

**21) Statements and Notices.** Statements and notices will be mailed to you at the most recent address you have given the Credit Union. You agree to give us prompt notice of any change in your name, mailing address, telephone number or place of employment.

**22) Copy Received.** By using the Card or the account, you acknowledge that you have received a copy of this Agreement and agree to all the terms and conditions and promise to perform all the obligations, requirements and duties contained in this Agreement.

**23) 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 and federal law. Use of your Card is also subject to the policies and rules of MasterCard International and VISA International, as applicable and 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. We can accept late payments or partial payments or checks or money orders 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.

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## YOUR BILLING RIGHTS — KEEP THIS NOTICE FOR FUTURE USE

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 **FINANCE CHARGES** related to any questioned amount. If we didn't make a mistake, you may have to pay **FINANCE 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.



## CREDIT CARD AGREEMENT

**smart:financial**  
CREDIT UNION

P. O. BOX 920719 • Houston, TEXAS 77292-0719  
(713) 850-1600 • (800) 392-5084 • FAX: (713) 622-6860  
[www.smartcu.org](http://www.smartcu.org)

In this Agreement, the words "we," "our," "us," and "Credit Union" mean **Smart Financial 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.

*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 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, MasterCard International, Inc., 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.** Each month you must pay at least the minimum payment shown on your statement by the date specified on the statement or no later than twenty-five (25) days from the statement closing date, whichever is later. If your statement says the payment is "Now Due," your payment is due no later than twenty-five (25) days from the statement closing date. You may pay more frequently, pay more than the minimum payment or pay the Total New Balance in full. If you make extra or larger payments, you are still required to make at least the minimum payment each month your Account has a balance (other than a credit balance). The minimum payment is 2% of your Total New Balance, or \$25.00, whichever is greater, plus the amount of any prior minimum payments that you have not made, and any amount you are over your credit limit. The Credit Union also has the right to demand immediate payment of any amount by which you are over your credit limit.

**6) Cost of Credit.** The **ANNUAL PERCENTAGE RATE** used to calculate your Smart Financial Credit Union credit card account is based on your credit history and our lending guidelines at the time the credit card account is opened and at the time of any review of your credit card account. Cash advances (including balance transfers) incur a **FINANCE CHARGE** from the date they are posted to the account. You will pay a **FINANCE CHARGE** for all advances made against your account at the periodic rate per day, which has a corresponding **ANNUAL PERCENTAGE RATE** (See table below). For purchases, 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 **FFINANCE CHARGE** on new purchases will be imposed. Otherwise, there is no grace period and new purchases 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 purchases, and subtracting any payments or credits and unpaid **FINANCE CHARGES**. This gives us the daily balance. 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.

| <u>Annual Percentage</u> | <u>Rate Periodic Rate</u> |
|--------------------------|---------------------------|
| 8.49%                    | 0.023260%                 |
| 9.49%                    | 0.026000%                 |
| 13.79%                   | 0.037781%                 |
| 15.79%                   | 0.043260%                 |
| 17.79%                   | 0.0487397%                |

**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.
- **Return Check or ACH Fee.** If a check or share draft or ACH transaction used to make a payment on your account is returned unpaid, you may be charged a fee of \$25.00 for each item returned.
- **Late Payment Fee.** If you are 10 or more days late in making a payment, a late charge equal to 5.00% of the minimum payment (not to exceed \$25.00) may be added to your account.
- **Document Copy Fee.** You will be charged \$3.00 for each copy of a sales draft or statement that you request (except when the request is made in connection with a billing error made by the credit union).

**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.** For MasterCard, you may be liable for the unauthorized use of your Card. For MasterCard, you will not be liable for any unauthorized use of your Card if you notify our designee orally or in writing at the Credit Card Center, PO Box 815909, Dallas, TX 75381-5909, telephone number 1-800-442-4757, of the loss, theft, or possible unauthorized use and you meet the following conditions: (1) you have exercised reasonable care with the Card; (2) you have not reported two or more incidents of unauthorized Card use within the previous 12 months; and (3) you have maintained your account in good standing. The foregoing liability limitation does not apply to ATM cash advance transactions. In any case, your maximum liability for unauthorized use of the Card will not exceed \$50.00 and you will not be liable for any unauthorized use that occurs after you notify us (or our designee) at the address or telephone number above.

For VISA, you may be liable for the unauthorized use of your Card. You will not be liable for unauthorized use of your Card if you notify our designee orally or in writing at the Credit Card Center, PO Box 815909, Dallas, TX 75381-5909, telephone number 1-800-442-4757, of the loss, theft, or possible unauthorized use. The foregoing liability limitation 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. In any case, your liability for unauthorized use will not exceed \$50 and you will not be liable for any unauthorized use that occurs after you notify us (or our designee) at the address or telephone number above.

**10) Crediting of Payments.** 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 will 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 (5) DAYS. All payments on your account will be applied first to collection costs, then to any **FINANCE CHARGE** and other fees due, and then to the unpaid principal balance. 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. If you make a payment which exceeds the minimum balance due and you have balance transfers at a lower interest and purchases at another interest rate, any over payment will be applied to the highest interest balance first.

**11) 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; or (6) if anything happens which the Credit Union reasonably believes endangers your ability to repay what you owe.

**12) 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.

**13) 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.

**14) 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.

**15) 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.

**16) Currency Conversion.** For MasterCard, if you effect a transaction 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. For VISA, for transactions initiated in foreign currencies, the exchange rate between the transaction currency and the billing currency (U.S. dollars) will be: (a) a rate selected by VISA from the 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 (b) the government mandated rate in effect for the applicable central processing date. In each instance, plus any adjustment determined by the Credit Union.

**17) VISA Emergency Services.** For VISA Platinum cardholders, you acknowledge that we may provide personal data concerning you to VISA U.S.A., its Members, or their respective contractors for the purpose of providing you with VISA Emergency Cash and Emergency Card Replacement Services, and you consent to the release of your information for these purposes.

**MasterCard Emergency Services.** For Mastercard Platinum cardholders, you acknowledge that we may provide personal data concerning you to Mastercard International, its Members, or their respective contractors for the purpose of providing you with Mastercard Emergency Cash and Emergency Card Replacement Services, and you consent to the release of your information for these purposes.

**18) 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 has the right to change any part of this Agreement or add or remove any term, condition, or requirement. If permitted by law, the change may be applied to any Account balance existing at the time of the change. We will give you written notice prior to the effective date of any such change, if required by law. From time to time, we may review your Account. Based on these reviews, we may decide to change your Account terms, including APRs, fees, and the amount of your credit line. Other changes may include the method of calculating the periodic rate. Use of the Card or account after having received a notice of change in terms constitutes agreement to and acceptance of the change in terms.

**19) Credit Information.** You authorize the Credit Union to investigate your credit standing and employment history 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. 20) Notification Address for Information Reported to Consumer Reporting Agencies.

**20) 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 Smart Financial Credit Union, P.O. Box 920719, Houston, TX 77292-0719. Please include your name, address, home telephone number and account number. 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 Smart Financial Credit Union, P.O. Box 920719, Houston, TX 77292-0719. Please include your name, address, home telephone number and account number.