

Frequently Asked Questions About Consumer 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 designed to make sweeping changes to how credit card issuers operate, the bill also included language that affects various other consumer loans. Thus, we are 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, Minnco now will include a notification of your due date on your monthly statement. Since the statements are usually mailed by the 3rd of each month, moving the due date to the 28th of the month allows the proper notification to you, the member, about your next loan payment.

3. Which Minnco loans are affected?

Most of Minnco consumer loans are affected.

4. 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 need not do anything. Your payments will continue as always, whether they are set up as weekly, bi-weekly, semi-monthly, or monthly.

5. 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.

6. 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. You will simply be making your payment early.

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 that month.

8. Will my payment amount remain the same?

The amount you're required to pay each month will be the same.

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 28th, the amount of interest paid will be for the number of days between payments multiplied by the daily periodic interest rate.

11. Do I have to sign new loan papers to make this change take effect?

No. The loan disclosure you signed when you originally took out your loan allows Minnco to make changes to your loan, with prior notice. The letter mailed to you is considered “prior notice.”

12. 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.