

## 2009 CARD Act

Congress recently passed the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act) and the provisions were effective August 20, 2009.

There are some "unintended consequences" of this law which will affect your open-end loan(s) at Chaco Credit Union. There are two primary changes we had to make to be in compliance with this new law: *Change in Due Date* and *Display of Monthly Payment*.

### Change in Due Date

This legislation states a periodic statement must be provided at least 21 days before the payment due date. To meet this requirement, your due date has been changed to the 28<sup>th</sup> or 30<sup>th</sup> of each month. Interest will still accrue each day until a payment is received. Provided you continue to pay your loan(s) on your current payment schedule, you will incur no additional interest charges and will remain current.

### Display of Monthly Payment

Another "unintended consequence" this law had, affects the way "open-end" loans appear on home banking and your statement. If you paid more than once per month, your payment will now display as a monthly payment. See monthly payment display examples below. You should continue making your payments as you have been. Payroll deductions and automatic transfers (weekly, bi-weekly, or semi-monthly) will continue to be applied as they have been in the past. Other options may be available with direct deposit or home banking which will allow for more frequent payments.

#### ***EXAMPLE PAYMENTS***

##### ***Weekly***

Payment amount = \$11.00. Monthly payment will display as \$44.  
(formula is  $\$11.00 \times 4$ )

##### ***Bi-Weekly***

Payment amount = \$25.00. Monthly payment will display as \$50.  
(formula is  $\$25.00 \times 2$ )

##### ***Semi-Monthly***

Payment amount = \$25.00. Monthly payment will display as \$50.00.

(formula is  $\$25.00 \times 2$ )

Please understand Chaco was forced to make these changes in order to comply with the new Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act) that became effective August 20, 2009. The change to the due date and monthly displayed payment amount were the best solutions to accommodate the requirement and are the least disruptive to you, our member.

If you have any questions please call our Lending Center at (513) 785-3597 or Toll-Free at 1-877-CHACOCU.