

## MemberSource Credit Union Visa® Gold Credit Card Agreement Terms and Conditions Including Federal Truth In Lending Disclosures

**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.

**JOINT APPLICANT LIABILITY:** If more than one person signs the application, 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.

**CONVENIENCE CHECKS:** We may issue checks at our discretion that may be used for any purpose other than making a payment for credit to your Account. By signing such checks, you authorize us to pay the item for the amount indicated and post such amount as a cash advance to your Account. We do not have to pay any item that would cause the outstanding balance in your Account to exceed your credit limit.

**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.

**CREDIT LIMIT:** 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. If you exceed your credit limit, we can still charge you for all purchases and advances without giving up any of our rights. If you write a Convenience Check which causes you to exceed your credit limit, we are under no obligation to pay such check, and it may be returned to the payee unpaid at our option.

**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 same 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 3% of the "new balance," or \$25, whichever is greater. If the "new balance" is \$25 or less, you will pay in full.

**COST OF CREDIT:** Whether your Visa Gold is unsecured, you will pay a **Finance Charge** for all advances made against your card at the periodic rate of .024384% per day, which has a corresponding **Annual Percentage Rate** of 12.9%. If your Visa Gold is share-secured, you will pay a **Finance Charge** for all advances made against your card at (i) the periodic rate of .024384% per day, which has a corresponding **Annual Percentage Rate** of 8.90%, or (ii) in certain circumstances, based on your credit history if you apply for a share-secured credit card and do not qualify for the 8.9% **Annual Percentage Rate**, you will be charged at the periodic rate of .0243849% per day, which has a corresponding **Annual Percentage Rate** of 12.9%. 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." 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 FEES:** 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.

**ANNUAL FEE:** None

**LATE PAYMENT FEE:** Late payment fees will be assessed on loan payments that are ten or more days past due. Late fee amounts are 5% of the payment amount with a **minimum of \$5 and a maximum of \$15**.

**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 will not be liable for any unauthorized use of your Card if you notify us orally or in writing at MemberSource Credit Union, 10100 Richmond Avenue, Houston, TX 77042 and if you meet the following conditions: (i) you have exercised reasonable care with the Card; (ii) you have not reported two or more incidents of unauthorized Card use within the previous 12 months; and (iii) you have maintained your Account in good standing. You will have zero liability for Visa® transactions processed by Visa®. You may be liable for the unauthorized use of your credit card if the transaction is not processed by Visa®, i.e. ATM network. Your liability will not exceed \$50. In all other instances of unauthorized use, your liability will not exceed \$50.

**CREDITING OF PAYMENTS:** If your payment is received during the Credit Union'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. Promotional offers may affect crediting of payments. See promotional disclosure for details.

**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. You understand that you should read any security agreement you sign in order to determine if the collateral also secures your obligations under this Agreement and any other agreements you have with us.

**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 11 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; (6) if anything happens which the Credit Union reasonably believes endangers your ability to repay what you owe or (7) Your Visa® card may not be used for any illegal purposes which is prohibited under this Agreement.

**ACCELERATION:** If you are in default, the Credit Union may call any amounts you still owe immediately due and payable plus **Finance Charges** which shall continue to accrue until the entire amount is paid. 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.

**FOREIGN TRANSACTION FEE:** Purchases and cash advances made in foreign currencies will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa® from a 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 the government-mandated rate in effect for the applicable central processing date. The exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date. A foreign transaction is any transaction that you complete or a merchant completes on your card outside of the U.S., Puerto Rico or the U.S. Virgin Islands.

A fee of 1% of the amount of the transaction, calculated in U.S. dollars, will be imposed on all foreign transactions, including purchases, cash advances and credits to your account.

**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 the Agreement for any such transaction notwithstanding its illegal nature. You further agree to waive any right to take legal action against us for your illegal use of the Card and to hold us harmless from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use.

**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 receiving 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 obligations, requirements and duties contained in this Agreement.

The information about the costs of the card described in this Agreement is accurate as of July 2009.

This information may have changed after that date.

To find out what may have changed, write to us at MemberSource Credit Union, 10100 Richmond Ave, Houston, TX 77042 or call us at (713) 627-4000 or (800) 877-8828.

KEEP THIS NOTICE FOR FUTURE USE

## 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 loan account statement.** If you think your statement is wrong or if you need more information about a transaction on your statement, write us on a separate sheet at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You can telephone us, but doing so will not preserve 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 loan account 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 statement 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 send statements to you for the amount you question, including finance charges, and we can apply any 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 statement that are not in question.

If we find that we made a mistake on your statement, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may 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 us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your statement. 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 statement 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 have the right not to pay the remaining amount due on the property or services. There are two limitations on this right: (a) You must have made the purchase in your home state, or, if not within your home state, within 100 miles of your current mailing address; and (b) The purchase price must have been more than \$50.

These limitations do not apply if the credit card issuer owns or operates the merchant, or mailed you the advertisement for the property or services.

## FAIR CREDIT CARD DISCLOSURE

ANNUAL PERCENTAGE RATE	ANNUAL FEE	GRACE PERIOD FOR PURCHASES	LATE PAYMENT FEE
Platinum Visa® is <b>8.99%</b> Visa® Gold is <b>12.9%</b> Visa® Classic is <b>13.9%</b>	None	The grace period will not be less than 25 days from the date of the periodic statement (provided you have paid for your previous balance in full by the due date.)	A late payment fee of 5% of the monthly payment will be assessed on every payment that is ten or more days past due; minimum \$5 and maximum \$15.
TRANSACTION FEE FOR PURCHASES	VARIABLE RATE	TRANSACTION FEE FOR CASH ADVANCES	BALANCE CALCULATION METHOD FOR PURCHASES
None	Not applicable	None	Average daily balance (including new purchases)

MINIMUM PAYMENT: 3% of the "new balance", or \$25, whichever is greater.