

# Frequently Asked Questions

## regarding your loan due date changes

### 1. Why is this happening?

The United States Congress created and the President signed into law 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. There are some loans at CU Hawaii Federal Credit Union that are considered open-end. Thus, we were required to make these changes to comply with the new regulations.

### 2. Why is my loan due date being changed to the 25<sup>th</sup>?

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, CU Hawaii Federal Credit Union will now include a notification of your due date on your combined (deposits and loans) monthly account statement. Since the statements are usually mailed by the 3<sup>rd</sup> of each month, moving the due date to the 25<sup>th</sup> allows the proper notification to you, the member, about your next loan payment.

### 3. My loans are on payroll deduction/automatic transfer/paid through direct deposit. Will my loan be affected?

No. Your automatic payments will continue as always, whether they are set up as weekly, bi-weekly, twice a month, or monthly.

### 4. 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.

### 5. 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 of the 25<sup>th</sup>.

**6. How exactly will my due date change?**

- a. If your loans are paid ahead, your next loan payment date will be advanced to the 25<sup>th</sup> of the month.
- b. If the current due date is before the 25<sup>th</sup> of the month, your loan payment date will be changed to the 25<sup>th</sup> of that month.
- c. If the current due date is the 25<sup>th</sup> of the month, your loan payment date will be unaffected.
- d. If the current due date is between the 26<sup>th</sup> and the 31<sup>st</sup> of the month, your loan payment date will advance to the 25<sup>th</sup> of the following month.

**7. Will my monthly payment amount remain the same?**

Yes. All of the other terms of your loan will remain the same, including the monthly payment amount. The due date is the only thing that is changing on your loan.

**8. Does the term of my loan get extended?**

Open-ended loans that are affected by this change do not have stated loan terms. Loan terms like 36, 48, or 60 months are used as a method to compute a payment amount only. However, this change **may** increase the number of monthly payments that would need to be made to pay back the loan in full. In order to avoid the possibility of an extra payment, members should be encouraged to make their normal monthly payments as previously arranged.

**9. Will my interest rate change?**

No. Your interest rate will remain the same during the course of your current loan.

**10. 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 25<sup>th</sup>, the amount of interest will be the number of days between payments multiplied by the daily interest rate.

**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 obtained your loan, allows CU Hawaii Federal 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 September statement message that you received in October is the “prior notice”.

**12. How will my loan payments be affected?**

- a. If you have a payment due on October 1 through October 25, 2009, you will need to make that payment.
- b. If your payment is due October 26 through October 31, 2009, your loan due date will be advanced to November 25, 2009. Remember that if you choose to skip October’s payment and make your payment in November, a larger amount will go towards interest and less towards principal. See question 10.

**13. Will this affect my credit report or rating?**

As long as you continue to make your regularly scheduled payments by the due date, your credit report or rating will not be affected.

If you have any other questions or wish to discuss this further, please contact the Credit Union:

(808) 933-6700  
(Toll Free 1-800-933-6706)  
[info@cuhawaii.com](mailto:info@cuhawaii.com)  
[www.cuhawaii.com](http://www.cuhawaii.com)