

# Cardholder Agreement

## ACCOUNT AGREEMENT

In this Agreement, the words "we," "our," "us," and "Credit Union" mean **First Central Credit Union** or its successors. "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.

**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 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.**

**1) Extensions of Credit.** If your Application is approved, the Credit Union may, at its discretion, establish a line of credit 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, balance transfers, and cash advances obtained through use of the Card. You may not use your 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 or illegality. If we do process any transaction which 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 the Credit Union for illegal use of the Card and to indemnify and hold the Credit Union and VISA® International, Inc. harmless from and against any lawsuits, other legal action or liability that results directly or indirectly from such illegal use.

**2) 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.

**3) Others Using Your Account.** If you allow anyone else to use your Card, you will be liable for all credit extended to such persons. You promise to pay for all purchases, balance transfers, and cash advances made by anyone whom you authorize to use your Card, whether or not you notify us that he or she will be using it. If someone else is authorized to use your Card 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.

**4) 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.

**5) 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 authorize to use the Card or 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, 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** 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 the minimum payment shown on the statement. Generally, the "minimum payment" will equal 3% of the New Balance or \$25, whichever is greater. If the New Balance is \$25 or less, you will pay 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 a 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. The Credit Union may also, from time to time and at its option, offer you the opportunity to skip a payment. If you decide to skip a payment, an **INTEREST CHARGE** will continue to accrue on the balance in the account at the applicable periodic rate in accordance with this Agreement, and the payment terms applicable to the account prior to the skipped payment will automatically resume in the month immediately following the month in which you have skipped a payment.

**6) Cost of Credit.** For VISA, you will pay an **INTEREST CHARGE** for all advances made against your account. Cash advances and balance transfers will incur an **INTEREST CHARGE** from the date they are posted to your 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.

If your Card features an introductory rate, for the first six billing cycles of your account you will pay an Introductory Rate **INTEREST CHARGE** for purchases, balance transfers, and cash advances, at the introductory rate daily periodic rate and corresponding **ANNUAL PERCENTAGE RATE** as set forth in the Account Opening Disclosures that will be provided to you after your application is approved. The Account Opening Disclosures are incorporated by reference into this Agreement. After the introductory rate period, or if your account does not feature an introductory rate, the daily periodic rate used to compute the **INTEREST CHARGE** for all advances is variable, and the **ANNUAL PERCENTAGE RATE** may increase. The variable rate 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 first business day of each calendar quarter and is subject to change quarterly. Any change in the Index will be effective on the first day of the billing cycle following the date of change. An increase in the Index will result in an increase in the daily periodic rate, which in turn, may result in higher payments. We will add a margin to the Index to determine the interest rates for your account. The purchases, cash advances, and balance transfer margins, daily periodic rates, and **ANNUAL PERCENTAGE RATES** for your account are set forth in the Account Opening Disclosures. Rates are subject to change in the future based on changes in the Index. The daily periodic rate for all advances will never be greater than the highest allowed by law (currently, 0.049315%, 18% **ANNUAL PERCENTAGE RATE**).

The **INTEREST CHARGE** is figured 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, and cash advances. The Average Daily Balance is arrived at by taking the beginning balance of each feature category each day and adding any new transactions to the balance, except if you have paid your account in full by the Payment Due Date shown on the previous monthly statement or there is no previous balance, new purchases are not added to the purchases balance. Balance transfers may be shown on your statement in the Promotions feature category. When determining balances, we may combine feature category balances that have the same periodic rate and other **INTEREST CHARGE** terms. We then subtract any payments or credits and unpaid **INTEREST CHARGES** allocated to the feature category balance for the day. This gives us the daily balance for the feature category. The daily balances for each 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 each feature category. The periodic **INTEREST CHARGE** is determined by multiplying each feature category Average Daily Balance by the number of days in the billing cycle and applying the applicable daily periodic rate to the product. The total **INTEREST CHARGE** for each statement period is the sum of the periodic **INTEREST CHARGES** for each feature category plus any non-periodic **INTEREST CHARGES**.

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

■ **ATM Fee.** 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.

■ **Collection Cost Fee.** You agree to pay all reasonable costs of collection, including court costs and attorney's fees imposed and any costs incurred in the recovery of the Card.

■ **Returned Payment Fee.** If a check, share draft or other payment order used to make a payment on your account is returned unpaid, you may be charged a Returned Payment Fee as set forth in the Account Opening Disclosures for each check or other payment order returned.

■ **Late Payment Fee.** If you are 10 or more days late in making a minimum required payment, a Late Payment Fee as set forth in the Account Opening Disclosures may be added to your account.

■ **Document Copy Fee.** You may be charged a fee for each copy of a sales draft or statement that you request (except when the request is made in conjunction with a billing error made by the Credit Union). This fee will be disclosed to you at the time of your request.

Third-party ATM surcharges, Returned Payment Fees, Late Payment Fees, and other fees as set forth in this section will be added to the balance of your account and treated as new purchases.

**8) 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.

**9) 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) 780-7101 (M-F 9 a.m. – 5:30 p.m.; Sat. 9 a.m. – 1 p.m.)

(800) 682-6075 (After Hours)

You also may write to us at:

First Central Credit Union  
6201 Sanger Ave.  
Waco, TX 76710

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 VISA's zero liability policy, you will not be liable for unauthorized use of your VISA Card once you notify us orally or in writing of the loss, theft, or possible unauthorized use. VISA's zero liability policy does not apply if you are grossly negligent or fraudulent in the handling of your account or your Card, nor does it apply in the case of 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.

**10) Crediting of Payments.** We do not charge for payments made by mail 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. 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 may be credited on the first business day following receipt. If payment is made at any location other than the address designated on the periodic statement, credit for such payment may be delayed up to five days. All required minimum payments on your account will be applied first to collection costs, then to any **INTEREST CHARGE** and other fees due, and then to the unpaid principal balance. Payments made in excess of the required

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