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**Important changes to your Costco  
Anywhere Visa® account**  
July 9, 2019

YANGJIE QI  
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**Note to Costco Cardmembers:** *This letter describes certain changes being made to your account to introduce a new feature on your Card - Citi Flex Plan. While the changes to your account will still occur on the disclosed effective date, the feature will not be available for use on your Costco Card on that date. You will be notified in a future communication when Citi Flex Plan will become available on your Costco Card.*

YANGJIE QI  
Card ending 1891

**Update: Effective 09/16/2019**

Hi, Yangjie. We're writing to introduce Citi Flex Plan - a new feature on your Citi® account.

Citi Flex Plan is a new optional feature that allows you to make a purchase or take a loan against your card's credit limit and pay it off over a set number of monthly payments. You choose whether or not to take advantage of this new feature.

The pages following this letter describe changes to your Card Agreement, including a new APR for this feature. We may also offer you, from time to time, a promotional Citi Flex Plan APR that is lower than the Citi Flex Plan APR on your account. In any case, when you choose to create a Citi Flex Plan, we'll tell you what the applicable APR will be for that Plan, and that APR will remain fixed for the duration of the Plan. Please note your Citi Flex Plan APR will not exceed your APR for Purchases, and your current APR for Purchases is not changing as a part of this notice.

Whether you choose to use Citi Flex Plan or not, you can still use your Citi credit card to make purchases and other transactions, the same way you do today.

Additional details regarding Flex Plan will be provided in future communications. In the meantime, you can learn more about the specific changes to your account on the pages following this letter, which include:

**Important Change to Your Account Terms** - a summary of changes being made

**Card Agreement Changes** - the changes to the terms and conditions for your account

The pages following this letter are part of your Card Agreement and should be kept for future reference.



Please see the reverse side

### **Thanks again for choosing us**

As always, we hope to be clear and helpful in explaining this new Citi card feature and resulting changes to your account. Feel free to contact us at the number on the back of your card if you have any questions. Citi's telecommunication number for its hearing and speech impaired customers is located on your billing statement and the Contact Us section on [citi.com](https://www.citi.com).

### Important Change to Your Account Terms

The following is a summary of certain changes being made to your account terms. These changes will take effect on 09/16/2019. **For more detailed information, please see “Details about the changes” below.**

The current *Interest Rates and Interest Charges* section of the Fact Sheet (Pricing Information Table) will be revised as follows:

Revised Terms, as of 09/16/2019	
APR for Citi Flex Plan	17.49%  This APR will vary with the market based on the Prime Rate.
Paying Interest	Your due date is at least 23 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your monthly Citi Flex Plan Payment Amount plus your entire balance, excluding any Citi Flex Plan balances, by the due date each month. If you do not pay your monthly Citi Flex Plan Payment plus your entire balance, excluding any Citi Flex Plan balances, by the due date each month, you will pay interest on your purchases from the date they're posted to your account. We will begin charging interest on cash advances and balance transfers on the transaction date. We will begin charging interest on a Citi Flex Plan balance at the start of the billing cycle following the billing cycle during which you created the Citi Flex Plan.

The current *Details About Your Interest Rates and Interest Calculations* section of the Fact Sheet (Pricing Information Table) will be revised by adding the following:

Details About Your Interest Rates and Interest Calculations	Periodic Rate as of 07/10/2019	For variable rates: U.S. Prime Rate Plus
Citi Flex Plan APR	0.04792% (D)	11.99%

The required Minimum Payment Due will be revised to include any monthly Citi Flex Plan Payment Amount. We will also exclude any Citi Flex Plan balance from the New Balance when calculating the amount of the New Balance to include in the Minimum Payment Due.

### ***Details about the changes:***

***We are making the following changes to your current Card Agreement.***

### ***Section 1 – Definitions***

*A definition for Adjusted New Balance has been added:*

**Adjusted New Balance** – Your New Balance less any Citi Flex Plan balance.

*The “Cash Advance” definition has been changed:*

**Cash Advance** - Use of your Card to get cash, including foreign currency, or for what we consider a cash-like transaction. Examples include using your Card for: ATM and teller withdrawals, wire transfers, money orders, traveler's checks, lottery tickets, gaming chips and other methods used for gambling, wagers and other betting transactions. A Citi Flex Loan is not a Cash Advance.

*A definition for Citi Flex Loan has been added:*

**Citi Flex Loan** – Funds provided to you by check or by direct deposit that you select to be charged to your Account and repaid under a Citi Flex Plan. Balance Transfers and Cash Advances are not Citi Flex Loans.

*A definition for Citi Flex Pay has been added:*

**Citi Flex Pay** – Eligible Transactions that you select to be paid under a Citi Flex Plan.

*A definition for Citi Flex Plan has been added:*

**Citi Flex Plan** – A feature on your Account to pay Citi Flex Loans or Citi Flex Pay amounts in fixed payments over a defined number of Billing Periods subject to a Citi Flex Plan APR.

*The “Transaction” definition has been changed:*

**Transaction** – A Balance Transfer, Cash Advance, Purchase or Citi Flex Plan, as applicable.

## **Section 2 – Account**

*A new sub-section has been added:*

**Citi Flex Plan.** Your ability to create a Citi Flex Plan will depend on the amount of your available credit, creditworthiness, and other factors. We may limit the number of active Citi Flex Plans you can have and we may change this number at any time. There are two ways to create a Citi Flex Plan - Citi Flex Pay and Citi Flex Loan.

With **Citi Flex Pay**, you can pay for eligible Transactions under a Citi Flex Plan. An eligible Transaction for Citi Flex Pay must be a Purchase of at least a specified dollar amount and does not include a Purchase of cash or cash equivalent, a Purchase subject to Foreign Transaction Fees or any fee owed to us. Other exclusions may apply.

With **Citi Flex Loan**, you can use your Account's credit line to access funds and pay such funds under a Citi Flex Plan. You can only create a Citi Flex Loan if you receive an offer. The offer will tell you the terms, including the APR, that will apply to that Citi Flex Loan.

## **Section 3 – Annual Percentage Rates and Interest Charges**

*The bullet below has been added to the following sub-section:*

### **Here's how and when Transactions, fees and credits are applied to the balances on your Account**

We add the amount of any eligible Transaction under Citi Flex Pay or a Citi Flex Loan to a Citi Flex Plan balance as of the post date on your statement. If you moved an amount from another balance within your Account to a Citi Flex Plan, we will credit the other balance in the amount you added to a Citi Flex Plan in order to avoid double counting that amount.

*The bullet below has been revised in the following sub-section:*

### **Here's how and when Transactions, fees and credits are applied to the balances on your Account**

Each balance may have a different APR. Certain categories of Transactions in a balance may have multiple APRs. For example, you may make a Purchase or Balance Transfer, or create a Citi Flex Plan, that's subject to a promotional APR. Your balances, and their corresponding APRs, are shown on your statement.

*The following sub-section description has been changed:*

**Here's how we calculate each of the daily Purchase, Cash Advance and Citi Flex Plan balances on your Account**

*The sub-section labeled **Grace Period on Purchases** has been changed:*

**Grace Period on Purchases.** You won't pay any interest on Purchases if you pay the Adjusted New Balance, including any Balance Transfers, plus any Citi Flex Plan Payment Amount, in full by the payment due date shown on your statement each Billing Period. We call this a **grace period on purchases**. If you don't pay your Adjusted New Balance in full, plus any Citi Flex Plan Payment Amount, by the payment due date in a Billing Period, you'll pay interest on your Purchases from the date they're posted to your Account. You also won't have a grace period on Purchases again until you pay the Adjusted New Balance in full, plus any Citi Flex Plan Payment Amount, by the payment due date 2 Billing Periods in a row.

There's no grace period on Balance Transfers and Cash Advances. This means you'll pay interest on Balance Transfers and Cash Advances from the date these Transactions post to your Account.

**Important Information about Citi Flex Plans:** We apply any amount you pay over your Minimum Payment Due first to the balance with the highest APR, then to the balance with the next highest APR, and so on, as described in Section 5, Application of Payments. This means that, if the APR for a Citi Flex Plan balance is higher than an APR that applies to another balance on your Account, we will apply the amount you pay above the Minimum Payment Due to that Citi Flex Plan balance prior to that other balance. This will cause you to pay off that Citi Flex Plan balance before the end of its repayment period and may result in an amount remaining due on your next billing statement for the other balance, increasing your Adjusted New Balance on your next billing statement.

You can see your balances and their corresponding APRs on your statement.

For example, in a sample Billing Period, an Account with no past due or Overlimit Amounts, has:

**Citi Flex Plan: \$5,000 with a repayment period of 24 months at 16.99% APR**  
**Citi Flex Plan statement balance in sample Billing Period: \$4,090**  
**Citi Flex Plan interest charge in sample Billing Period: \$56.92**  
**Citi Flex Plan Payment Amount per Billing Period: \$248**

**and**

**Purchase balance: \$1,000**  
**Minimum Payment Due for Purchases: \$25**

*(Calculations are approximate and for illustrative purposes only.)*

The New Balance for the Account: is **\$5,090**. The Adjusted New Balance is the New Balance (\$5,090) less the Citi Flex Plan Balance (\$4,090): **\$1,000**. Your Minimum Payment Due is **\$273** (\$25 + \$248). To retain your grace period on purchases, you must pay the Adjusted New Balance (\$1,000) plus your Citi Flex Plan Payment Amount (\$248): **\$1,248**.

If your Purchase APR is equal to or higher than your Citi Flex Plan APR and you make a payment to retain your grace period on purchases (\$1,248), your Purchase balance will be reduced to \$0. This means that, to retain your grace period on purchases in the next Billing Period, you will be required to pay \$248 (your Citi Flex Plan Payment Amount), assuming you do not make any new Transactions.

If your Purchase APR is lower than your Citi Flex Plan APR and you make a payment to retain your grace period on purchases (\$1,248), your Purchase balance will only be reduced by \$25 (to \$975). This is because your payment above the Minimum Payment Due will be applied to your Citi Flex Plan balance first. As a result, to retain your grace period on purchases in the next Billing Period, you will be required to pay \$975 (your remaining Purchase balance) plus \$248 (your Citi Flex Plan Payment Amount) for a total of \$1,223, assuming you do not make any new Transactions. **This amount is greater than the \$248 you would have been required to pay in order to retain your grace period on purchases if the Citi Flex**

***Plan APR had been equal to or lower than the Purchase APR. We will continue to apply any payments above the Minimum Payment Due to your Citi Flex Plan balance, and not your Purchase balance, until your Citi Flex Plan balance is paid in full.***

*The following sub-section has been added to the end of this section:*

**Grace Period for Citi Flex Plan balances.** When you create a Citi Flex Plan, you will be charged interest on the Citi Flex Plan balance from the start of the Billing Period following the Billing Period when you created the Citi Flex Plan. This means that you will not be charged interest on the Citi Flex Plan balance during the Billing Period in which you created the Citi Flex Plan.

### **Section 5 – Payments**

*The following sub-section has been changed:*

**Minimum Payment Due.** You may pay all or a part of your Account balance at any time. You must pay at least the Minimum Payment Due by the payment due date each Billing Period.

Your “**Minimum Payment Due**” equals:

Any amount past due; plus  
Any Overlimit Amount; plus  
Any Citi Flex Plan Payment Amount; plus  
The greater of:

1. The Adjusted New Balance, if it's less than \$25;
2. \$25 if the Adjusted New Balance is at least \$25;
3. 1% of the Adjusted New Balance (rounded to the nearest dollar), plus any billed interest or minimum interest charge, plus any late fee; or
4. 1.5% of the Adjusted New Balance (rounded to the nearest dollar).

The Minimum Payment Due is never more than the New Balance.

*The following example has been changed:*

#### ***How is the Minimum Payment Due calculated?***

*For example, in a sample Billing Period, an Account with no past due, Overlimit or Citi Flex Plan Payment amount has:*

***New Balance: \$2,500***

***Interest: \$18.54***

*Since the New Balance is more than \$25, and there are no past due or Overlimit amounts, the Minimum Payment Due will be the greater of:*

***1% of the New Balance (1.0% x \$2,500: \$25.00) + interest (\$18.54): \$43.54***

***or***

***1.5% of the New Balance (1.5% x \$2,500): \$37.50***

***Since 1% of the New Balance plus interest (\$43.54) is greater than 1.5% of the New Balance (\$37.50) the Minimum Payment Due is \$43.54.***

*The following sub-section has been added:*

**Citi Flex Plan Payment Amount.** The Minimum Payment Due will include any amount due on a Citi Flex Plan balance each Billing Period (the “**Citi Flex Plan Payment Amount**”). You must pay the Citi Flex Plan Payment Amount each Billing Period, calculated as described below, for so long as any balance remains in the Citi Flex Plan. The Citi Flex Plan Payment Amount will never be more than the amount of the Citi Flex Plan balance.

We determine the Citi Flex Plan Payment Amount for each Citi Flex Plan that you will pay in each Billing Period as follows:

The Citi Flex Plan balance as of the date you create the Citi Flex Plan, plus  
The estimated interest charges for the Citi Flex Plan calculated on the daily balance from the start of the next Billing Period following the Billing Period in which you created the Citi Flex Plan through the end of the Citi Flex Plan repayment period (assuming that you pay the Minimum Payment Due on your Account each month on the due date), the sum of which is divided by  
The number of months in the Citi Flex Plan repayment period.  
We then round the result up to the nearest dollar.

The formula we use for determining the amount described directly above is:

The Citi Flex Plan balance, multiplied by  
 $(IPAPR / 12) / (1 - (1 + IPAPR / 12)^{-N})$ , rounded up to the nearest dollar. "IPAPR" equals the specific Citi Flex Plan APR applicable to the Citi Flex Plan balance. "N" equals the number of months in the Citi Flex Plan repayment period.

The actual interest charged on your Plan will be calculated as described in Section 3. Your first Citi Flex Plan Payment Amount will be due in the Billing Period following the Billing Period in which you created the Citi Flex Plan. If you do not pay your Minimum Payment Due in full by the due date, you may owe additional interest on your Citi Flex Plan balance. This will not increase the Citi Flex Plan Payment Amount for subsequent Billing Periods, but you may be required to make additional payments after the end of the Citi Flex Plan repayment period to pay your Citi Flex Plan balance (including any additional interest) in full.

If you have not paid your Minimum Payment Due for any three Billing Periods during the Citi Flex Plan, and the Minimum Payment Due for those three Billing Periods remains outstanding at the end of your current Billing Period, we may cancel any existing Citi Flex Plan from your Account, then add the balance of any canceled Citi Flex Plan to the Purchase balance, retaining the Citi Flex Plan APR that was in effect at time of cancellation. We may also do this if:

You file for bankruptcy or some other insolvency proceeding is filed by or against you.  
You don't honor the terms of this Agreement.  
You're declared incompetent or mentally incapacitated or in the event of your death.  
You enter into a hardship assistance program.

If any of the above events occur, we will calculate the Minimum Payment Due as part of the Adjusted New Balance as described in Section 5 and you will no longer pay a monthly Citi Flex Plan Payment Amount. Any canceled Citi Flex Plan balance amount that was added to a Purchase balance will not be added back to a Citi Flex Plan balance, even if you pay your outstanding Minimum Payment Due in full. You will not be eligible to create another Citi Flex Plan until you pay your outstanding Minimum Payment Due in full, and then only if we offer you the opportunity to create another Citi Flex Plan.

**Important Information about Citi Flex Plans and Promotional APRs:** *If your Citi Flex Plan APR is higher than any other APR, such as a promotional Balance Transfer APR, we will apply any payment you make above the Minimum Payment Due to that Citi Flex Plan balance prior to the lower APR balances. This means that if you want to pay off a balance with a lower promotional APR before the promotional period expires, you must first pay off all your other balances with higher APRs, including your Citi Flex Plan balance, before you can pay off that promotional balance.*

*For example, in a sample Billing Period, an Account with no past due or Overlimit Amounts, has:*

**Citi Flex Plan: \$5,000 with a repayment period of 24 months at 16.99% APR**  
**Citi Flex Plan statement balance in sample Billing Period: \$4,090**  
**Citi Flex Plan interest charge in sample Billing Period: \$56.92**  
**Citi Flex Plan Payment Amount per Billing Period: \$248**

**And**

**Balance Transfer amount: \$3,500**

**Balance Transfer promotional APR: 0.00% (increases to standard Purchase APR of 19.99% after the promotion period ends in the next Billing Period)**

**Minimum Payment Due for Balance Transfer amount: \$53**

*(Calculations are approximate and for illustrative purposes only.)*

The New Balance for the Account: is **\$7,590**. The Adjusted New Balance is the New Balance (\$7,590) less the Citi Flex Plan Balance (\$4,090): **\$3,500**. Your Minimum Payment Due is **\$301** (\$53 + \$248).

You make a payment of **\$3,748**, which includes the Minimum Payment Due (\$301) and an additional amount over your Minimum Payment Due (\$3,447). Because the Citi Flex Plan APR is higher than the Balance Transfer APR, the amount of your payment over the Minimum Payment Due will be applied to your Citi Flex Plan balance before the Balance Transfer amount, leaving a Balance Transfer amount of \$3,447.

**In the next Billing Period when the Balance Transfer promotional period ends, you will owe interest on this Balance Transfer amount at a 19.99% APR.**

### **Section 7 - Default, Closing or Suspending Your Account**

*The following sub-section has been changed:*

**Closing or Suspending Your Account.** We may close or suspend your Account if any of the events listed above occur, or for any reason, or for no reason. We may do this at any time, without notifying you, as allowed by law. We may cancel your current Card and issue you a substitute Card at any time. You also may close your Account at any time by notifying us by telephone or in writing. If we close or suspend your Account, or if you close your Account, you must pay us all amounts you owe on the Account (including any amount due on a Citi Flex Plan balance), even if they post to your Account after it's closed or suspended.

### **Section 8 - Credit Reporting**

*The following sub-section has been changed:*

If you think we've given incorrect information to a Consumer Reporting Agency about you (or about an Authorized User), please write to us at the Customer Service address on your statement and we'll research it. We'll let you know if we agree or disagree with you. If we agree with you, we'll contact each Consumer Reporting Agency we reported to and request a correction.

### **Section 10 - Transactions**

*The following sub-section has been changed:*

**Merchant Refunds.** A merchant refund to your Account will post to your Account as a credit. We don't control when a merchant sends an Account credit. We'll choose how to apply the credit to your existing Account balances, including whether to apply a credit to a Citi Flex Plan or a different balance. If you believe a merchant credit has not been applied properly, please contact us. If a credit creates a credit balance on your Account, we'll mail you a check for the amount of the credit balance.