



TEXAS ONE COMMUNITY CREDIT UNION

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NOTICE: Read and retain this copy of your Credit Card Agreement and Disclosure Statement for future reference.

CREDIT CARD AGREEMENT AND DISCLOSURE STATEMENT FOR YOUR MASTERCARD® ACCOUNT

TERMS USED IN THIS AGREEMENT: This Agreement and Disclosure Statement (“Agreement”) covers your MasterCard® Account (“Account”). In this Agreement, the words “you” and “your” mean any person who signs this Agreement or uses the Card. “We”, “our”, and “us” mean Texas One Community Credit Union, the issuer of your MasterCard® credit card. The “Card” means any credit card issued to you or those designated by you under the terms of this Agreement. “Use of the Card” means any procedure used by you or someone authorized by you, to make a purchase or an advance whether or not the purchase or advance is evidenced by a signed written document. “Unauthorized Use of the Card” means the use of the Card by a person, other than you, who does not have the actual, implied, or apparent authority for such use, and from which you receive no benefit. In this Agreement, any plural terms shall be deemed singular and any singular terms shall be deemed plural when context and construction so require.

EXTENSION OF CREDIT: if you are approved for an Account, we will establish a line of credit for you and notify you of your credit limit. You agree that your credit limit is the maximum amount (purchases, cash advances, finance charges, plus “other charges”) that you will have outstanding on your Account at any time. If you are over your credit limit, you must pay that amount you are over before payments will begin to restore your credit limit. You may request an increase in your credit limit only by a method acceptable to the Credit Union. The Credit Union has the right to reduce your credit limit, refuse to make an advance and/or terminate your Account at any time for any reason not prohibited by law.

Using Your Card. You may use your Card to make purchases from merchants and others who accept MasterCards. However, you may not use your Card to initiate any type of electronic gambling transaction through the Internet. If you wish to pay for goods and services over the Internet, you may be required

to provide card number security information before you will be permitted to complete the transaction. In addition, you may obtain cash advances from the Credit Union and from other financial institutions that accept MasterCards, and from some automated teller machines (ATMs). (Not all ATMs accept MasterCard cards). To obtain cash advances from and ATM, you must use the Personal Identification Number (PIN) that is issued to you for use with your Card. You agree that you will not use your Card for any transaction that is illegal under applicable federal, state or local law.

Responsibility. You agree to pay all charges (purchases and cash advances) to your Account that are made by you or anyone whom you authorized to use your Account. You also agree to pay all finance charges and other charges added to your Account under the terms of this Agreement or another agreement you made with the Credit Union.

Finance Charges. New purchases posted to your account during a billing cycle will not incur a finance charge for that billing cycle if you had a zero or credit balance at the beginning of that billing cycle or you paid the entire New Balance on the previous cycle’s billing statement by the Payment Due Date of that statement; otherwise a finance charge will accrue from the date a purchase is posted to your account. To avoid an additional finance charge on the balance of purchases, you must pay the entire New Balance on the billing statement by the Payment Due Date of that statement. A finance charge begins to accrue on cash advances from the date you get the cash advance.

The finance charge is calculated separately for purchases and cash advances. For purchase, the finance charge is computed by applying the daily periodic rate to the average daily balance of purchase. To get the average daily balance of purchases, we take the beginning outstanding balance of purchases each day, add any new purchases, and subtract any payments and/or credits. This gives us the daily balance of purchases. Then, we add all the daily balances of purchases for the billing cycle together and divide the total by the number of days in the billing cycle. This gives us the average daily balance of purchases.

For cash advances, the finance charge is computed by applying the daily periodic rate to the average daily balance of cash advances. To get the average daily balance of cash advances, we take the beginning outstanding balance of cash advances each day, add in any new cash advances, and subtract any payments and/or credits that we apply to the cash advance balance. This gives us the daily balance of cash advances. Then, we add all the daily balances of cash advances for the billing cycle together and divide the total by the number of days in the billing cycle. This gives us the average daily balance of cash advance.

If your Account features an Introductory Rate, you will pay an Introductory Rate **FINANCE CHARGE** for purchases made at the periodic rate and corresponding **ANNUAL**

PERCENTAGE RATE and for the time period set forth in the Additional Disclosure included with this Agreement (“Introductory Rate”). Thereafter, or if there is no Introductory Rate, the periodic rate used to compute the **FINANCE CHARGE** is based on an index (the “Index”), which is the highest Prime Rate as published in the Money Rates section of *The Wall Street Journal* on the 15th day of the month for the preceding three months and is subject to change monthly. If the 15th falls on a weekend or a holiday in any given month, then we will use the Prime Rate published on the next business day for that month. Any changes in the Index will be effective on the first day of the billing cycle following the date of the change. An increase in the Index will result in an increase in the periodic rate, which in turn, may result in higher payments. The **ANNUAL PERCENTAGE RATE** for purchases, balance transfers, and cash advances in any given billing cycle, except for any Introductory Rate or Past Due Rate period, will be the Index plus the Purchases Base Rate as set forth in the Additional Disclosure. These **ANNUAL PERCENTAGE RATES** are referred to as the Standard Rate. The Standard Rate daily periodic rate and corresponding **ANNUAL PERCENTAGE RATES** for purchases, cash advances, and balance transfers as of the last update are set forth in the Additional Disclosure. The minimum Standard Rate is 5.750% **ANNUAL PERCENTAGE RATE**. The maximum Standard Rate is 18.000% **ANNUAL PERCENTAGE RATE**, or the current applicable usury rate, whichever is higher.

Your Account features a Past Due Rate. The Past Due periodic rate and corresponding **ANNUAL PERCENTAGE RATE** are set forth in the Additional Disclosure included with this Agreement.

Other Charges. The following other charges (fees) will be added to your Account, as applicable:

- a. **Over-the-Credit-Limit Fee:** You may be charged a fee of \$29.00 on a statement date if your New Balance on that date, less any fees imposed during the cycle, is over your credit limit. You will be charged the fee each subsequent month until your New Balance on the statement date, less any fees imposed during the cycle, is BELOW your credit limit.
- b. **Late Payment Fee:** If you are five (5) or more days late in making a payment, a late charge of \$15.00 will be added to your account.
- c. **Return Check Fee:** If a check or share draft used to make a payment on your account is returned unpaid, you will be charged a fee of \$29.00 for each item returned.
- d. **Card Replacement Fee:** You will be charged \$5.00 for each replacement card that is issued to you for any reason.
- e. **Document Copy Fee:** You will be charged \$5.00 for each copy of sales draft or statement that you request (except when the request is made in connection with a billing error made by the Credit Union).

- f. **Collection Costs:** You agree to pay all costs of collecting the amount you owe under this agreement, including court costs and reasonable attorney’s fees.
- g. **Rush Fee:** \$30.00.
- h. **Foreign Transaction Fee –** Up to 1% of transaction
- i. **Manually-posted payments-** You will be charged \$1.00 per transaction for payments posted manually by a credit union representative.

Payments. Each month you must pay at least the minimum payment shown on your statement by the date specified on the statement or no later than twenty-five (25) days from the statement closing date, whichever is later. If your statement says the payment is “Now Due”, your payment is due no later than twenty-five (25) days from the statement closing date. You may pay more frequently, pay more than the minimum payment or pay the Total New Balance in full. The minimum payment is 3% of your Total New Balance, or \$18.00, whichever is greater, plus the amount of any prior minimum payments that you have not made, and any amount you are over your credit limit. The Credit Union also has the right to demand immediate payment of any amount by which you are over your credit limit.

Payment Allocation. Subject to applicable law, your payments may be applied to what you owe the Credit Union in any manner the Credit Union chooses.

Security Interest. Your Account is secured by all other shares you have in any individual or joint account with the Credit Union, except for shares in an Individual Retirement Account or in any other account that would lose special tax treatment under state or federal law if given as security. These other shares may be withdrawn unless you are in default under this agreement. You authorize the Credit Union to apply the balance in your individual or joint share accounts to pay any amounts due on your Account if you should default. Collateral securing other loans you have with the Credit Union may also secure this loan, except that a dwelling will never be considered as security for this Account, notwithstanding anything to the contrary in any other agreement.

Default. You will be in default if you fail to make any minimum payment or other required payment by the date that it is due. You will be in default if you break any promise you make under this Agreement. You will be in default if you die, file for bankruptcy, or become insolvent, that is, unable to pay your obligations when they become due. You will be in default if you make any false or misleading statements in any credit application or credit update. You will also be in default if something happens that the Credit Union believes may substantially reduce your ability to repay what you owe. When you are in default, the Credit Union has the right to demand immediate payment of your full Account balance without giving you notice. If immediate payment is demanded, you agree to continue paying finance charges, at the periodic rate charged before default, until what you owe has been paid,

and any shares that were given as security for your Account may be applied towards what you owe.

Liability for Unauthorized Use-Lost/Stolen Card Notification. You may be liable for the unauthorized use of your Credit Card. You will not be liable for unauthorized use that occurs after you notify us a P.O. Box 41308, Houston, TX 77241-1308 in writing or telephone us at (800) 442-4757 twenty-four (24) hours a day, seven (7) days a week or (713-460-1661 Monday through Friday 7:30 A.M. to 4:00 P.M., of the loss, theft, or possible unauthorized use. However, if you exercise reasonable care in safeguarding your card from risk of loss or theft, have not reported two or more incidents of unauthorized use in the last twelve (12) months, and if your account is in good standing, you will not be liable for an unauthorized purchase transactions. In any case, your liability will not exceed \$50.

Termination and Changes: We may change the terms of this Agreement from time to time. Notice of any change will be given in accordance with applicable law. If permitted by law and specified in the notice to you, the change will apply to your existing Account balance as well as to future transactions.

Either you or the Credit Union may terminate this Agreement at any time, but termination by you or the Credit Union will not affect your obligation to pay the Account balance plus any finance and other charges you owe under this Agreement. You are also responsible for all transactions made to your Account after terminations made to your Account after termination, unless the transactions were unauthorized.

The Card or Cards you receive remain the property of the Credit Union and you must recover and surrender to the Credit Union all Cards upon request or upon termination of this Agreement whether by you or the Credit Union. The Credit Union has the right to require you to pay your full Account balance at any time after your Account is terminated, whether it is terminated by you or the Credit Union.

CREDIT INVESTIGATION: In conjunction with our application for credit and, if approved, maintenance of your of your Account, you agree that we have the right to investigate your credit and employment history, to verify your credit references, to request and use credit reports, and to report the way you pay your Account to credit bureaus and other interested parties.

Returns and Adjustments. Merchants and others who honor your Card may give credit for returns or adjustments, and they will do so by sending the Credit Union a credit slip which will be posted to your Account. If your credits and payments exceed what you owe the Credit Union, the amount will be applied against future purchases and cash advances. If the credit balance amount is \$1 or more, it will be refunded upon your written request or automatically after six (6) months.

Additional Benefits/Card Enhancements. The Credit Union may, from time to time, offer additional services to your Account, such as travel accident insurance, at no additional cost to you. You understand that the Credit Union is not obligated to offer such services and may withdraw or change them at any time.

Foreign Transactions. If you effect a transaction with your MasterCard card in a currency other than U.S. dollars, MasterCard International Incorporated will convert the charge into a U.S. dollar amount. MasterCard International will use its currency conversion procedure, which is disclosed to institutions that issue MasterCard cards. Currently, the currency conversion rate used by MasterCard International to determine the transaction amount in U.S. dollars for such transactions is a rate selected by MasterCard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard itself receives, or the government-mandated rate in effect for the applicable central processing date, in each instance, plus or minus any adjustment determined by the issuer.

Merchant Disputes. The Credit Union is not responsible for the refusal of any merchant or financial institution to honor your Card. The Credit Union is not subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the Card if you have made a good faith attempt but have been unable to obtain satisfaction from the merchant or service provider, and (a) your purchase was made in response to an advertisement the Credit Union sent or participated in sending to you; or (b) your purchase cost more than \$50 and was made in your state or within one hundred (100) miles of your home.

JOINT APPLICATION LIABILITY: If this is a joint Account, each person on the Account must sign the Agreement (by signing on the application). Each of you will be individually and jointly responsible for paying all amounts owed under this Agreement. This means that the Credit Union can require any one of you individually to repay the entire amount owed under this Agreement. Each of you authorizes the other(s) to make purchases or cash advances individually. Any one of you may terminate the Account and the termination will be effective as to all of you.

Effect of Agreement. This Agreement is the contract which applies to all transactions on your Account even though the sales, cash advances, credit or other slips you sign or receive may contain different terms. This Agreement is the final expression of the terms and conditions of this MasterCard line of credit between you and the Credit Union. This written Agreement may not be contradicted by evidence of any alleged oral agreement.

No Waiver. The Credit Union can delay enforcing any of its rights any number of times without losing them.

Statements and Notices. Statements and notices will be mailed to you at the most recent address you have given the Credit Union. Notice sent to any one of you will be considered notice to all.

Copy Received. You acknowledge that you have received a copy of this Agreement.

YOUR BILLING RIGHTS KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify Us in Case of Errors or Questions About Your Statement. If you think your statement is wrong or if you need more information about a transaction on your statement, write us on a separate sheet at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information: (1) Your name and Account number, (2) The dollar amount of the suspected error, (3) Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about. If you have authorized us to pay your credit card bill automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment, your letter must reach us ten business days before the automatic payment is scheduled to occur.

Your Rights and Our Responsibilities After We Receive Your Written Notice.

We must acknowledge your letter within thirty (30) days, unless we have corrected the error by then. Within ninety (90) days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply an unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of our bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questions amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten (10) days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules we can't collect the first \$50 of the questioned amount, even if your bill was correct.

Special Rule for Credit Card Purchases. If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right: (1) You must have made the purchase in your home state, or if not within your home state, within 100 miles of your current mailing address; and (b) The purchase price must have been more than \$50. These limitations do not apply if we own or operate the merchant, or mailed you the advertisement for the property or services.

RECEIPT OF AND AGREEMENT TO TERMS AND CONDITIONS OF AGREEMENT: By signing an application for the Card or by using the Card, you agree to all the terms and conditions and promise to perform all the obligations, requirements, and duties contained in this Agreement, and you acknowledge receipt of a copy of this Agreement.

Texas One Community Credit Union, P.O. Box 41308, Houston, TX, 77241-1308, issues your credit card under this Agreement.

CUSTOMER SERVICE: (800) 442-4757 – 24 hours a day/7 days a week. (Please have account information available).