

EAST COAST CREDIT UNION VARIABLE RATE POLICY STATEMENT

This statement details the factors that East Coast Credit Union consider when setting our variable interest rate for mortgage loans.

What we consider when setting our variable rate?

- **Cost of Funds** – The credit union relies on members savings to fund its lending activities, including mortgages. The cost of attracting and retaining these savings through the payment of dividends on shares and/or interest on deposits represents the cost of funds.
- **Capital requirement** – Regulatory standards mandate maintaining a certain capital level, which supports our lending activities and influences interest rates.
- **Loan default risk** – Reflects the likelihood of members failing to meet repayment obligations, necessitating compensatory measures in our interest rates.
- **Operational costs** – comprise the day-to-day expenses incurred in running the credit union, including staff salaries, administrative and regulatory costs, technology and systems support, and the maintenance of the infrastructure required to deliver services effectively to members.
- **Expected returns** – Targeted returns required to sustain our operations, support future growth, and ensure the viability of our mortgage offering for members.
- **Market competition** – External economic factors including market trends, economic environment, competitor strategies, and changes in consumer preferences that may necessitate rate adjustments.

Variations in the factors listed above could result in changes to our variable interest rate. The above list of factors could also change over time due to reasons within or outside of our control. If this happens, we will tell you about the change

as soon as possible and publish an updated Variable Rate Policy Statement on our website.

How do we make decisions when setting variable interest rates?

We review our mortgage variable interest rate on a regular basis to ensure it remains fair, competitive, and aligned with our financial objectives. Any changes require approval by the Board of Directors having considered the best interests of both the credit union and its members.

Why do we have different variable interest rates?

Currently, we offer a single variable interest rate.

Could you get a different type of interest rate or a lower rate?

Your mortgage is a substantial financial commitment, and you should ensure that you are not paying more for it than you need to. Therefore, it is important to regularly review your mortgage and any interest rate options that may be available to you. As noted above, currently we offer a single variable interest rate mortgage, in circumstances where the variable rate is increased or decreased, this will be automatically applied to your mortgage once it becomes effective.

If you have any questions about your mortgage, please call us on 01 2862624.

Risk Warning:

Warning: We may change the interest rate on this loan. This means the cost of your monthly repayments may increase or decrease.

Warning: Your home is at risk if you do not keep up payments on a mortgage or any other loan secured on it.

Warning: The payment rate on this Housing Loan may be adjusted by the Lender from time to time.