

September 2011

Important Notice to Our Members with “Open-end” Loans

If you financed your vehicle at a car dealership, your loan is not affected

Congress recently amended legislation regarding “open end lending” as part of the Truth in Lending Act. Although the intent was to implement reform in abusive credit card lending, wording in the legislation also affects any open end loan (eg: line of credit and some vehicle loans.) This regulation does NOT affect closed end loans, first, or second mortgages.

Due to this federal regulation, the actual due date of your loan is being updated. For example, if your next loan due date is September 1, 2011, your new due date will be October 28, 2011. Due to restrictions within this regulation, we will no longer be able to honor payment frequencies other than monthly; however, if you had previously elected payroll deduction those monies will continue to be applied as they are received and once the minimum monthly payment has been paid, the due date for the loan will advance to the next month. If you make your loan payment on a specific date of the month, you may continue to do so. You do not need to sign any additional forms or contact MidWest America for this change to take effect. The loan disclosure that you signed when you first obtained your loan will suffice as authority to change your due date.

In order for MidWest America to remain in compliance with the new regulations, the actual due date(s) will be changed to the 28th of each month. A reminder of your payment due date will be included on your monthly statement. We will not consider your payment late if it is received within 14 days after the statement was mailed, regardless of payment due date(s) printed on this statement.

Answers to some frequently asked questions about this change are available on our website at: www.mwafcu.org. If you have further questions, please call us at 800-348-4738.