

Did you know that... Where a posting loan has been renegotiated to increase the principal or to lower the interest, the new interest rate is applied from the first day of the month following the renegotiation.

## Repayment

Your posting loan is recovered through automatic deductions from your pay cheque, starting with the first day of the fourth month following the month your loan was granted or the first day of the month following your arrival at post, whichever is earlier. You are, of course, free to repay the principal amount in full, without interest, before recovery commences. You may also repay the outstanding balance in full at any time during the repayment period. You have another option, once during the repayment period, of making a partial lump-sum payment of not less than \$500 and having your monthly payments thereby reduced or the repayment period shortened, but the rate of interest would remain unchanged.

The maximum repayment period is up to 48 months, although there are provisions for extending the repayment should your posting be terminated unexpectedly.

The following sample shows the monthly amount repayable for a typical loan (see Figure 7).

Figure 7

<b>Examples of Monthly Deductions taken from Salary for the Recovery of a Posting Loan</b>		
(Based on a posting co-efficient table of 6% and postings of 2, 3 and 4 years)		
TOTAL LOAN	MONTHLY DEDUCTIONS	
\$10,000	deducted over 24 months =	\$443.22
	deducted over 36 months =	\$304.23
	deducted over 48 months =	\$234.86
\$15,000	deducted over 24 months =	\$664.82
	deducted over 36 months =	\$456.34
	deducted over 48 months =	\$352.28
\$20,000	deducted over 24 months =	\$886.42
	deducted over 36 months =	\$608.45
	deducted over 48 months =	\$469.70