be in a prominent location, (for example, on the same page) on or with the application or solicitation. The table may only contain the information required or permitted by Reg. § 1026.60(a)(2)(1). Other information may be included on or with an application or solicitation, but not within the table.

Disclosures 1-15 must be in a reasonably understandable form and “readily noticeable” to the consumer, but no smaller than 10-point.

Electronic Disclosures

Under Reg. Z § 1026.60, credit or charge card application or solicitation disclosures may be provided electronically, depending on how the consumer accesses the application.

- If a consumer accesses an application or solicitation form electronically, such as online at a home computer (but not as described in the next bullet point), the Federal Reserve's Official Staff Commentary says that the disclosures must be provided in electronic form (such as with the application or solicitation on its Internet site), in order to meet the requirement to provide disclosures in a timely manner "on or with" the application or solicitation. If paper disclosures were instead mailed to the consumer, they would not satisfy the Reg. Z requirements.

In this case, electronic disclosures may be given without first obtaining the consumer's consent – as would otherwise be required by the federal Electronic Signatures in Global and National Commerce Act (or E-SIGN) – but only if the consumer accesses the application in electronic form.

- If a consumer is physically present in the card issuer's office and accesses a credit card application or solicitation electronically, such as via a terminal or kiosk (or if the consumer uses a terminal or kiosk on the premises of an affiliate or third party that has arranged with the card issuer to provide applications or solicitations to consumers), the issuer may provide disclosures in either electronic or paper form, provided the issuer complies with the timing and delivery ("on or with") requirements of the regulation.

Paper disclosures are not required in this situation; the issuer could display the disclosures on the terminal or kiosk screen (since the application and solicitation disclosures do not have to be in a form the consumer can keep). Nevertheless, the Federal Reserve has said that it expects that issuers will provide the disclosures in a form the consumer can keep.

An ordinary paper application or solicitation cannot just direct the consumer to an Internet site, where some or all of the disclosures can be found (since that would not comply with the requirements to provide the disclosures "on or with" the application). If the credit union wants to provide electronic disclosures for a paper application (for example, where a paper application is submitted in person at the credit union office), it must comply with the E-SIGN consent and notice requirements. For details, see The League's *ii Release No. 0175, "Electronic Signatures and Records."*

Format for Electronic Disclosures

The Reg. Z Official Staff Commentary gives card issuers flexibility in how they provide these electronic disclosures. Possible methods include, but are not limited to, the following examples:

- The disclosures could automatically appear on the screen when the application or reply form appears;
- The disclosures could be located on the same Web page as the application or reply form (whether or not they appear on the initial screen), if the application or reply form has a clear and conspicuous reference to the location of the disclosures and indicates that the disclosures contain rate, fee, and other cost information, as applicable;
- Card issuers could provide a link to the electronic disclosures on or with the application (or reply form) as long as consumers cannot bypass the disclosures before submitting the application or reply form. The link would take the consumer to the disclosures, but the consumer need not be required to scroll completely through the disclosures; or
- The disclosures could be located on the same web page as the application or reply form without necessarily appearing on the initial screen, immediately preceding the button that the consumer will click to submit the application or reply.

Whatever method is used, a card issuer does not need to confirm that the consumer has read the disclosures. Regulators say that the card issuer must ensure that the disclosures are provided (not just made available) to the consumer clearly and conspicuously, in a timely manner on or with the application or solicitation.

Even when disclosures are given electronically, if items 1-15 have to be disclosed (as explained above), they must still be in the form of a table that is in a prominent location on or with the application or solicitation. Electronic disclosures are deemed to be prominently located if:

- They are posted on a web site and the application or solicitation reply form is linked to the disclosures in a way that prevents the consumer from bypassing the disclosures before submitting the application or reply form; or

- They are located on the same page as an application or solicitation reply form that contains a clear and conspicuous reference to the location of the disclosures and indicates that they contain rate, fee, and other cost information, as applicable.

Please see Reg. Z § 1026.60 and Commentary for additional guidance.

* * * * *

League publications are designed to provide accurate information with regard to the subject matter covered, with the understanding that the League does not render legal services. If you have general questions regarding this release, please call The League at (608) 640-4050 if local; or (800) 242-0833. For specific legal advice, please consult your credit union's attorney.

Legal Affairs Department

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EXHIBIT

Exhibit A. Disclosure Items 1-15

Exhibit B. Reg. Z Appendix G-10(A) Applications and Solicitations Model Form (Credit Cards)

Exhibit C. Reg. Z Appendix G-10(B) Applications and Solicitations Sample (Credit Cards)

Exhibit D. Reg. Z Appendix G-10(C) Applications and Solicitations Sample (Credit Cards)

EXHIBIT A. DISCLOSURE ITEMS 1-15 (§ 1026.60(B))

The items below state the topics to be disclosed in connection with renewals of credit cards with annual fees or with applications and solicitations.

See Exhibits B, C, and D of this release for sample wording and formatting.

If an item does not apply, it may be omitted from the disclosure. Except as provided in Item 1, the normal Truth in Lending requirements for the terms “finance charge” and “annual percentage rate” to be more conspicuous than other required disclosures do not apply. § 1026.5(a)(2).

1. **Annual percentage rate.** Each periodic rate that may be used to compute the finance charge on an outstanding balance for purchases, a cash advance, or a balance transfer, expressed as an annual percentage rate (as determined by § 1026.14(b)). When more than one rate applies for a category of transactions, the range of balances to which each rate is applicable must also be disclosed.

Disclose the rate in bold text. The annual percentage rate for purchases disclosed pursuant to this paragraph must be in at least 16-point type, except for the following:

- Oral disclosures of the annual percentage rate for purchases; or
- A penalty rate that may apply upon the occurrence of one or more specific events.

Variable rate information.

If an annual percentage rate disclosed in section 1 is a variable rate, the card issuer must also disclose the fact that the rate may vary and how the rate is determined. In describing how the applicable rate will be determined, the card issuer must identify the type of index or formula that is used in setting the rate. The value of the index and the amount of the margin that are used to calculate the variable rate cannot be disclosed in the table. A disclosure of any applicable limitations on rate increases or decreases cannot be included in the table.

Discounted initial rate.

If the initial rate is an introductory rate, as that term is defined in § 1026.16(g)(2)(ii), the card issuer must disclose in the table:

- The introductory rate,
- The time period during which the introductory rate will remain in effect, and
- Must use the term “introductory” or “intro” in immediate proximity to the introductory rate.

The card issuer also must disclose the annual percentage rate that would otherwise apply to the account pursuant to section 1. Where the rate is not tied to an index or formula, the card issuer must disclose the rate that will apply after the introductory rate expires.

In a variable-rate account, the card issuer must disclose a rate based on the applicable index or formula in accordance with the accuracy requirements set forth in paragraphs (c)(2), (d)(3), or (e)(4) of § 1026.60, as applicable.

Premium initial rate.

If the initial rate is temporary and is higher than the rate that will apply after the temporary rate expires, the card issuer must disclose the premium initial annual percentage rate pursuant to section 1 and the time period during which the premium initial rate will remain in effect. Consistent with section 1, the premium initial rate for purchases must be in at least 16-point type. The issuer must also disclose in the table the rate that will apply after the premium initial rate expires, in at least 16-point bold type.

Penalty rates.

- *In general.* Except as provided in the next paragraph regarding introductory rates, if a rate may increase as a penalty for one or more events specified in the account agreement, such as a late payment or an extension of credit that exceeds the credit limit, the card issuer must disclose pursuant to section 1 the increased rate that may

apply, a brief description of the event or events that may result in the increased rate, and a brief description of how long the increased rate will remain in effect.

- **Introductory rates.** If the issuer discloses an introductory rate, (as that term is defined in § 1026.16(g)(2)(ii)), in the table or in any written or electronic promotional materials accompanying applications or solicitations subject to paragraph (c) or (e) of § 1026.60, the issuer must briefly disclose directly beneath (not in) the table the circumstances, if any, under which the introductory rate may be revoked, and the type of rate that will apply after the introductory rate is revoked.

Rates that depend on consumer's creditworthiness.

If a rate cannot be determined at the time disclosures are given because the rate depends, at least in part, on a later determination of the consumer's creditworthiness, the card issuer must disclose the specific rates or the range of rates that could apply and a statement that the rate for which the consumer may qualify at account opening will depend on the consumer's creditworthiness, and other factors if applicable.

- If the rate that depends, at least in part, on a later determination of the consumer's creditworthiness is a penalty rate, as described above, the card issuer at its option may disclose the highest rate that could apply, instead of disclosing the specific rates or the range of rates that could apply.

APRs that vary by state.

Issuers imposing annual percentage rates that vary by state may, at the issuer's option, disclose in the table:

- The specific annual percentage rate applicable to the consumer's account; or the range of the annual percentage rates,
- If the disclosure includes a statement that the annual percentage rate varies by state and refers the consumer to a disclosure provided with the table where the annual percentage rate applicable to the consumer's account is disclosed.

A card issuer may not list annual percentage rates for multiple states in the table.

2. Fees for issuance or availability.

- Any annual or other periodic fee that may be imposed for the issuance or availability of a credit or charge card, including:
- Any fee based on account activity or inactivity;
- How frequently it will be imposed; and
- In bold text, the annualized amount of the fee.
- Any non-periodic fee that relates to opening an account, in bold text. A card issuer must disclose that the fee is a one-time fee.

3. Fixed finance charge; minimum interest charge.

- Any fixed finance charge and a brief description of the charge.
- Any minimum interest charge if it exceeds \$1.00 that could be imposed during a billing cycle, and a brief description of the charge.

The \$1.00 threshold amount shall be adjusted periodically by the Federal Reserve Board to reflect changes in the Consumer Price Index. The Board will calculate each year a price level adjusted minimum interest charge using the Consumer Price Index in effect on June 1 of that year. When the cumulative change in the adjusted minimum value derived from applying the annual Consumer Price level to the current minimum interest charge threshold has risen by a whole dollar, the minimum interest charge will be increased by \$1.00. The issuer may, at its option, disclose in the table minimum interest charges below this threshold.

- **4. Transaction charges.** Any transaction charge imposed by the card issuer for the use of the card for purchases. The amount must be in bold text.

5. **Grace period.** The date by which or the period within which any credit extended for purchases may be repaid without incurring a finance charge due to a periodic interest rate and any conditions on the availability of the grace period.

If no grace period is provided, that fact must be disclosed. If the length of the grace period varies, the card issuer may disclose the range of days, the minimum number of days, or the average number of days in the grace period, if the disclosure is identified as a range, minimum, or average.

- In disclosing in the tabular format a grace period that applies to all types of purchases, the phrase “How to Avoid Paying Interest on Purchases” must be used as the heading for the row describing the grace period.
- If a grace period is not offered on all types of purchases, in disclosing this fact in the tabular format, the phrase “Paying Interest” must be used as the heading for the row describing this fact.

6. **Balance computation method.** The name of the balance computation method listed below that is used to determine the balance for purchases on which the finance charge is computed, or an explanation of the method used if it is not listed.

In determining which balance computation method to disclose, the card issuer shall assume that credit extended for purchases will not be repaid within the grace period, if any.

The balance computation method must be listed directly below, not within, the table.

The following methods may be described by name. Methods that differ due to variations such as the allocation of payments, whether the finance charge begins to accrue on the transaction date or the date of posting the transaction, the existence or length of a grace period, and whether the balance is adjusted by charges such as late payment fees, annual fees and unpaid finance charges do not constitute separate balance computation methods.

- *Average daily balance (including new purchases).* This balance is figured by adding the outstanding balance (including new purchases and deducting payments and credits) for each day in the billing cycle, and then dividing by the number of days in the billing cycle.
 - *Average daily balance (excluding new purchases).* This balance is figured by adding the outstanding balance (excluding new purchases and deducting payments and credits) for each day in the billing cycle, and then dividing by the number of days in the billing cycle.
 - *Adjusted balance.* This balance is figured by deducting payments and credits made during the billing cycle from the outstanding balance at the beginning of the billing cycle.
 - *Previous balance.* This balance is the outstanding balance at the beginning of the billing cycle.
 - *Daily balance.* For each day in the billing cycle, this balance is figured by taking the beginning balance each day, adding any new purchases, and subtracting any payment and credits.
7. **Statement on charge card payments.** A statement that charges incurred by use of the charge card are due when the periodic statement is received. *This applies to charge cards only, not credit cards.*
8. **Cash advance fee.** Any fee (in bold text) imposed for an extension of credit in the form of cash or its equivalent. See Reg. Z Samples G-10(B) and G-10(C).
9. **Late payment fee.** Any fee (in bold text) imposed for a late payment. See Reg. Z Samples G-10(B) and G-10(C).
10. **Over-the-limit fee.** Any fee (in bold text) imposed for exceeding a credit limit. See Reg. Z Samples G-10(B) and G-10(C).
11. **Balance transfer fee.** Any fee (in bold text) imposed to transfer an outstanding balance.
12. **Returned-payment fee.** Any fee imposed by the card issuer for a returned payment, in bold text.
13. **Required insurance, debt cancellation or debt suspension coverage.**
- A fee (in bold text) for insurance described in § 1026.4(b)(7) or debt cancellation or suspension coverage described in § 1026.4(b)(10), if the insurance or debt cancellation or suspension coverage is required as part of the plan; and

- A cross reference to any additional information provided about the insurance or coverage accompanying the application or solicitation, as applicable.

See Reg. Z Sample G-10(B) for guidance.

14. **Available credit.** If a card issuer requires fees for the issuance or availability of credit described § 1026.60(b)(2), or requires a security deposit for such credit, and the total amount of those required fees and/or security deposit that will be imposed and charged to the account when the account is opened is 15 percent or more of the minimum credit limit for the card, a card issuer must disclose the available credit remaining after these fees or security deposit are debited to the account, assuming that the consumer receives the minimum credit limit.

In determining whether the 15 percent threshold test is met, the issuer must only consider fees for issuance or availability of credit, or a security deposit, that are required. If fees for issuance or availability are optional, these fees should not be considered in determining whether the disclosure must be given. Nonetheless, if the 15 percent threshold test is met, the issuer in providing the disclosure must disclose the amount of available credit calculated by excluding those optional fees, and the available credit including those optional fees. This paragraph does not apply with respect to fees or security deposits that are not debited to the account.

See Reg. Z Sample G-10(C) for guidance.

15. **Web site reference.** A reference to the Web site established by the Consumer Financial Protection Bureau and a statement that consumers may obtain on the Web site information about shopping for and using credit cards.

See Reg. Z Samples G-10(B) and G-10(C) for guidance.

EXHIBIT B: REG. Z APPENDIX G-10(A) APPLICATIONS AND SOLICITATIONS MODEL FORM (CREDIT CARDS)

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	[Purchase rate] [Description that rate varies and how it is determined, if applicable]
APR for Balance Transfers	[Balance transfer rate] [Description that rate varies and how it is determined, if applicable]
APR for Cash Advances	[Cash advance rate] [Description that rate varies and how it is determined, if applicable]
Penalty APR and When it Applies	[Penalty rate] [Description of events that may result in the penalty rate] [Description of how long penalty rate may apply]
[How to Avoid Paying Interest on Purchases/ Paying Interest]	[Description of grace period for purchases or statement that no grace period applies]
[Minimum Interest Charge]/[Minimum Charge]	[Description of minimum interest charge or minimum charge]
For Credit Card Tips from the Consumer Financial Protection Bureau	[Reference to the Bureau's website]

Fees	
[Annual Fee]/[Set-up and Maintenance Fees]	[Notice of available credit, if applicable] [Description of fees for availability or issuance of credit, such as an annual fee, if applicable]
Transaction Fees - Balance Transfer - Cash Advance - Foreign Transaction	[Description of balance transfer fee] [Description of cash advance fee] [Description of foreign transaction fee]
Penalty Fees - Late Payment - Over-the-Credit Limit - Returned Payment	[Description of late payment fee] [Description of over-the-credit limit fee] [Description of returned payment fee]
Other Fees Required [insert name of required insurance, or debt cancellation or suspension coverage]	[Description of insurance, or debt cancellation or suspension plans] [Cross reference to additional information, if applicable]

How We Will Calculate Your Balance: [Description of balance computation method]

Loss of Introductory APR [Circumstances in which introductory rate may be revoked and rate that applies if introductory rate is revoked, if applicable]
 [Description that rate that applies after introductory rate is revoked varies and how it is determined, if applicable]

**EXHIBIT C: REG. Z APPENDIX G-10(B) APPLICATIONS AND SOLICITATIONS
SAMPLE (CREDIT CARDS)**

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	8.99% to 19.99% when you open your account, based on your creditworthiness. After that, your APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	15.99% This APR will vary with the market based on the Prime Rate.
APR for Cash Advances	21.99% This APR will vary with the market based on the Prime Rate.
Penalty APR and When it Applies	28.99% This APR may be applied to your account if you: 1) Make a late payment; 2) Go over your credit limit twice in a six-month period; 3) Make a payment that is returned; or 4) Do any of the above on another account that you may have with us. How Long Will the Penalty APR Apply?: If your APRs are increased for any of these reasons, the Penalty APR will apply until you make six consecutive minimum payments when due.
How to Avoid Paying Interest on Purchases	Your due date is at least 25 days after the close of the billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month.
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$1.50.
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 • Balance Transfer • Cash Advance • Foreign Transaction	Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100). Either \$5 or 3% of the amount of cash advance, whichever is greater. 2% of each transaction in U.S. dollars.
Penalty Fees • Late Payment • Over-the-Credit Line • Returned Payment	Up to \$35. Up to \$35. Up to \$35.
Other Fees • Required Account Protector Plan	\$0.79 per \$100 of balance at the end of each statement period. See back for details.

How We Will Calculate Your Balance: We use a method called “average daily balance (including new purchases).”

EXHIBIT D: REG. Z APPENDIX G-10(C) APPLICATIONS AND SOLICITATIONS SAMPLE (CREDIT CARDS)

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	8.99% to 10.99% , or 12.99% introductory APR for one year, based on your creditworthiness. After that, your APR will 14.99% . This APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	15.99% This APR will vary with the market based on the Prime Rate.
APR for Cash Advances	21.99% This APR will vary with the market based on the Prime Rate.
Penalty APR and When it Applies	28.99% This APR may be applied to your account if you: 1) Make a late payment; 2) Go over your credit limit; 3) Make a payment that is returned; or 4) Do any of the above on another account that you may have with us. How Long Will the Penalty APR Apply?: If your APRs are increased for any of these reasons, the Penalty APR will apply until you make six consecutive minimum payments when due.
How to Avoid Paying Interest on Purchases	Your due date is at least 25 days after the close of the billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month.
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$1.50.
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	
Setup and Maintenance Fees • Annual Fee • Account Set-up Fee • Participation Fee • Additional Card Fee	NOTICE: Some of these set-up and maintenance fees will be assessed before you begin using your card and will reduce the amount of credit you initially have available. For example, if you are assigned the minimum credit limit of \$250, your initial available credit will be only about \$209 (or about \$204 if you choose to have an additional card). \$20 \$20 (one-time fee) \$12 annually (\$1 per month) \$5 annually (if applicable)
Transaction Fees • Balance Transfer • Cash Advance • Foreign Transaction	Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100). Either \$5 or 3% of the amount of cash advance, whichever is greater. 2% of each transaction in U.S. dollars.
Penalty Fees • Late Payment • Over-the-Credit Limit • Returned Payment	Up to \$35 . Up to \$35 . Up to \$35 .

How We Will Calculate Your Balance: We use a method called “average daily balance (including new purchases).”

Loss of Introductory APR: We may end your introductory APR and apply the Penalty APR if you make a late payment.