



Mailing Address: P.O. Box 2922 Yakima, WA 98907

September 1, 2009

RE: Important Changes in the Payment Due Date of Your Home Equity Loan or Signature Loan

Dear Member,

The United States Congress recently passed a new bill called the Credit Card Accountability Responsibility and Disclosure Act of 2009, referred to simply as the Credit CARD Act. While the intent of the bill was originally targeted to reform credit card lending practices, the language used within the bill affects all open-end loans, such as Home Equity Lines of Credit and Signature Loans.

Phase one of the Act requires that the financial institution notify the borrower at least 21 days in advance of the actual loan payment due date. Yakima Valley Credit Union notifies you of your loan payment due date through your monthly statement, which is available the first business day of each month through Home Banking (if you are enrolled for e-statements) or mailed within the first week of the month.

Beginning in September 2009 and every month thereafter, Yakima Valley Credit Union is changing the payment due dates for Home Equity Lines of Credit and Signature Loans to the 27th of each month. This will allow the Credit Union to comply with the 21 day notification requirement. This excludes loans with existing due dates on the 28th through the 31st of the month.

We anticipate that this change will have little effect on the way that most of our members make their payments on these types of loans, however we understand that there may be questions for specific situations. We have included a list of Frequently Asked Questions, which may answer many of the questions you may have about this change. If you would like more information regarding the Credit CARD Act or wish to discuss the effect on your account, please contact our Call Center at (509) 248-1720 or 800-347-9222, Monday-Friday, 8:30 am - 5:30 pm, or stop by any branch.

We thank you for your membership at Yakima Valley Credit Union and appreciate your understanding as we ensure that your Credit Union continues to remain compliant with the law, while striving to meet your financial needs.

Sincerely,

Sheri Johnson
Compliance Officer
Yakima Valley Credit Union

(509) 248-1720 or (800) 347-9222

E-Mail: yvcu@yvcu.org | **Web Site:** www.yvcu.org

Frequently Asked Questions

About Home Equity Line of Credit and Signature Loans Due-Date Changes



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

A. 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, Yakima Valley Credit Union provides notification of your due date on your monthly statement. If you aren't enrolled for e-statements, your statements are usually mailed by the 5th of each month. Moving the due date to the 27th allows the proper notification to you about your next loan payment.

Q. My due date is at the end of the month. Does that need to change?

A. If you currently have a due date that falls between the 28th and 31st the due date will remain the same.

Q. I receive my statement once every three months. Will that change?

A. Yes. Because we must send the statement 21 days before your monthly payment is due, you need to receive the statement every month. This will happen for every Home Equity or Signature Loan whether or not there is a balance due.

Q. When will my due date change?

A. At the end of August, all Home Equity Loan and Signature Loan due dates were moved to the 27th of the month beginning with the payment due in September. On your August statement, which you will receive the beginning of September, your September loan due date will be the 27th and will continue to be due on the 27th.

Q. I have an automatic payment that comes out of my account on my due date of the 14th. Will this change?

A. Yes. Your payment will be taken out of your account on the new due date of the 27th.

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

A. The only change is to the due date. You may continue to send your check monthly to pay your loan.

Q. I want to keep paying my loan on the date I already have. That fits into my budget. Do I have to change?

A. The due date will still change to the 27th **however** 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.

Q. Will my interest rate change?

A. No. This change does not affect your interest rate.

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

A. 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 for the number of days between payments will be multiplied by the daily interest rate.

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.

Q. How exactly will my loan due date change?

A. Here is an example; if you had a payment due that would have fallen on September 1 through September 26, 2009, the payment will now be due on September 27th.

Q. Will this affect my credit report or rating?

A. As long as you continue to make your regularly scheduled payments by the due date, there is no negative effect on your credit report or rating.

Q. What's a good way to manage all my loan payments?

A. Yakima Valley Credit Union recommends setting up your account for online banking and e-statements, which lets you manage your account from anywhere there's an internet connection. You can also set up automatic payments so that your loan payment is made on the same day each month. It's easy, free, and one less thing to worry about.