



ST ALBANS DISTRICT CREDIT UNION

Authorised and regulated by the Financial Services Authority, FRN 213794

Did you know? - 10 benefits available from the Credit Union

1. The Credit Union belongs to its members – *which means that members share in any surpluses made rather than see profits distributed to shareholders.* It can pay dividends to savers once in surplus. It is regulated by the Financial Services Authority, just like a high street bank and is part of the Financial Services Compensation Scheme *so savings are not at risk.*
2. It is one of many CUs in UK *and is part of a worldwide movement enabling members to benefit from saving and/or borrowing at reasonable rates just like all other members in many different countries.* CUs widely known in Irelands, US, Canada, Australia.
3. There are nearly 600 adults in the Credit Union (April 2010) – *so new members would be joining an established organisation that already has many members who are benefiting from Credit Union Services.* There are also 250 young savers, largely through the Treasure Chest project in six local primary schools.
4. Less well-off people in and around St Albans are forced to borrow at interest rates of 200%/year and more – *Most of our borrowers pay a rate of interest of 12.68% APR that is much lower than most financial institutions for loans up to our maximum of £5,000 thereby giving significant savings.* High street financial institutions usually won't lend to many in rented accommodation with low income. "Doorstep lenders" charging high rates are a last resort. It can lead to a debt spiral.
5. If the Credit Union cannot help with a debt problem, it refers people to the Citizens Advice Bureau – *which ensures that sound constructive advice is always available to anyone who applies for a loan.*
6. Life insurance is included on savings, and loans, at no extra cost – *therefore the estate of borrowers will not have to bear the cost of the debt should they die.*
7. The Credit Union is a financial co-operative for anyone living or working in the St Albans District (which includes Harpenden, Redbourn, Wheathampstead and London Colney, for example) – *which means that you will be supporting a local organisation that provides outstanding value for its members.* Churches Together in St Albans was an original sponsor. The Credit Union operates in several parts of District – main office in Fleetville, also in Harpenden and London Colney and the six schools.
8. The Credit Union encourages members to save and to understand their financial position *meaning that they will be in control of their finances and will have the opportunity to provide for their future needs.* It is not just for the less- well off! It needs also savers (lump sum or regular). There are currently £310,000 in savings – much of which is now out on loan. *We need more savers to be able to lend out more and be rewarded with a good dividend.*
9. The Credit Union provides loans (from £100 up to £5000 over up to 5 years) at modest cost, to borrow for repairs, new household equipment, cars, holidays, school clothes, Christmas, season tickets, etc. and for other productive reasons including buying out high cost loans. *This enables loans to be available to all members providing they are able to repay.* Since its start in 2002, the Credit Union has loaned out nearly one million pounds. However The Credit Union is a responsible lender. It assesses ability to repay, and will not "push" loans.
10. The Credit Union works in partnership with other community bodies and has obtained grants and support through the District Council and Hertfordshire Community Foundation, local Churches and individuals. *This demonstrates that your staff would benefit from membership of an organisation that is trusted by donors.*

St Albans District Credit Union Ltd

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