

LUBBOCK TEACHERS FEDERAL CREDIT UNION

CREDIT CARD AGREEMENT

In this Agreement, the "Credit Union" means **Lubbock Teachers Federal 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.

If you have other loans with us, collateral securing such loans may also secure your obligations under this Agreement.

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.

- 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 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. 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 harmless from and against any lawsuits, other legal action or liability that results directly or indirectly from such illegal use.
- 2) 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.
- 3) 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 the minimum payment shown on the statement. Generally, the "minimum payment" will equal 5% of the "new balance", or \$18, whichever is greater. If the "new balance" is \$18 or less, you will pay in full. You may prepay any amount without penalty. If you elect to pay more than the minimum payment, the Credit Union may, at its option, apply the excess payment amount (referred to as the pay ahead amount) to your minimum payment on future statements. If your pay ahead amount exceeds or equals your minimum payment, your statement will show no minimum payment due, and the pay ahead amount balance will be reduced by that amount until it is completely exhausted or three months have elapsed since your last payment, whichever occurs first. A **FINANCE CHARGE** will continue to accrue during the pay-ahead period in accordance with this Agreement. 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, a

FINANCE 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.

- 4) **Cost Of Credit.** You will pay a **FINANCE CHARGE** for all advances made against your MasterCard and Visa Card account at the periodic rate of 0.027123 per day, which has a corresponding **ANNUAL PERCENTAGE RATE OF 9.9%**. You will pay a **FINANCE CHARGE** for all advances made against your Gold MasterCard and Visa Gold Card account at the periodic rate of 0.21644 per day, which has a corresponding **ANNUAL PERCENTAGE RATE OF 7.9%**. Cash advances incur a **FINANCE 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 a **FINANCE CHARGE** on new purchase will be imposed. Otherwise, there is no grace period and new purchase will incur a **FINANCE CHARGE** from the date they are posted to the account. 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 purchase, 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”. 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.
- 5) **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.
 - **Return Check Fee.** If a check or share draft used to make a payment on your account is returned unpaid, you may be charged a fee of \$20 for each item returned.
 - **Late Payment Fee.** If you are 10 or more days late in making a payment, a late charge may be added to your account.
 - **Over Credit Limit Fee.** You may be charged a fee 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
 - **Card Replacement Fee.** You may be charged for each replacement Card that is issued to you for any reason.
 - **PIN Replacement Fee.** You may be charged for each replacement PIN (personal identification number) that is issued to you for any reason.
 - **Document Copy Fee.** You may be charged 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).
- 6) **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.
- 7) **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 orally or in writing, of the loss, theft or possible unauthorized use. In any case, your liability will not exceed \$0. **You may notify Lubbock Teachers Federal Credit Union by calling (806) 744-8704.**
- 8) **Crediting of Payments.** 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. Payments or credits will be

applied first to the **FINANCE CHARGE** reflected on the most recent periodic statement, any fees indicated thereon, and the remainder to the unpaid balance.

- 9) **Security Interest.** If you give the Credit Union a specific pledge of shares by signing a separate pledge of shares, your Account will be secured by your pledged shares. Collateral securing other loans you have with the Credit Union may also secure this loan, except that your home will never be considered as security for this Account, notwithstanding anything to the contrary in any other Agreement.
- 10) **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.
- 11) **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 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, imposed, and any cost incurred in the recovery of the Card.
- 12) **Additional Benefits/Card Enhancements.** The Credit Union may from time to time offer additional services to your Account 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.
- 13) **Convenience Checks.** The Credit Union may, at its discretion, issue checks to you which may be used for any purpose other than making a payment for credit to your account. By signing such check, you authorize the Credit Union to pay the item for the amount indicated and post such amount as a cash advance to your account. The Credit Union does not have to pay any item, which would cause the outstanding balance in your account to exceed your credit limit.
- 14) **Continuation of Credit.** The Credit Union may from time to time request personal information from you for the purpose of updating your credit status, according to normal credit procedures. Your failure to provide such information when requested by the Credit Union may result in suspension of your line of credit privileges under this Agreement, including your ability to obtain any future advances by any means.
- 15) **MasterCard 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 MasterCards. 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.
- 16) **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. Use of your Card is also subject to the policies and rules of VISA and MasterCard International, in effect from time to time, which do not conflict with the terms of this Agreement. 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.
- 17) **Termination or Changes.** The Credit Union may, by written notice, terminate this Agreement at any time. You may terminate this Agreement, by written notice. 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 may change the terms of this Agreement, including the method of calculating the periodic rate, at any time, by written notice. Use of the Card

constitutes agreement and acceptance of any change in terms. Failure of the Credit Union to exercise any right or take any action shall not constitute a waiver, amendment or change in any of the terms of this Agreement.

- 18) **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 bureau and creditors who inquire about your credit standing.
- 19) **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.
- 20) **Copy Received.** You acknowledge that you have received a copy of this Agreement.
- 21) **Signatures.** By signing in the Signature area of the Credit Card Application, you agree to the terms of this Agreement.

YOUR BILLING RIGHTS

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 Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the address listed on your bill. Write us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not reserve your rights.

In your letter, give us the following information:

- Your name and account number
- The dollar amount of the suspected error.
- 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 share draft account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three 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 30 days, unless we have corrected the error by then. Within 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 the **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 your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any **FINANCES CHARGES** related to any questioned amount. If we didn't make a mistake, you may have to pay **FINANCES 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 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:

- You must have made the purchase in your home state or, within 100 miles of your current mailing address; and
- The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

FAIR CREDIT AND CHARGE CARD DISCLOSURES

	MasterCard and VISA	Gold MasterCard and VISA Gold
Annual Percentage Rate (Purchases, Balance Transfers and Cash Advances)	9.90%	7.90%
Variable Rate	Not Applicable	Not Applicable
Grace Period for Purchases	25 days	25 days
Balance Calculation Method for Purchases	Average Daily Balance (including new purchases)	
Annual Fee	none	none
Minimum Finance Charge	none	none
Transaction Fee for Purchases	none	none
Transaction Fee for Cash Advances	none	none
Over Credit Limit Fee	none	none
Late Payment Fee	none	none

The information about the costs of the card described in the Application and Agreement is accurate as of **January 2010**. This information may have changed after that date. To find out what may have changed, write to us at **Lubbock Teachers Federal Credit Union**, 1628 19th St Rm 222E, Lubbock TX 79401-4832 or call us at (806) 744-8704.