

MasterCard Agreement

The LOCAL Federal Credit Union

APPLICANT(S)

ACCOUNT NO(S).

TERMS USED IN THIS AGREEMENT: "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. If you have other loans with us, collateral securing such loans may also secure your obligations under this Agreement.

EXTENSIONS OF CREDIT: If your application is approved, the Credit Union may, at its discretion, establish a 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.

CREDIT LIMITS: You promise the 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 repay the Credit Union all payments made for your account resulting from the use of the card plus a **FINANCE 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 **FINANCE CHARGES** 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).

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 5% of the "new balance," or \$18, whichever is greater. If the "new balance" is \$18 or less, you will pay in full on MasterCard.

COST OF CREDIT: You will pay a **FINANCE CHARGE** for all advances made against your MasterCard account at the periodic rate of .0369886% per day, which has a corresponding **ANNUAL PERCENTAGE RATE** of 13.5%. Cash advances incur a **FINANCE CHARGE** from the date they are posted to the account. New purchases will not incur a **FINANCE CHARGE** on the date they are posted to the account if you have paid the account in full by the due date shown on your previous monthly statement or if there was no previous balance. No additional **FINANCE CHARGE** will be incurred whenever you pay the account in full by the due date. The **FINANCE CHARGE** is figured by applying the periodic rate to the "balance subject to **FINANCE 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, 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 **FINANCE 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." There is a 25 day free period which the "new balance" may be paid without incurring a **FINANCE CHARGE**. The **FINANCE 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. You may pay any amounts outstanding at any time without penalty for early payment.

OTHER CHARGES: In addition to any other rights the Credit Union has under this Agreement, if you make a purchase or obtain a cash advance which causes the outstanding balance in your account to exceed your credit limit, you may be charged an over-limit fee of \$10.00. If you do not pay your minimum payment within 10 days following your payment due date, you may be charged a late fee of \$10.00. 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. 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.

LIABILITY FOR UNAUTHORIZED USE: You may be liable for the unauthorized use of your card. You will not be liable for unauthorized use that occurs after you notify the credit Union (or Credit Union's designee) orally or in writing, of the loss, theft, or possible unauthorized use. In any case, your liability will not exceed \$50.

CREDITING OF PAYMENTS: If your payment is received by 2 p.m., Central Standard Time (during the Credit Union's designee's business day at the address designated on the periodic statement), it will be credited to your account on the date of receipt. IF PAYMENT IS MADE AT ANY LOCATION OTHER THAN SAID DESIGNATED ADDRESS, CREDIT FOR SUCH PAYMENT MAY BE DELAYED UP TO FIVE (5) DAYS. Payments or credits will be applied first to any **FINANCE CHARGE** then due and the remainder to the unpaid balance.

DEFAULT: You will be in default: (1) if you fail to make any payment on time; (2) if you fail to keep any promises you have made under this or any other Agreement with the Credit Union; (3) if you are the subject of an order for relief under Title II of the U.S. Code (Bankruptcy); (4) if anyone tries, by legal process, to take any of your money in the Credit Union; (5) if you have given the Credit Union false or inaccurate information in obtaining your card; or (6) if anything happens which 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 **FINANCE 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 in 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, imposed, and any cost incurred in the recovery of the card.

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. However, you also agree 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.

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.

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 **FINANCE CHARGES AND OTHER RELATED CHARGES**.

The Credit Union has the right to change the terms of this Agreement, including the periodic rate, at any time by written notice. 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 the existing balance in your account at the time of that use will be subject to the new terms, as shall subsequent uses.

By signing this Agreement and any other related documents or using the card, each person agrees to all the terms and conditions and promises to perform all the obligation, requirements and duties contained in this Agreement.

SIGNED THIS _____ day of _____, 19_____.

Applicant's Signature

Joint Applicant's Signature