

## PART 1: CARD Act FAQ

### What does the CARD Act stand for?

CARD Act stands for: Credit Card Accountability, Responsibility and Disclosure Act of 2009.

### Does the CARD Act only impact credit cards?

No. In addition to our Secured and Unsecured VISA cards, the CARD Act also affects Overdraft Lines of Credit, HELOCs, and Open End loans.

### What is an Open End Loan?

Open End Loans are loans that allow you to put money in (make a payment) and withdraw money (make charges or cash withdrawals). These loans have credit limits. They are flexible loan products that provide the consumer with options.

### What types of PHFCU loans are affected?

Secured and Unsecured VISA cards, Overdraft Lines of Credit, HELOCs, and Open End Loans including Personal, Partially Secured, 50/50, New Auto, Used Auto, Motorcycle, Share Secured, and Money Market Secured Loans.

### How do I know if my loan is affected?

PHFCU will notify you on your monthly statement. For example, not all of our auto loans will be affected, therefore everyone will need to pay special attention to their monthly statements.

We also want our members to take a moment to review their loans and lines of credit with other financial institutions. Please be aware that there may be changes in those terms as well.

### When does the CARD Act take affect?

The first round of changes begin August 20, 2009. This impacts the mailing of monthly statements and requires that they be mailed at least 21 days prior to the payment due date. To accommodate this provision, PHFCU has advanced the payment due date to the 28<sup>th</sup> of each month. Your monthly statement will have more information on the details of your loan.

### Why am I receiving a monthly statement now?

Some of our members were on a quarterly payment schedule and did not receive a monthly statement. Consequently, since payment due dates have been changed to the 28<sup>th</sup> of every month, we must send a monthly statement 21 days prior to the payment due date. All Open End Loans will be receiving a monthly statement regardless of previous mailing or payment cycles.

*One significant impact of this provision is that it increases the environmental cost of servicing our members. Please consider switching to e-Statements to help us in our efforts to be environmentally friendly.*

### What is the purpose of the CARD Act?

The CARD Act was created to eliminate the unsavory lending practices used by some financial institutions and credit card companies. There is a minimal impact on how we do business at PHFCU. Our mission remains the same as it has been since 1937: **to protect the assets of the membership, minimize investments and loan programs, maintain a safe and secure environment, encourage savings and thrift, provide consumers savings and loans at favorable interest rates, and provide quality and friendly service to our members.**