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About Credit Unions

What are Credit Unions?

Credit Unions are membership-based organisations, much like co-operatives. Members have a say in how their credit union is run and may receive a share of the profits – a dividend.

Credit Unions offer a range of straightforward saving products and fair, manageable loans to members. There are around 500 credit unions in the UK and more than 1.8 million members UK wide, and this number is increasing. The credit union movement is global – there are credit unions in 109 countries, with over 231 million members worldwide!

The Credit Union “Common Bond”

To join a credit union you usually need to live or work in a certain area, or do a certain type of job. This is known as the credit union ‘common bond’, meaning members have something in common.

Why become a Credit Union member?

A Credit Union’s customers are its members. Members choose to join a Credit Union to save ethically, benefit their local community and access fair, manageable loans.

Credit unions promote responsible lending and do not lend more than their members can afford to repay.

They do this by :

- promoting good money management – members are encouraged to save as well as borrow money
- providing loans with fair and reasonable rates
- encouraging members to use money wisely and manage their finances

Regular savings from members create a “pool of money” which is used to offer fair, manageable loans to other members. At times when a member borrows from us, we allocate part of their weekly or monthly repayments to their savings account so they have a cash lump sum when they’ve repaid your loan. We call this ‘Save As You Borrow’, and it’s one of the great benefits of borrowing from a credit union. Research shows that borrowers that save whilst paying back a loan become habitual savers.

Credit union interest rates are capped by their regulators which makes them considerably cheaper than many other lenders. They also offer flexible repayment terms without penalties and hidden costs.

Ethical Savings

By saving with your local Credit Union, you know your money is being used for the benefit of the local community.

Credit Unions run on a not-for-profit basis, with any surplus being put into reserves or paid back to members as an annual dividend. The interest earned on loans pays for the credit union’s administration.

What is the purpose of a Credit Union ?

- To promote financial well-being within the local area by providing access to affordable savings and loan products

- To create a source of credit facilities for the benefit of its members at a fair and reasonable interest rate
- To use and control members' funds for the mutual benefit of all members

Is my money safe in a Credit Union?

Yes. As with banks and building societies, your savings are protected by the Financial Services Compensation Scheme (FSCS). Should a credit union go out of business and be unable to repay its members in full, the FSCS will cover the full amount up to £85,000*. Credit Unions are regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

* For more information about the Financial Services Compensation Scheme (FSCS) visit the FSCS website

Welcome to Norwich Credit Union (also trading as Norfolk Save and Borrow). Since we were established in 1989, we have loaned out more than £2.5 million to our members. Anyone who lives or works in the Norfolk area can apply to join.

How does the credit union work?

We are owned and run by our members, and offer access to safe savings and affordable loans (subject to a small annual administration fee). All members aged 18 and over can:

- Vote at the Annual General Meeting on dividend policy and other Credit Union matters
- Stand for election to any of the officers' posts

In return we ask you to:

- Save at least £5 in the first 3 months of joining, and save regularly
- Consider a low-cost loan from us, if you need to borrow money
- Remember that all our members are affected if a loan isn't repaid
- Contact us immediately if you get into repayment difficulties - we may be able to help
- Tell us when you change address, email, mobile etc, so we can contact you quickly about your account

Like all credit unions, we are regulated by the FCA (Financial Conduct Authority) and PRA (Prudential Regulation Authority), and belong to the Financial Services Compensation Scheme. This means that members' savings, up to £85,000, are safe.

Our Policy Manual provides the framework for the operation of the credit union and our Privacy Policy highlights how we handle, use and protect member's personal data.

At the Annual General Meeting, the members elect:

- Board of Directors - Responsible for the operation of the Credit Union
- Credit Committee - Assess loan applications
- Supervisory Committee - Act as internal audit or check, independent of the Board, and report to members

SAVINGS

All adult and junior members can save as much or as little as they can afford, by cash, cheque savings card or standing order. You can also transfer money to your account by internet or phone banking.

Only Junior Saver accounts attract interest. Dividend policy is considered annually, and adult members may receive a Credit Union dividend, based on their share balance.

Prepaid cash cards are available for use in shops, online and at ATMs. Members can also ask for a payment card, for paying money into their account at PayPoint locations and Post Offices.

Norfolk First Credit Union - <https://norfolkfirstcu.com/>

Loans

Norfolk First Credit Union accepts loan applications for provident and productive purposes. Each application is treated confidentially and considered on its merits.

Savings

Regular savings with Norfolk First is a simple way for members to grow funds for future loans or to budget for a special occasion. The more you save the more you will be allowed to borrow.

Insurance

Free Loan Protection Insurance and Free Life Savings Protection are provided by Norfolk First Credit Union at no direct cost to our members.

Where saving is simple and borrowing is safe

Welcome to Norfolk First Credit Union – providing financial services to empower and support members through life's ups and downs. We are a rapidly growing Credit Union, increasingly recognised as a valuable financial resource for people from all walks of life.

Credit Unions are Financial Co-operatives, owned and run by their members with a self-help ethos that enables members to save and borrow money to suit their own personal budget and circumstances.

We offer straightforward savings accounts and affordable loans to our members. Membership costs just £2 and includes life insurance and loan protection.