### **Policy 1: Cardholder Agreement Terms**

#### **Introduction**

This policy defines the detailed terms of the credit cardholder agreement between the card issuer and the cardholder. These terms include interest rates, fees, billing, fraud protection, rewards programs, and dispute resolution processes.

#### **Section 1: Card Usage**

* **Authorized Use**: The card can only be used for personal purchases, as outlined in this agreement. Use of the card for gambling, illegal activities, or any prohibited transactions will result in immediate termination.
* **Credit Limit**: The assigned credit limit is **$10,000** for standard cardholders and can be increased upon review of the cardholder’s spending and payment behavior.
* **Over-limit Penalty**: Exceeding the credit limit incurs a $35 fee for each instance. Continuous over-limit use may result in a suspension of the account.

#### **Section 2: Interest Rates and Fees**

* **Annual Percentage Rate (APR)**: The standard APR for purchases is **19.99%**, applied to any unpaid balance after the billing cycle ends.
  + **Cash Advances APR**: A higher APR of **24.99%** applies to cash advances, and this rate begins accruing interest immediately after the transaction.
* **Penalty APR**: If a cardholder misses two consecutive payments, the APR will increase to **29.99%**. The penalty APR is applied until six consecutive on-time payments are made, at which point the rate will revert to the standard APR.
* **Annual Fee**: A $95 annual fee applies for this card, except during promotional periods, where this fee may be waived for the first year.

#### **Section 3: Billing and Payments**

* **Billing Cycle**: The billing cycle spans 30 days, with a statement generated on the 5th of each month. The cardholder has until the 25th of the same month to make a payment.
* **Minimum Payment Requirement**: The minimum payment is the greater of $25 or 3% of the outstanding balance. If the cardholder fails to make the minimum payment by the due date, a late fee of $39 is applied.
* **Grace Period**: A grace period of 25 days is provided for payments on purchases. Interest is not charged if the full balance is paid within the grace period.

#### **Section 4: Cash Advances**

* **Fee Structure**: A fee of **5%** of the cash advance amount, or $10, whichever is higher, is applied to each cash advance.
* **Interest Accrual**: Interest begins accruing on cash advances immediately upon the transaction date. There is no grace period for cash advances.

#### **Section 5: Rewards Program**

* **Points Accumulation**: Cardholders earn **1.5 points per dollar** spent on all purchases. Points are not earned on cash advances, fees, or balance transfers.
* **Bonus Categories**: For specific categories like travel and dining, cardholders earn **3 points per dollar** spent during promotional periods (January through March).
* **Redemption Options**: Points can be redeemed for statement credits, gift cards, or travel bookings through the issuer’s rewards portal. Minimum redemption value is 2,500 points.
* **Expiration of Points**: Points expire after **24 months** of account inactivity. If no new points are earned or redeemed within this timeframe, all points are forfeited.

#### **Section 6: Fraud Protection**

* **Zero Liability for Fraud**: Cardholders are not held responsible for unauthorized transactions if reported within 60 days of the transaction.
* **Monitoring System**: The issuer employs real-time fraud monitoring tools. If suspicious activity is detected, the cardholder will be notified via email or SMS. Failure to confirm activity within 24 hours may result in a temporary suspension of the card.

#### **Section 7: Dispute Resolution**

* **Transaction Disputes**: Cardholders must report disputed charges within 60 days of the billing statement date. The issuer will initiate a chargeback process, and the disputed amount will be provisionally credited back within 10 business days.
* **Chargeback Investigations**: The issuer has up to 90 days to resolve the dispute. If the dispute is deemed invalid, the provisional credit will be reversed, and interest will apply retroactively.

#### **Section 8: Termination of Agreement**

* **Cardholder-Initiated Termination**: Cardholders may terminate the agreement at any time by paying off the outstanding balance and notifying the issuer in writing.
* **Issuer-Initiated Termination**: The issuer reserves the right to terminate the agreement without notice if the cardholder fails to comply with the terms, engages in fraudulent activity, or fails to make payments for more than 60 days.

#### **Section 9: Privacy and Data Sharing**

* **Data Usage**: The issuer collects data on transaction history, spending patterns, and geographic location to improve fraud detection and personalize offers.
* **Third-Party Data Sharing**: Personal data may be shared with third-party affiliates for marketing purposes unless the cardholder opts out by notifying the issuer via the online privacy center.

#### **Section 10: Amendments to Agreement**

* **Notice Period**: The issuer reserves the right to modify the terms of this agreement with **30 days' notice**. Changes to interest rates, fees, or rewards programs will apply after this notice period unless the cardholder opts to close the account.
* **Disputing Amendments**: Cardholders have the right to dispute any amendments by submitting a written notice within the 30-day window. If a dispute is raised, the existing terms remain in place until the dispute is resolved.