



# Mortgage Variable Rate Policy Statement

**Warning:** The interest rate on this mortgage is variable and may change in the future, affecting the cost of your monthly repayments. Changes will be made in accordance with the terms and conditions of your mortgage agreement.

## Purpose of This Statement

This document outlines the factors the Credit Union considers when setting variable interest rates for mortgage loans, ensuring our members understand the mechanisms that could impact their financial obligations.

## Factors Influencing Variable Interest Rates

### Cost of funds

We source our lending capital from member deposits, affecting the interest rates based on the cost of these 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

Includes day-to-day expenses related to running of the Credit Union such as staff salaries, administrative costs, and infrastructure upkeep.

### Expected returns

Targeted returns required to sustain our operations and ensure the viability of our mortgage offerings.

### Market competition

External economic factors including market trends, competitor strategies, and changes in consumer preferences that may necessitate rate adjustments.

## Policy for Interest Rate Changes

Interest rates are evaluated regularly by our Mortgage Services DAC Interest Rate Committee, which uses comprehensive market analysis to make informed decisions. Any changes to the interest rates are deliberated based on the current economic environment and sector-specific conditions, ensuring that our decisions are thoughtful and justified.

## Notification of Changes

Should there be a need to adjust the interest rates due to the aforementioned factors, members will be notified promptly through clear communications detailing the nature and reason for the changes. Updated policy statements will be published on our website to maintain transparency.

## Exploring Your Options

Members are encouraged to regularly review their mortgage terms. Alternatives or lower interest rates might be available, depending on individual circumstances and prevailing market conditions.

## Contact Information

For further details about our mortgage product, or to discuss potential options, please visit our website at [www.peoplefirstcu.ie](http://www.peoplefirstcu.ie), call us at 057 86 22594, or visit your local branch.

### Risk Warning:

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP PAYMENTS ON A MORTGAGE OR ANY OTHER LOAN SECURED ON IT. PAYMENT RATES ON THIS HOUSING LOAN MAY BE ADJUSTED BY THE LENDER FROM TIME TO TIME BASED ON CHANGES TO THE VARIABLE RATE POLICY.