



## Information circular – July 2016



### DID YOU KNOW?

#### Nominal interest rate – Effective interest rate

When you borrow funds or use a credit card it is important to know that the interest rate disclosed (nominal) might actually be higher or lower than the true rate of interest you pay (effective) depending on the way the interest is applied.

A housing loan of CHF 100,000, granted by the Mutual Association for a duration of 10 years at a nominal rate of 3.50%, generates in fact an effective interest rate of 1.85%. An ordinary loan of CHF 20,000, granted for a duration of 5 years at a nominal rate of 5.90%, generates an effective interest rate of 3.06%. Our true rates are indeed even lower since they include a death/disability insurance.

The above examples show that there might be a significant difference between the nominal rate disclosed and the true rate. For this reason, if you intend to borrow funds, it is important not only to look at the nominative rate disclosed, but also to question the true rate you will pay. In most cases the true rate is higher than the nominal rate, but as far as the Mutual Association is concerned, it is notably lower because the interest is calculated monthly on the remaining capital, after the repayment of the monthly instalments, and not on the initial capital paid to members, and no fee is charged.



### Free bikes

A container with 20 regular and 20 electrical bicycles is installed at the Place des Nations (corner Avenue de France/Avenue Giuseppe Motta) from 27 April to 23 October 2016 and open from 8:00am until 7:00pm. Members of the Mutual Association can borrow bicycles, free of charge, upon presentation of their identification badge (or membership card for retirees), during the following hours: from 11:30am to 2:30pm, from 4:30pm to 9:30am the following day, over the weekend from 4:30pm on Fridays to 9:30am on the following Monday.

### 1-Day travelpasses at reduced fare (up to 40% discount)

Take advantage of a unique offer which will allow you to enjoy unlimited travel in Switzerland during one day, for the price of CHF 53.- for 2nd class and CHF 78.- for 1st class if you have a Half-Fare travelcard, and for the price of CHF 69.- for 2nd class and CHF 103.- for 1st class without the Half-Fare travelcard. During this day, you can use the pass on trains, buses, boats, postbuses and trams. For more information you can click on the following link:

[http://www.lamutuelle.org/amfiweb/free/documents/CFF\\_offre\\_carte\\_anglais.pdf?docKey=387696528](http://www.lamutuelle.org/amfiweb/free/documents/CFF_offre_carte_anglais.pdf?docKey=387696528)