

## **Savvi Credit Union Variable Rate Policy Statement**

This statement details the factors that Savvi Credit Union consider when setting our variable interest rates for mortgage loans.

### **What do we consider when setting our variable interest rates?**

There are several factors we consider when setting or changing our variable interest rates and these currently include:

- **Cost of funding:** Loans to our members are sourced from our members savings. The cost of getting this money in and maintaining it represents the Credit Union's cost of funds.
- **Capital costs:** The Credit Union are required by the regulators to set aside and maintain a minimum level of capital to support our lending activities and protect us against any unexpected losses.
- **Loan Default risk:** We estimate potential losses on our mortgage loans due to non-payment by borrowers.
- **Operational costs:** These are costs relating to the day to day running of the Credit Union including staff, administration, infrastructure, regulatory, legal, and professional costs.
- **Expected returns:** this is the expected income generated in line with the Credit Union's financial plan.
- **Market competition:** this relates to external factors such as activity in the market because of new entrants, competitor movements, and changing member preferences.

Variations in the factors listed above could result in changes to our variable interest rates. This list may change over time due to reasons both within and 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 monitor our mortgage variable interest rates on an ongoing basis. Our Credit Committee assess variable rate change proposals and consider factors outlined above in the process. The Committee meets weekly (or as required) and will recommend any mortgage variable rate changes for final approval at Savvi Board level.

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

A mortgage is a substantial financial commitment, and you should ensure that you are not paying more for it than you need to. It is therefore important to regularly review your mortgage and any interest rate options that may be available to you. You may find that we have alternative interest rates available for you to consider. For example, with our agreement, you may be able to choose a fixed interest rate for all or a portion of your mortgage that will be fixed for an agreed period. To help you, once a year, we will tell you if we have alternative lower interest rates available for your mortgage loan type. In circumstances where any changes are made to this statement, we will tell you about the change as soon as possible and publish an updated version on our website. Further information on our mortgages can be found on our website.

[Mortgages | Quick & Easy Application | Savvi Credit Union.](#)

If you would like to discuss any of these options with us, or if you have any questions about your mortgage, please phone us on 01 6325100.

The Competition and Consumer Protection Commission (CCPC) is the statutory body responsible for promoting compliance with, and enforcing, competition and consumer protection law in Ireland. A link to their website is provided below, providing information on mortgages including guidance on switching mortgage providers and changing mortgage type. [Mortgages - CCPC](#)

**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 RATES ON THIS HOUSING LOAN MAY BE ADJUSTED BY THE LENDER FROM TIME TO TIME (Note: Applies to variable rate loans only).

**Warning:** WE MAY CHANGE THE INTEREST RATE ON THIS LOAN. THIS MEANS THE COST OF YOUR MONTHLY REPAYMENTS MAY INCREASE OR DECREASE.