

Welcome to ABC Bank.

You'll find the terms of your credit card here.
It's a contract that starts as soon as you sign or use the card.

For each underlined word or phrase, the definition in the Consumer Financial Protection Bureau Definition of Credit Card Terms is part of your contract.

These definitions are available at www.cfpb.gov or www.abcbank.com. Or call 1-800-xxx-xxxx for a free printed copy.

1. Costs

You may use your card for purchases, cash advances, or balance transfers. Each type of charge will have its own balance. Each balance may have a separate interest rate.

What are the charges?

| | | | |
|--|---------------|--|---------------|
| Interest rate for [period] on <u>purchases</u> | X% <u>APR</u> | → Interest rate after [period] on <u>purchases</u> | X% <u>APR</u> |
| Interest rate on <u>balance transfers</u> | X% <u>APR</u> | + <u>Balance transfer fee</u> (per transaction) | X% |
| Interest rate on <u>cash advances</u> | X% <u>APR</u> | + <u>Cash advance fee</u> (per transaction) | X% |
| Penalty interest rate | X% <u>APR</u> | <u>Late payment fee</u> | \$X/\$Y |
| <u>Returned payment fee</u> | \$X | <u>Rush card fee</u> | \$X |
| <u>Replacement card fee</u> | \$X | <u>Foreign currency transaction fee</u> | X% |

Your APRs are variable, except [excluded rates]. They increase or decrease with the prime rate. From the [day] of each billing period, we apply APRs based on the prime rate published x business days before the end of that period. To determine your APRs we add to the prime rate: x percentage points for purchases after [period], x percentage points for balance transfers, x percentage points for cash advances, and x percentage points for the penalty interest rate.

What do I have to pay and when?

We will send your bill to the address on file. You agree to pay all authorized charges on the bill, including interest and fees. You agree to pay us for charges that we allow over your credit limits. You must pay at least the minimum payment by the due date stated on each bill. Your minimum payment will be [insert formula].

We choose which balances to pay with the minimum payment. We apply payments above the minimum to balances with the highest APRs first.

You must pay in U.S. dollars, without restrictive terms, and according to all the other standard payment instructions. Mailed payments should be sent to [payment address].

What if I pay late?

If you don't pay at least the minimum payment by the due date, you'll be charged a late payment fee of \$X.

In addition, if you make a late payment, you will be in default and you may be subject to interest rate increases.

If you are late more than once in a six month period, the late payment fee will go up to \$Y. If you make on time payments for six months, it will return to \$X.

Special Promotions

How is interest calculated?

We calculate interest using the daily balance method with compounding. This means that interest compounds daily.

We will not charge you interest on purchases if you pay your full account balance by the due date each month. This is called a grace period. If you do not take advantage of the grace period, we will charge interest starting the day you make a purchase. If you do not pay your full account balance on time in any month you will lose your grace period until you pay your full account balance on time x months in a row. You pay interest on cash advances or balance transfers from [date].

2. Changes

We can change some of your rates and other terms in accordance with the law. This table shows some of the possible changes. Written notice will explain how changes apply. You cannot change the terms of this agreement.

| Type of Change | What may trigger change | Advance notice |
|--|--|--|
| Penalty interest rate applies to new charges | [penalty rate information] | 45 days |
| Other interest rate increase on new charges | In the first year, a promotional rate ends or the prime rate changes. After that, any reason | Promotional rate ends or prime rate changes, no notice. Otherwise, 45 days |
| Penalty interest rate applies to existing balances | If you are 60 days past due | 45 days |
| Other interest rate increase on existing balances | Promotional period ends, prime rate changes, or a workout arrangement | No notice required or per terms of workout arrangement |
| Increase or decrease to credit limits | Any reason | None |
| Some fees and other terms | Can change for any reason | Up to 45 days for certain fee and minimum payment changes |

3. Additional Information

Some of our rights

We reserve the right to not allow charges, including a recurring charge that we previously allowed.

If we sue you to collect debt owing on the account, you agree to pay us reasonable attorneys' fees and costs.

We may [assign](#) the contract to another company without notice.

We can close the account at any time without notice. If we close the account, you must still pay all outstanding amounts on the account. Interest will continue to accrue on your unpaid balance.

If we close the account or if you [default](#), we can demand immediate payment in full, except for [protected balances](#).

Some of your rights

You have the right to close the account by [doing this]. You must pay all outstanding amounts on the account. Interest will continue to accrue on your unpaid balance.

You have the right to dispute charges on your [bill](#), including billing errors, unauthorized charges or charges for unsatisfactory goods or services.

How are billing and other disputes handled?

If your [bill](#) has an error or a charge you did not authorize, you must tell us in writing within 60 days after you get that [bill](#). You must follow all instructions on that [bill](#). If we find no error after investigation, you owe us the original amount plus applicable interest and fees.

If you are not satisfied with a [purchase](#), you may not have to pay if you contact us in writing before paying us for that purchase. You must follow all dispute instructions on your [bill](#) and assign to us your claim against the merchant. The Billing Rights Notice further explains your rights.

What are the other terms for this agreement?

Other defined terms in this contract are: "We" or "us" means ABC Bank and any and all affiliates, parents, subsidiaries, and directors, officers and employees of same. "You" means yourself and any [authorized users](#) of the account.

We do not guarantee that your card will be accepted when you attempt to use it.

You cannot [assign](#) the contract.

If any part of this agreement is found to be unenforceable, the rest will remain in effect.

Do not exceed your credit limits.

Federal law and the law of [State] will govern all disputes between us about this account.

Privacy

We may report information about you to credit reporting agencies.

We may share information about the account with [authorized users](#).

We may contact you by different means, as allowed by law.

The Privacy Notice further explains how we may share your data.