

Frequently Asked Questions About Loan Due Date Changes

1. **Why is this happening?**

The United States Congress created and the President signed a new bill called the “Credit Card Act of 2009”. While the bill was originally targeted to make sweeping changes to how credit card issuers operate, the bill also included language that affects ALL open-end loans.

2. **How do I know which of my loan(s) will be affected?**

Please refer to your August 2009 statement which will have an asterisk (*) in front of the loan description for your loan(s) that will be affected by this change.

3. **Why is my loan due date being changed to the 27th?**

One of the provisions of the law requires that the financial institution notify the borrower at least 21 days in advance of the actual payment due date. To meet this requirement, Eagle Community Credit Union will now include a notification of your due date on your monthly statement. Since the statements are usually mailed by the 2nd of each month, moving the due date to the 27th of each month allows the proper notification to you, the member, about your next loan payment.

As long as full payment is made by the due date, you can schedule a different frequency or date for your payment by setting up an auto transfer from your share (savings or checking) to the loan.

4. **My loan payments were previously weekly, bi-weekly, or semi-monthly on payroll deduction/automatic transfer/paid through direct deposit. How will this be affected?**

Your payment will be changed to monthly beginning September 2009. Please check your statement for the amount of your new monthly payment.

5. **Will the amount I pay monthly change?**

Only if you were paying other than monthly before in which case your payment may have changed slightly and is reflected on the statement you received.

6. **How will this change affect the amount of interest due on my loan?**

Interest on your loan accrues daily. For example, if your loan is paid bi-weekly, each payment includes 14 days worth of interest. If you pay your loan monthly on the same day, you may pay 30 or 31 days (or 28 from February to March) of interest each month, depending on the number of days between payments.

If you continue to make your payments, as before, there should be no change in the interest collected over the course of the loan.

If you choose to wait until the new due date of the 27th, the amount of interest will be the number of days between payments multiplied by the daily interest rate.

7. **I mail a check each month to pay my loan. How will I be affected?**

There will be no change. You may continue to send your check monthly to pay your loan.

Frequently Asked Questions About Loan Due Date Changes (Cont.)

8. **I want to keep paying my loan on the date I already have that fits into my budget. Do I have to change?**
No. You may continue to pay your loan on the same day as before, as long as you make your monthly payment by the due date.
9. **What happens if my loans are paid ahead?**
If your August payment is made your next due date will automatically advance to Sept. 27th.
9. **Does the term of my loan get extended?**
If your loan was scheduled to be paid-off in a specific number of months (ex. 36, 48, 60, etc.), then you will need to make that many monthly payments to payoff the loan.
10. **Will my interest rate change?**
No. Your interest rate will remain the same during the course of your current loan.
11. **Do I have to sign new loan papers to make this change take effect?**
No. The loan disclosure that you signed when you originally took out your loan allows Eagle Community Credit Union to make changes to your loan, with prior notice. You received a copy of this disclosure along with the copies of your loan papers. The insert with your statement that you received in August is the "prior notice".
12. **How exactly will my loan due date change?**
If you have a payment due between August 1 through August 26, 2009, you will need to make that payment. Your next loan payment will reflect the change to September 27, 2009, as the next due date.
13. **My payment was already the 27th, 28th, 29th, 30th, or 31st, will my due date change?**
No, your due date will not change.
14. **Will members be able to choose different due dates for new HELOCs or LOCs?**
No, all new HELOC's and LOC's will have a due date of the 27th.
15. **Will this affect my credit report or rating?**
As long as you continue to make your regularly scheduled payments by the due date, there will be no negative effect on your credit report or rating.