



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. All loans at Birmingham Bloomfield Credit Union (BBCU) are 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 28th?**

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, BBCU will now include a notification of your due date on your monthly statement. Since the statements are usually mailed by the 4th of each month, moving the due date to the 28th of each month allows the proper notification to you, the member, about your next loan payment. If your loan is currently due on the 29th, 30th, or 31st of the month, your due date will remain the same.

3. **My loans are on payroll deduction/automatic transfer/paid through direct deposit. How will this be affected?**

If your loans are automatically paid through payroll deduction, direct deposit, or an automated transfer, you do not need to do anything. Your payments will continue as always, whether they are set up as weekly, bi-weekly, twice a month, or monthly.

4. **I mail a check in 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.

6. **I still have coupons with my original due date. Can I use them?**

Yes. When you re-order your new coupon book, the due date will show the new due date of the 28th.

7. **What happens if my loans are paid ahead?**

If your loans are paid ahead, your next loan payment date will be advanced to the 28th of the month. If it is currently due before the 28th of the month, it will change to the 28th of that month. If it is currently due on the 29th, 30th, or 31st of the month, your due date will remain the same.

8. **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. All that is changing is the due date.

9. Does the term of my loan get extended?

Not exactly. If your loan was scheduled to be paid-off in a specific number of payments (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. 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 28th, the amount of interest for will be the number of days between payments multiplied by the daily interest rate.

12. 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 BBCU 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 September is the "prior notice".

13. How exactly will my loan due date change?

If you have a payment due, you will need to make that payment. Your next loan payment will reflect the change to September 28, 2009.

If your payment is due September 1 through September 27, 2009, your loan due date will be advanced to September 28, 2009. Remember that if you choose to make your payment in September on the new, later date of the 28th, more of your payment will go towards interest. See question 11.

14. 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.

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

248-647-5958

www.bbcu.org