

## Houston Police Federal Credit Union

1600 Memorial Drive  
Houston, TX 77007  
HPCU.coop

**Notice:** Read and retain this copy of your Credit Card Agreement and Disclosure Statement for your Houston Police Federal Credit Union Credit Card Account.

**TERMS USED IN THIS AGREEMENT.** This Agreement and Disclosure Statement ("Agreement") covers your Credit Card Account ("Account") with us. Except where otherwise noted, the terms and conditions of this Agreement apply to all of the credit card programs listed above. In addition, terms and conditions for Mastercard Classic accounts appear under subheading "A"; those for Mastercard Gold accounts under subheading "B"; those for Mastercard Platinum and Mastercard Platinum Rewards under subheading "C"; those for Mastercard Secured Accounts under subheading "D".

In this Agreement, the words "you" and "your" mean any person who signs this Agreement or uses the card. "We", "our", "us", and "credit union" mean Houston Police Federal Credit Union. 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.

**EXTENSION OF CREDIT.** If your application is approved, we may, at our discretion, establish an 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 us to pay for your Account all items reflecting credit purchases and cash advances obtained through use of the card. If your Account is issued to you and others as a joint account, each use of your Account shall be an extension of credit to all. Each of you shall be jointly and severally liable, and notice mailed to one of you shall be deemed notice to all.

We may, at our discretion, issue checks to you which may be used for any purpose other than making a payment for credit to your Account. Any such check drawn by you must be in an amount not less than \$100.00, and will be considered a cash advance, even if used to make a purchase. By signing such checks, 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.

**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 advances made by anyone you authorize to use your Account, whether or not you notify us that he or she will be using it. If someone else is authorized to use your Account 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 that card with your written notice, which will be effective upon our receipt thereof.

**CREDIT LIMITS.** You promise that 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 established by us or as adjusted from time to time at our discretion.

**PROMISE TO PAY.** You promise to pay us all charges and fees resulting from use of the card plus **INTEREST CHARGES** 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 **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 a minimum payment as disclosed on your Truth-in-Lending Statement.

In addition to the minimum payment shown on your periodic statement, you agree to pay any amounts in excess of the credit limit established by us and any past due minimum payments. You may make extra payments in advance of the due date without penalty, and you may repay any funds advanced,

## Credit Card Agreement and Disclosure Statement for Mastercard Classic, Mastercard Gold, Mastercard Platinum, Mastercard Secured, and Mastercard Platinum Rewards

credit extended or amount outstanding at any time without penalty for early payment. Regardless of the amount of any extra payments during a given month, a monthly payment will be required the following month if a balance remains in your Account.

**COST OF CREDIT.** You will pay an **INTEREST CHARGE** for all advances made against your Account. For the purpose of determining the **INTEREST CHARGE**, balance transfers will be treated as cash advances for "A", "B", "C", and "D" Accounts. **A, B and C Accounts.** Cash advances incur an **INTEREST CHARGE** from the date they are posted to your Account. New purchases will not incur an **INTEREST CHARGE** on the date they are posted to your Account if you have paid the Account in full by the payment due date shown on your previous monthly statement or if there was no previous balance. In those cases, you will have at least 25 days to repay your Account balance before an **INTEREST CHARGE** on new purchases will be imposed. For "A" Accounts, you will pay an **INTEREST CHARGE** for all advances made against your Account at the Daily Periodic Rate of .034247%, which corresponds to an **ANNUAL PERCENTAGE RATE** of 12.5%. For "B" Accounts, you will pay an **INTEREST CHARGE** for all advances made against your Account at the Daily Periodic Rate of .027370%, which corresponds to an **ANNUAL PERCENTAGE RATE** of 9.99%. For "C" Accounts, you will pay an **INTEREST CHARGE** for all advances made against your Account at the Daily Periodic Rate of .021890%, which corresponds to an **ANNUAL PERCENTAGE RATE** of 7.99%.

**D Accounts.** Cash advances and new purchases incur an **INTEREST CHARGE** from the date they are posted to your Account. You will pay a **INTEREST CHARGE** for all advances made against your Account at the Daily Periodic Rate of .043836%, which corresponds to an **ANNUAL PERCENTAGE RATE** of 16.00%. There is no grace period in which to repay your balance before a finance charge will be imposed.

No additional **INTEREST CHARGE** will be incurred whenever you pay your Account in full by the payment due date. The **INTEREST CHARGE** is figured by applying the periodic rate to the "balance subject to **INTEREST CHARGE**" which is the "average daily balance" of your Account, including current transactions. For "A", "B" and "C" Accounts, 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 payment 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 **INTEREST 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. For "D" Accounts, the average daily balance is arrived at by taking the beginning balance of your Account each day and adding any new cash advances and new purchases, and subtracting any payments or credits and unpaid

**INTEREST 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 **INTEREST 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.

**OTHER CHARGES.** If you obtain a cash advance by using an automated teller machine or otherwise, you may be charged a fee imposed by the owner or operator of the machine or financial institution. Any charge made under this paragraph will be added to the balance of your Account and treated as a cash advance.

**LIABILITY FOR UNAUTHORIZED USE.** You may be liable for the unauthorized use of your card. You will not be liable for any unauthorized use of your card if you notify us at Houston Police Federal Credit Union, 1600 Memorial Drive, Houston, TX 77007-7789, Telephone Number: (800) 927-8707, orally or in writing, of the loss, theft or possible unauthorized use of your card and you meet the following conditions: (a) you have exercised reasonable care with the card; (b) you have not reported two or more incidents of unauthorized card use within the last twelve months; and (c) you have maintained your Account in good standing. In addition, the foregoing limitation does not apply to cash advances obtained at an ATM. In any event, your maximum liability for unauthorized use of your card will not exceed \$50.

**CREDITING OF PAYMENTS.** If your payment is received by 5:00 p.m. Dallas, Texas time (during our designee's business day at the address designated for payment 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 collection costs, then to any Late Fees, then to any Over Credit Limit Fees or Returned Check Fees, then to any **INTEREST CHARGES** or other charges 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 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.

**FEES AND CHARGES.** You agree to pay any and all fees that you incur in connection with your card, in accordance with applicable law, in the amounts set forth on your Truth-in-Lending Statement, which fees and/or amounts may be amended from time to time.

**THE GRANTING OF THIS SECURITY INTEREST IS A CONDITION FOR THE ISSUANCE OF CREDIT UNDER THIS AGREEMENT.**

**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 EXTENDED UNDER THIS AGREEMENT. YOU ALSO AGREE THAT WE HAVE SIMILAR STATUTORY LIEN RIGHTS UNDER STATE AND/OR FEDERAL LAW. IF YOU ARE IN DEFAULT, WE CAN APPLY YOUR SHARES TO THE AMOUNT YOU OWE.**

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 this security interest.

If you have other loans with us, collateral securing such loans will also secure your obligations under this Agreement, unless that other collateral is your principal residence or non-purchase money household goods.

**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.

**DEFAULT.** You will be in default (1) if you fail to make any payments on time; (2) if you fail to keep any promises you have made under this or any other agreement with us; (3) if you are subject of an order of relief under Title 11 of the U.S. Code (Bankruptcy); (4) if anyone tries, by legal process, to take any of your money maintained at the credit union; (5) if you have given us false or inaccurate information in obtaining your card; or (6) if anything happens which we reasonably believe endangers your ability to repay what you owe.

**ACCELERATION.** If you are in default, without notice to you, we may accelerate your debt and call any amounts you still owe immediately due and payable plus **INTEREST 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.

**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: **Houston Police Federal Credit Union, 1600 Memorial Drive, Houston, TX 77007-7789. Please include your name, address, telephone numbers and Account number.**

**CREDIT INVESTIGATION.** In conjunction with your application for credit and, if approved, maintenance of your Account, you agree that we have the right to investigate your credit employment history, to verify your credit references, to request and use credit reports, and to report the way you pay your Account to credit bureaus and other interested parties.

**TERMINATION OR CHANGES.** We can, subject to such notice as required by law, 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 **INTEREST CHARGES** and other related charges. We may change the terms of this Agreement, including the periodic rate, at any time subject to applicable law. If permitted by law, the existing balance in your Account at the time of the change will be subject to the new terms, as shall subsequent transactions.

**FOREIGN TRANSACTIONS; CURRENCY CONVERSION.** Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars.

Transactions processed outside of the United States will be charged a foreign transaction fee in an amount to be determined by the Credit Union, regardless of whether there is a currency conversion associated with the transaction. The conversion rate in dollars will be a rate selected by the card company from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate the card company itself receives, or the government-mandated rate in effect for the applicable central processing date in each instance. 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; this may include internet transactions.

**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 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 this card will be deemed an act of default under this Agreement.

You further agree to waive any right to take legal action against us for your illegal use of the card and to indemnify and hold us, Mastercard International, Incorporated harmless from and against any lawsuits or 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 agree that should any part of the Agreement be found invalid, it will in no way affect the remainder of the Agreement. You understand that the validity, construction and enforcement of this Agreement shall be governed by the laws of the State of Texas and it is performable in Harris County, Texas.

We do 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 we are not responsible for the refusal of any merchant or financial institution to honor your card.

The card remains our property at all times, and you agree to immediately surrender the card upon demand by us. You agree to pay all reasonable costs of collection, including court costs and attorney's fees, and any costs incurred in the recovery of the card. We can accept late payment(s) or partial payment(s) or check(s) or money order(s) 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.

You expressly waive presentment for payment, demand, protest, and notice of protest and dishonor of same. If you move, you agree to immediately notify us in writing of your new address.

**AGREEMENT AND ACKNOWLEDGMENT.** 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 obligations, requirements, and duties contained in this Agreement. The person signing as Applicant acknowledges receipt of a copy of this Agreement.

**This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.**

**What To Do If You Find A Mistake On Your Statement**

If you think there is an error on your statement, write to us at the address(es) listed on your statement.

In your letter, give us the following information:

1. Your name and account number.
2. The dollar amount of the suspected error.
3. If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do, we are not required to investigate any potential errors and you may have to pay the amount in question.

**What Will Happen After We Receive Your Letter**

**When we receive your letter, we must do two things:**

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

**While we investigate whether or not there has been an error:**

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

**After we finish our investigation, one of two things will happen:**

- If we made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
- If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

**Your Rights If You Are Dissatisfied With Your Credit Card Purchases**

If you are dissatisfied with the goods or services that you have purchased with your 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 purchase.

To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
3. You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at the address(es) listed on your statement.

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.