

Altura Credit Union - Variable Mortgage Interest Rate Policy

Important Information About Your Mortgage Interest Rate

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

Purpose of this document

This document explains, in clear and non-technical terms, how Altura Credit Union sets and reviews variable mortgage interest rates. It is provided to help you understand how your mortgage interest rate is determined and why it may change over time.

What do we consider when setting our variable mortgage interest rates?

When setting or reviewing variable mortgage interest rates, Altura Credit Union considers a number of key factors. Changes in any of these factors may result in changes to our variable interest rates:

- **Cost of funds**
The cost to the Credit Union of obtaining funds to lend to members, including member savings and external funding, where applicable.
- **Operational costs**
The day-to-day costs of running the Credit Union, such as staffing, systems, premises, professional fees, and regulatory compliance costs.
- **Risk considerations**
The level of credit risk associated with mortgage lending including the likelihood of loans not being repaid and the potential losses if that happens.
- **Regulatory and capital requirements**
Requirements imposed by law and regulation to hold sufficient financial reserves and capital to ensure the Credit Union remains safe and financially sound.
- **Competitive environment**
Mortgage interest rates available from other lenders and market conditions more generally.
- **Financial sustainability**

The need for the Credit Union to operate on a financially sustainable basis for the benefit of its members. If one or more of these factors change, your variable interest rate may increase or decrease.

How do we make decisions when setting variable mortgage interest rates?

Decisions on variable mortgage interest rates are made through Altura Credit Union's internal governance and approval processes.

Interest rates are reviewed periodically and may also be reviewed outside of this cycle if there are significant changes in economic conditions or other relevant factors. Any proposed changes are considered and approved at the appropriate management and governance level within the Credit Union, in line with our policies and regulatory obligations.

Why do we have different variable mortgage interest rates?

Altura Credit Union may apply different variable interest rates to different groups of borrowers.

This can be due to factors such as:

- Loan-to-value ratios
- Product type or term
- Risk profile of the loan
- Whether the mortgage is a new loan or an existing loan

Different rates reflect differences in cost, risk, and product features for different types of mortgages.

Can you choose a different type of interest rate?

You may be able to choose a different mortgage interest rate option, such as a fixed rate, depending on the products available at the time of application.

You are encouraged to review your mortgage options regularly and to speak with Altura Credit Union if you would like information on alternative products that may be available to you.

Further information

For further information about this document or your mortgage interest rate, please contact Altura Credit Union. We will be happy to explain this information in more detail.