



VARIABLE RATE POLICY STATEMENT

What we consider when setting our variable interest rate?

We may change our variable interest rate at any time and there are a number of factors which we consider when we set or change our variable interest rate. These include:

- Cost of funds – The Credit Union relies on our members savings to provide loans, including mortgages, therefore we need to remain an attractive place to save through the payment of a dividend and/or the payment of interest on deposits;
- Sustainability – to ensure that the amount of money the Credit Union earns from mortgages positively contributes to the Credit Union's long-term sustainability including the ability to maintain and grow our reserves, meet our regulatory obligations, invest in the development of new products and services and to provide a dividend to our members;
- Competition – to consider interest rates charged by other mortgage providers and other market conditions to ensure that we remain competitive;
- Default Risk – to reflect the risk that a borrower may not be able to make their repayments in full and on time; and,
- Operational & Administrative Costs – to reflect the day-to-day costs of running the Credit Union and the direct costs associated with offering mortgages to members.

Change to any of the above factors could result in changes to our variable interest rate. The above list of factors could also 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 rate?

We monitor our variable interest rates on an ongoing basis. The Credit Union assess variable interest rate change proposals which would incorporate the factors outlined above. The Board of Directors then make a decision in the best interest of the Credit Union and its membership.

Why do we have different variable interest rates?

At the moment, we only offer one variable interest rate.

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

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

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

If you have any questions about your mortgage please call us on 0818 247 365.

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