



## **FAQS REGARDING THE CHANGE TO MY LOC PAYMENT AND DUE DATE**

### **WHY DID MY PAYMENT AMOUNT INCREASE?**

Your payment amount did not actually increase. The amount of your payment was recalculated from a weekly, bi-weekly or semi-monthly payment to monthly.

### **HOW DID YOU CALCULATE MY PAYMENT AMOUNT?**

Weekly payments were multiplied by 52 then divided by 12.

Bi-weekly payments were multiplied by 26 then divided by 12.

Semi-monthly payments were multiplied by 24 then divided by 12.

### **WHY DID MY PAYMENT HAVE TO BE A MONTHLY PAYMENT INSTEAD OF WEEKLY, BI-WEEKLY OR SEMI-MONTHLY?**

It was necessary to change all LOC loan payments to monthly payments in order to comply with a new regulation that went into effect on October 1, 2011. Federal Regulation Z requires a periodic statement to be mailed or delivered at least 14 days prior to the due date for all LOC loans. It would not be possible to comply with the regulation unless your payment is due once a month.

### **MY PAYMENT WAS ALREADY MONTHLY, WHY DID THE DUE DATE CHANGE?**

It was necessary to set the due date for all LOC loans late enough in the month to insure that you receive your monthly account statement, with your payment amount and next due date disclosed, AT LEAST 14 days prior to the next due date.

### **SHOULD I MAKE ANY CHANGES TO MY CURRENT METHOD OF PAYMENT OR THE AMOUNT OF MY PAYROLL DEDUCTION?**

The short answer is NO. If you currently have weekly, bi-weekly or semi-monthly payments that are automatically processed, those partial payments will satisfy your full monthly payment each month. If you miss one of those partial payments you will need to make that payment in person. This is not a change from how your payments were credited prior to this change.

### **AM I PAYING MORE INTEREST DUE TO THIS CHANGE?**

Again, the short answer is no. You will not pay additional interest unless you decide to wait and make one monthly payment instead of your previous weekly, bi-weekly or semi-monthly payment.

### **DO I HAVE ANY OPTIONS WITH REGARD TO MY NEW PAYMENT?**

Please contact the Credit Union Manager or Assistant Manager if you have any other questions or concerns.

