

# MasterCard® and Gold MasterCard Credit Card Agreement

## Concho Educators Federal Credit Union

APPLICANT(S)

ACCOUNT NO(S).

**TERMS USED IN THIS AGREEMENT:** In this Agreement, “we,” “our,” “us,” and “Credit Union” mean the credit union named above. “You” and “your” mean any person who signs this Agreement or uses the 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 obtain a cash 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 someone other than you who does not have actual, implied, or apparent authority for such use, and from which you receive no benefit.

**EXTENSIONS OF CREDIT:** If your application is approved, the Credit Union may, at its discretion, establish a MasterCard®, credit card 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 the Credit Union to pay for your account, all items reflecting credit purchases and cash advances obtained through use of the card.

**JOINT APPLICANT LIABILITY:** If this Agreement is executed by more than one person, each of you shall be jointly and individually liable to us 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 him/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.

**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 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 that card with your written notice for it to be effective.

**CREDIT LIMITS:** You promise that payments made for your account resulting from use of the card will at no time cause the outstanding balance in your account to exceed your credit limit as disclosed to you at the time you received your card or as adjusted from time to time at the discretion of the Credit Union.

**PROMISE TO PAY:** You promise to pay the Credit Union all payments made for your account resulting from the use of the card plus an **INTEREST CHARGE** on the unpaid balance. At the end of each monthly billing cycle, 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, and **INTEREST CHARGES** and other fees posted to your account during the billing cycle, (iii) the amount of all payments and credits posted to your account during the billing cycle, and (iv) the “New Balance” which is the sum of (i) and (ii) less (iii).

For MasterCard, you agree to pay on or before the “Payment Due Date” shown on the periodic statement either the entire New Balance, or a minimum payment equal to 3% of the New Balance or \$15, whichever is greater. If the New Balance is \$15 or less, you will pay in full.

For Gold MasterCard, you agree to pay on or before the Payment Due Date shown on the periodic statement either the entire New Balance, or a minimum payment equal to 3% of the New Balance or \$15, whichever is greater. If the New Balance is \$15 or less, you will pay in full.

In addition to the minimum payment shown on your periodic statement, you agree to pay any amounts in excess of the credit limit established by us and any past due minimum payments. You may make extra payments in advance of the due date without 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 payments 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 an **INTEREST CHARGE** for all advances made against your account. Cash advances and balance transfers incur an **INTEREST CHARGE** from the date they are posted to the account. If you have paid your account in full by the due date shown on the previous monthly statement, or there is no previous balance, you have not less than 25 days to repay your account balance before an **INTEREST CHARGE** on new purchases will be imposed. Otherwise, there is no grace period and new purchases will incur an **INTEREST CHARGE** from the date they are posted to the account.

The periodic rate for MasterCard is .035068% per day, which has a corresponding **ANNUAL PERCENTAGE RATE** of 12.8%. For Gold MasterCard, the periodic rate is .027123% per day, which has a corresponding **ANNUAL PERCENTAGE RATE** of 9.9%.

The **INTEREST CHARGE** is figured by applying the periodic rate to the “balance subject to **INTEREST CHARGE**,” which is the “average daily balance” of your account, including certain current transactions. The average daily balance is arrived at by taking the beginning balance of your account each day and adding any new cash advances and balance transfers, and unless you pay your account in full by the due date shown on your previous monthly statement or there is no previous balance, adding in new purchases, and subtracting any payments or credits and unpaid **INTEREST CHARGES**. The daily balances for the billing cycle are then added together and divided by the number of days in the billing cycle. The result is the average daily balance. The **INTEREST CHARGE** is determined by multiplying the average daily balance by the number of days in the billing cycle and applying the periodic rate to the product.

**OTHER CHARGES:** If you do not pay your minimum payment within 10 days following your payment due date, you may be charged a Late Fee equal to 5% of the payment due with a \$15 maximum charge. If you obtain a cash advance by using an automated teller machine, you may be charged any amounts imposed upon the Credit Union by the owner or operator of the machine. If a payment made on your account is returned, for any reason, there will be a \$27 Returned Payment Fee, even if the payment is honored upon resubmission. Any charge made under this paragraph will be added to the balance of your account and treated as a purchase.

**CREDIT INSURANCE:** If available, credit insurance is not required for any extension of credit under this Agreement. However, you may purchase any credit insurance available through the Credit Union and have the premium added to the outstanding balance in your account. If you elect to do so, you will be given the necessary disclosures and documents separately.

**SECURITY: YOU SPECIFICALLY GRANT US A CONSENSUAL SECURITY INTEREST IN ALL INDIVIDUAL AND JOINT ACCOUNTS YOU HAVE WITH US NOW AND IN THE FUTURE TO SECURE REPAYMENT OF CREDIT EXTENSIONS MADE UNDER THIS AGREEMENT. THE GRANTING OF THIS SECURITY INTEREST IS A CONDITION FOR THE ISSUANCE OF ANY CARD WHICH YOU MAY USE, DIRECTLY OR INDIRECTLY, TO OBTAIN EXTENSIONS OF CREDIT UNDER THIS AGREEMENT.**

Shares and deposits in an Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security are not subject to the security interest you are giving.

**ADDITIONAL SECURITY:** If you have other loans with us, now or in the future, collateral securing those loans may also secure your obligations under this Agreement. Please read any security agreement you sign in order to determine if the collateral also secures your obligations under this Agreement and other agreements you have with us.

**LIABILITY FOR UNAUTHORIZED USE:** You may be liable for the unauthorized use of your card. If you notice the loss or theft of your card or a possible unauthorized use of your card, you should call us immediately at (800) 491-9045. You may also write to us at: Concho Educators Federal Credit Union, P. O. Box 60976, San Angelo, Texas 76906-0976. Although you may write to notify us of unauthorized use, calling us immediately at the telephone number above is the best way to keep your possible losses down.

Under MasterCard's zero liability policy, you will not be liable for any unauthorized use of your MasterCard once you notify us orally or in writing of the loss, theft, or possible unauthorized use and you meet the following conditions: (i) you have exercised reasonable care with your card; (ii) you have not reported two or more incidents of unauthorized use of your card within the previous 12 months; and (iii) you have maintained your account in good standing. MasterCard's zero liability policy does not apply to cash advances obtained at an ATM.

You will not be liable for any unauthorized use that occurs after you notify us. You may, however, be liable for unauthorized use that occurs before your notice to us. In any case, your liability will not exceed \$50.00.

**CREDITING OF PAYMENTS:** We do not charge for payments made by standard mail service or other standard payment methods approved by us. If we charge a fee for any expedited payment service we offer, that fee will be disclosed to you at the time you request the service. [You may make payments by mail, through our website, or at any of our branch office locations.] If payment is made at any location other than the address designated on the periodic statement [or through other payment channels we have authorized], credit for such payment may be delayed up to five days. Minimum payment amounts and account credits will be applied first to any **INTEREST CHARGE** due, then to any fees due, and the remainder to the unpaid balance. Payments made in excess of the minimum payment amount will be applied first to the balance with the highest interest rate, if applicable. 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 fail to keep any promises you have made under this or any other Agreement with the Credit Union, (iii) if you become insolvent or are the subject of an order for relief under Title 11 of the U.S. Code (Bankruptcy), (iv) if anyone tries, by legal process, to take any of your money in the Credit Union, (v) if you have given the Credit Union false or inaccurate information in obtaining your card, or (vi) if anything happens that the Credit Union reasonably believes endangers your ability to repay what you owe.

**ACCELERATION:** If you are in default, the Credit Union may, without prior notice to you, call any amounts you still owe immediately due and payable plus **INTEREST CHARGES** which shall continue to accrue until the entire amount is paid. You expressly waive any right to notice or demand, including but not limited to, demand upon default, notice of intention to accelerate, and notice of acceleration. The card remains the property of the Credit Union at all times, and you agree to immediately surrender the card upon demand of the Credit Union. You agree to pay all reasonable costs of collection, including court costs and attorney's fees and any cost incurred in the recovery of the card.

**CREDIT INFORMATION:** You authorize the Credit Union to investigate your credit standing when opening or reviewing your account. You authorize the Credit Union to disclose information regarding your account to credit bureaus and creditors who inquire about your credit standing.

**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: **Concho Educators Federal Credit Union, P. O. Box 60976, San Angelo, Texas 76906-0976.** Please include your name, address, telephone numbers, and account number.

**TERMINATION OR CHANGES:** The Credit Union can, by written notice, terminate this Agreement at any time. You may terminate this Agreement, by written notice, as to future advances at any time. 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 **INTEREST CHARGES** and other related charges.

The Credit Union may add to, change, or delete any of 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 to make a purchase or obtain a cash advance after having been given notice of a change in terms, you agree that, to the extent permitted by law, the existing balance in your account at the time of that use will be subject to the new terms, as shall subsequent uses.

**INTERNATIONAL TRANSACTIONS:** If you effect an international transaction with your MasterCard, 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 exchange rate or a wholesale exchange rate selected by MasterCard International for the applicable currency on the day the transaction is processed.

which rate may differ from the applicable rate on the date the transaction occurred or when the transaction is posted to your Account. We will charge a Foreign Transaction Fee of up to 1% on all international purchase, cash disbursement, and account credit transactions, even if the transaction is conducted in U.S. dollars. There is no grace period within which to repay international transactions in order to avoid the Foreign Transaction Fee.

**ADDITIONAL PROVISIONS:** Each provision of this Agreement must be considered as part of the total Agreement and cannot, in any way, be severed from it. You also agree, however, that should any part of the Agreement be found invalid, it will in no way affect the remainder of the Agreement. You understand the validity, construction, and enforcement of this Agreement shall be governed by the laws of the State of Texas to the extent not preempted by federal law. Use of your card is also subject to the policies and rules of MasterCard International, Inc. in effect from time to time, which do not conflict with the terms of this Agreement.

You may not use the card for any illegal purpose or transaction. The Credit Union may refuse to authorize any transaction that it believes to be illegal or that poses an undue risk of illegality. 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 the Credit Union for your illegal use of the card and to indemnify and hold the Credit Union and MasterCard International, Inc. harmless from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use.

The Credit Union does 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 the Credit Union is not responsible for refusal of any merchant or financial institution to honor your card.

We can accept late payment(s) or partial payment(s) or check(s) or money order(s) marked "payment in full" without losing any of our rights under this Agreement. We can also delay enforcing any of our rights under this Agreement without losing them. If you move, you agree to immediately notify us in writing of your new address.

By signing this Agreement and any other related documents or by using the card, each person agrees to all the terms and conditions and promises to perform all the obligations, requirements, and duties contained in this Agreement. The person applying for a card who signed the application acknowledges receipt of a copy of this Agreement.

**You grant us a security interest as set forth above in all individual and joint share and/or deposit accounts you have with us now and in the future to secure what you owe under this Agreement. When you are in default, you authorize us to apply the balance in these accounts to any amounts due without notice.**

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Applicant Signature \_\_\_\_\_

Joint Applicant Signature \_\_\_\_\_

**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 to us at:

Concho Educators Federal Credit Union, Attn: MasterCard Department, P. O. Box 60976, San Angelo, Texas 76906-0976.

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 statement, 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 errors 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:

1. 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.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe your statement 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 statement 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 statement. 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 not 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: Concho Educators Federal Credit Union, Attn: MasterCard Department, P. O. Box 60976, San Angelo, Texas 76906-0976.

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.

<b>Interest Rates and Interest Charges</b>		
Annual Percentage Rate (APR) for Purchases	<b>12.8% MasterCard</b>	<b>9.9% Gold MasterCard</b>
APR for Balance Transfers	<b>12.8% MasterCard</b>	<b>9.9% Gold MasterCard</b>
APR for Cash Advances	<b>12.8% MasterCard</b>	<b>9.9% Gold MasterCard</b>
Paying Interest	Your due date is at least 25 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire balance by the due date each month. We will begin charging interest on cash advances and balance transfers on the transaction date.	
For Credit Card Tips from the Federal Reserve Board	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at <a href="http://www.federalreserve.gov/creditcard">http://www.federalreserve.gov/creditcard</a> .	
<b>Fees</b>		
<b>Annual Fee</b>	<b>None</b>	
<b>Transaction Fees</b>	<ul style="list-style-type: none"> <li>• Balance Transfer</li> <li>• Cash Advance</li> <li>• Foreign Transaction</li> </ul>	<b>1% of the amount of each transfer, with a \$10 minimum (No Maximum)</b> <b>\$0</b> Up to 1% of each transaction in U.S. dollars
<b>Penalty Fees</b>	<ul style="list-style-type: none"> <li>• Late Payment</li> <li>• Returned Payment</li> </ul>	<b>5% of the payment due with a \$15 maximum charge.</b> <b>\$27</b>

**How We Will Calculate Your Balance:** We use a method called “average daily balance (including new purchases).” See your Credit Card Agreement below for more details.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided above in the Credit Card Agreement.