

TEXAR Federal Credit Union
2301 Richmond Rd., Texarkana, TX 75503 903-223-0000
CREDIT CARD AGREEMENT AND DISCLOSURE
STATEMENT FOR YOUR CREDIT CARD ACCOUNT

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

TERMS USED IN THIS AGREEMENT: This Agreement and Disclosure Statement ("Agreement") covers your Credit Card 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 TEXAR Federal Credit Union, the issuer of your 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 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 your application is approved, we may, at our discretion, establish an Account in your name and cause one or more Cards to be issued to you or those designated by you. In such event, you authorize us to pay for your Account all items reflecting credit purchases and cash advances obtained through use of the Card.

RECEIPT OF AND ACCEPTANCE 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.

JOINT APPLICANT LIABILITY: If more than one person executes this Agreement, each of you shall be jointly and individually liable to use for all charges made to the Account, including applicable fees. In addition, you agree that each of you designates the other as agent for the purpose of making purchases extended under this Agreement and each use of your Account shall be an extension of credit to all. Notice to one of you shall constitute notice to all. Any joint cardholder may remove himself or herself from responsibility for future purchases at any time by notifying us in writing. However, removal from the Account does not release you from any liability already incurred.

BALANCE TRANSFERS: Subject to your available credit, you will be able to transfer the balances of non-TEXAR Federal Credit Union credit card accounts to your Account. If you request a balance transfer to be made, you should not rely on a balance transfer to be made by any particular date. Although most balance transfer will be made sooner, it could take up to four weeks before payment to your other account is made.

Accordingly, you should continue to make all required payments on your other accounts until you confirm that the balance transfer has been made. Balance transfers may not exceed your available credit. We will not close your other accounts, even if you transfer the entire balance. If you want to close your other accounts, you should contact the issuer directly. Transfer of a balance that contains disputed purchases or other charges may cause you to lose any dispute rights you may have with regard to those purchases or other charges. There is no grace period for balance transfers. The following charge will apply in connection with the use of a Balance Consolidation Check: Stop Payment on Check \$15. Fees will be assessed at the time they are incurred.

OTHERS USING YOUR ACCOUNT: If you allow anyone else to use your Account, you will be liable for all credit extended to such persons. You promise to pay for all purchases and cash advances made by anyone you authorize to use your Account, whether or not you notify us that he or she will be using it. If someone else is authorized to use your Account and you want to end that person's privilege, you must notify us in writing, and if he or she has a Card, you must return the Card with your written notice for it to be effective.

CREDIT LIMITS: You promise that payments we make for your Account resulting from use of the Card will at no time cause the outstanding balance of your Account to exceed your credit limit as established by us or as adjusted from time to time at our discretion. The portion of your total credit line that may be used to make a cash advance ("Cash Advance Credit Line") is established by us and is disclosed on your billing statement. We may change your Cash Advance Credit Limit at any time.

Promise to Pay: You promise to pay us in U.S. dollars for (a) all purchases, cash advances and balance transfers made by you or anyone whom you authorized to use the Card of Account; (b) interest charges and other charges or fees; (c) collection costs and attorney's fees as permitted by applicable law, and any costs incurred in the recovery of the Card; and (d) credit in excess of your credit limit that we may extend to you. At the end of each monthly billing cycle for which you have a balance on your Account, you will be furnished with a periodic statement showing (i) the "Previous Balance" (the outstanding balance in the Account at the beginning of the billing cycle), (ii) the amount of all cash advances, purchases, balance transfers, Late Charges, Annual Fees, Finance Charges (as defined below in the "Cost of Credit" section), and other charges or fees posted to your Account during the billing cycle, (iii) the amount of all payment and credit posted to your Account during the billing cycle, and (iv) the "New Balance" which is the sum of (i) and (ii) minus (iii).

MINIMUM PAYMENT DUE: You agree to pay on or before the "Payment Due Date" shown on the monthly periodic statement the entire New Balance or a Minimum Payment equal to an amount which is at least 2% of the New Balance or \$10, whichever is greater, plus any amount in excess of the credit limit established by us and any past due minimum payments. If the

New Balance is \$10 or less, you agree to pay it in full. You may make extra payments in advance of the due date without a penalty, and you may repay any funds advanced, credit extended, or amount outstanding at any time without penalty for early payment. Regardless of the amount of any extra payment during a given month, a monthly payment will be required the following month if a balance remains in your Account.

COST OF CREDIT: You will pay a "Finance Charge" for all advances made against your Account. Finance Charges for cash advances and balance transfers begin to accrue on the date of the advance. New purchases will not incur a Finance Charge on the date they are posted to your Account if you have paid the Account in full by the Payment Due date shown on your previous monthly statement, or if there was no previous balance. The Payment Due Date will be not less than 25 days from the billing cycle closing date shown on your statement. No additional Finance Charge will be imposed on purchases whenever you pay the Account in full on or before the Payment Due date reflected on your statement.

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, Unless an Introductory rate is in effect, the periodic rate used to compute the INTEREST CHARGE for purchases is based on an index (the "Index"), which is the Prime Rate as published in the Money Rates section of The Wall Street Journal on the last business day of the month and is subject to change monthly on the first day of each month. Any change 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 in any given billing cycle, except for any Introductory Rate, will be the Index plus the Purchases Base Rate as set forth in the Additional Disclosure. The **ANNUAL PERCENTAGE RATE** for cash advances in any given billing cycle, including any Introductory Rate period, will be the Index plus the Cash Advance Base Rate as set forth in the Additional Disclosure. The **ANNUAL PERCENTAGE RATE** for balance transfers in any given billing cycle, including the Introductory Rate period, will be the Index plus the Balance Transfer Base Rate as set for 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 and cash advances as of the last update are set forth in the Additional Disclosure. For all advances, the daily periodic rate will never be greater than a daily periodic rate of .049315% with a corresponding **ANNUAL PERCENTAGE RATE** of 18.00%. The **ANNUAL PERCENTAGE RATE** for a **SHARE SECURED** card for purchases in any given cycle, except for any Introductory Rate, will be the Index plus the highest Purchases Base Rate as set forth in the Additional Disclosure. The **ANNUAL PERCENTAGE RATE** for cash advances in any given billing cycle for **SHARE**

SECURED cards, including any Introductory Rate period, will be the Index plus the highest Cash Advance Base Rate as set forth in the Additional Disclosure.

HOW WE CALCULATE YOUR BALANCE AND INTEREST CHARGE ON BALANCES: We figure the interest charge on your Account by applying the applicable Daily Periodic Rate to the Average Daily Balance of your Account for each feature category, including certain current transactions. Feature categories include purchases, balance transfers, cash advances and promotional balances. These calculations combine different feature categories with the same Daily Periodic Rates. The Average Daily Balance for each feature category is arrived at by taking the beginning balance of such feature category each day and adding any new transactions to the balance, except we will not include new purchases if you have paid in full the New Balance on our previous statement by the Payment Due Date or if the New Balance on your previous statement was zero. We then subtract any payments or credits and unpaid interest or other Finance Charges allocated to the feature category balance for the day. This gives us the daily balance for such feature category. The daily balances for such feature category are then added together and divided by the number of days in the billing cycle. The result is the Average Daily Balance for such feature category.

MINIMUM INTEREST CHARGE: There is a minimum interest charge of \$1 for any billing cycle in which a periodic interest charge is due.

CASH ADVANCE FEE: If your Account offers a Cash Advance feature, the amount of the Cash Advance Fee is set forth in the Additional Disclosure included in this Agreement.

BALANCE TRANSFER FEE: If your Account offers a Balance Transfer feature, the amount of the Balance Transfer Fee is set forth in the Additional Disclosure included in this Agreement.

LATE PAYMENT FEE: Your Account features a Late Payment fee. The Late Payment Fee for your account is set forth in the Additional Disclosure included with this Agreement.

RETURNED CHECK FEE: We will charge you a Returned Check Fee of \$25 each time you send us payment that is returned unpaid for any reason. We will charge you this fee the first time any payment is returned unpaid, even if it is paid upon resubmission.

ANNUAL FEE: If your Account features an Annual Fee, the amount of the Annual Fee is set forth in the Additional Disclosure included with this Agreement.

REPLACEMENT CARD FEE: Your Account features a Replacement Card fee, if applicable. The Replacement Card fee for your account is set forth in the additional Disclosure included with this Agreement.

CREDITING OF PAYMENTS: All payments made on your Account, at the address designated for payment on the monthly periodic statement, will be credited to your Account on the date of receipt. If the date of receipt is not a business day, your payment will be credited on the first business day following receipt.

PAYMENT FLOAT: If your Account features Payment Float, a payment will not apply to available credit amount until payment float days have been reached. This affects all payment types.

ALLOCATION OF PAYMENTS: All payments on your Account will be applied first to collection costs, then to any Finance Charges and other fees due, and then to the unpaid principal balance. Interest paid or agreed to be paid shall not exceed the maximum amount permissible under applicable law, and in any contingency whatsoever, if we shall receive anything of value deemed interest under applicable law which would exceed the maximum amount of interest permissible under applicable law, the excessive interest shall be applied to the reduction of the unpaid principal amount or refunded to you.

DEFAULT: You will be in default (i) if you fail to make any payment on time; (ii) if you exceed your authorized credit limit; (iii) if you fail to keep any promises you have made under this or any other agreement with us; (iv) if you are the subject of an order of relief under Title 11 of the U.S. Code of (Bankruptcy); (v) if anyone tries, by legal process, to take any of your money maintained with us; (vi) if you have given us false or inaccurate information in obtaining your Card; or (vii) if we reasonably believe that you are unable or unwilling to repay your obligations to us.

ACCELERATION: If you are in default, without notice to you we may accelerate your debt and call any amount you owe immediately due and payable, plus Finance Charges that will continue to accrue until the entire amount is paid. You expressly waive any right to notice of our intent to accelerate and right to notice that your debt has been accelerated.

TERMINATION AND CHANGES IN TERMS: You may terminate this Agreement by written notice, as to future advances at any time. We can terminate this Agreement at any time subject to such notice as may be required by applicable law. Termination by either party shall not affect your obligation to repay any payments made for your Account resulting from use of the Card as well as Finance Charges and other related charges. We may change the terms of this Agreement, including the periodic rate at any time subject to such notice as may be required by applicable law. If you use your Card or Account to make a purchase, balance transfer, or obtain a cash advance after having been given notice of a change in terms, you agree that the existing balance in your Account at the time of that use will be subject to the new terms, as shall subsequent uses.

CONSENT TO CONTACT YOU: You agree that we can contact you for all purposes (including collection purposes) using all media and all contact information you provide to us. You agree that we

may use automated equipment to dial your telephone number or to deliver messages to you. You may limit this consent based on the options we may provide by calling our Customer Service. Any charges for contacting you which may be billed to you by your communications carrier are your responsibility.

NOTIFICATION ADDRESS FOR INFORMATION REPORTED TO CONSUMER REPORTING AGENCIES: We may report the status and payment history of your Account to credit reporting agencies each month. If you believe that the information, we have reported is inaccurate or incomplete, please notify us in writing at TEXAR Federal Credit Union, 2301 Richmond Rd., Texarkana, TX 75503. Please include your name, address, home telephone number, and Account number. If your notification relates to an incident of identity theft, we will require a copy of your identity theft report filed with law enforcement authorities.

CREDIT INVESTIGATION: In conjunction with your application for credit and, if approved, maintenance 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.

ILLEGAL TRANSACTIONS: You may not use your Card for any illegal transaction. You agree that we may decline to process any transaction that we believe in good faith to be for an illegal purpose. You agree that we will not be liable for declining to process any such transaction. If we do process any transaction that ultimately is determined to have been for an illegal purpose, you agree that you will remain liable to us under this agreement for any such transaction notwithstanding its illegal nature. You agree that any illegal use of the Card will be deemed an act of default under this Agreement. You further agree to waive any right to take legal action against us for your illegal use of the Card and to indemnify and hold us Visa® or MasterCard® International, Incorporated harmless from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use.

CURRENCY CONVERSION: If you effect a transaction with your MasterCard® in a currency other than U.S. dollars, MasterCard International 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 generally either a government mandated rate or a wholesale rate determined by MasterCard International for the processing cycle in which the transaction is processed, increased by an adjustment factor established from time to time by MasterCard International. The currency conversion rate used by MasterCard International on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date. If you effect a transaction with your VISA Card in a currency other than U.S. dollars, the rate of exchange between the transaction currency and the billing

currency used for processing the transaction will be: (a) A rate selected by VISA from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA itself receives, or (b) The government-mandated rate in effect for the applicable central processing date; and in each instance, plus or minus any adjustment determined by us.

COLLECTION CHARGES: In the event we refer your Account to an attorney, you agree to pay all charges and expenses, including reasonable attorney fees and litigation expenses, to the extent permitted by applicable law. This section does not apply to you if you are a resident of the State of Nebraska, Iowa, or any other state that prohibits contracting for or charging of attorney fees with or to its residents.

ADDITIONAL PROVISIONS: Each provision of the Agreement must be considered part of the total Agreement and cannot in any way be severed from it. However, if any provision of this Agreement is finally determined to be void or unenforceable under any law, rule, or regulation, all other provisions of this Agreement will remain valid and enforceable. You understand that the validity, construction, and enforcement of this Agreement is governed by the laws of the State of Texas to the extent not preempted by applicable federal law, and it is performable in Dallas County, Texas. We do not warrant any merchandise or services purchased by you with the Card. All purchases and cash advances are extended at the option of the merchant or cash-advancing financial institution and we are not responsible for the refusal of any merchant or financial institution to honor your Card. The Card remains our property at all times and you agree to immediately surrender the Card upon demand. You agree to pay all reasonable cost of collection, including court costs and attorney fees, and any costs incurred in the recovery of the Card. We can accept late payments or partial payments or checks, or money orders marked "payment in full" without losing any or our rights under this Agreement. We can also delay enforcing any of our rights under this Agreement without losing them. You expressly waive presentment for payment, demand, protest, and notice of protest and dishonor of same. You agree to give us prompt notice of any change in your name, mailing address, telephone number or place of employment.

YOUR BILLING RIGHTS: KEEP THIS DOCUMENT FOR FUTURE USE

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

WHAT TO DO IF YOU FIND A MISTAKE ON YOUR STATEMENT

If you think there is an error on your statement, write us a letter on a separate sheet of paper at the address listed by us on your statement. In your letter give us the following information:

- **Account information:** Your name and account number.
- **Dollar amount:** The dollar amount of the suspected error.
- **Description of problem:** If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential error **in writing**. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

WHAT WILL HAPPEN AFTER WE RECEIVE YOUR LETTER

When we receive your letter, we must do two things:

- Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
- Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- If we made a mistake: You will not have to pay the amount in question, or any interest or other fees related to that amount.
- If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe, and the date payment is due. We may then report you as delinquent if you do not pay the amount, we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within **10 days** telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do have to pay the first \$50 of the amount you question even if your bill is correct.

YOUR RIGHTS IF YOU ARE DISSATISFIED WITH YOUR CREDIT CARD PURCHASES

If you are dissatisfied with the goods or services that you have purchased with your 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 purchase.

To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement, we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
3. You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us **in writing** at the address listed by us on your statement. While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

CUSTOMER SERVICE: (866-597-1487) – 24 hours a day/ 7 days a week. (Please have account information available.)

TEXAR Federal Credit Union
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Federally Insured By NCUA