



A Co-operative Financial Service for people in *York* and *North Yorkshire*, launching in May 2009



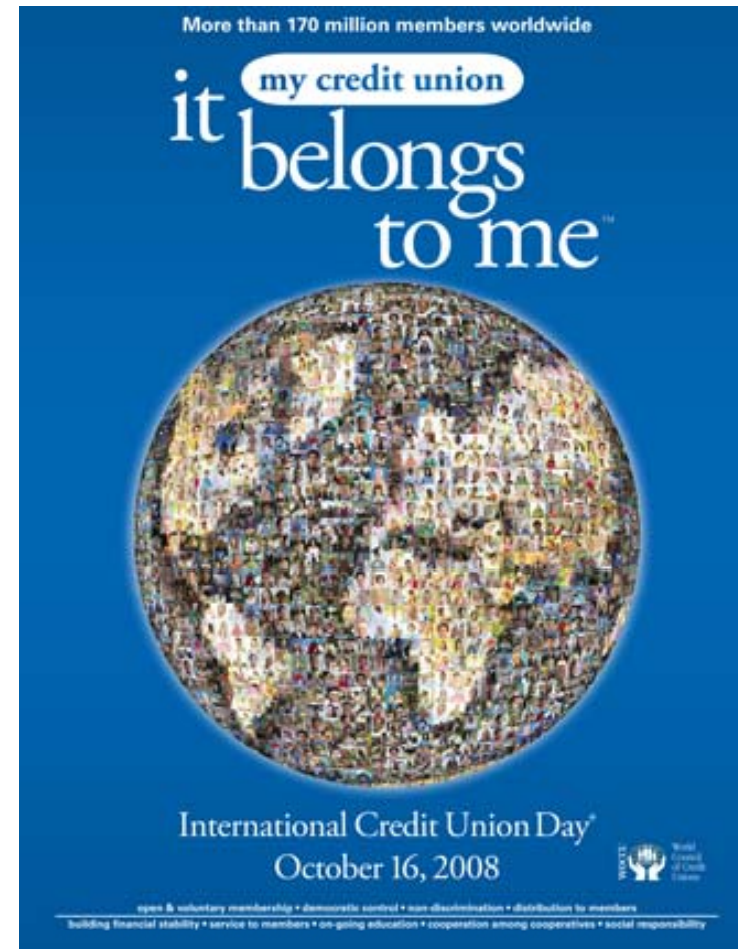
## **A Partnership of Public, Private & Third Sector Organisations including:**

- **County & District Councils**
- **NHS PCTs**
- **RSL Housing Associations**
- **Voluntary Sector**
- **Banks & Building Societies**
- **Local Businesses**



## Who runs the Credit Union?

- Owned and controlled by the members - AGM
- Volunteer board of directors who are all:
  - ~ Individually vetted by the FSA
  - ~ Trained in specific areas of credit union management
- Staff employed to manage the credit union



- York Credit Union has been operating successfully in the *City of York* for three years.
- During this time the credit union has grown to more than 1,100 members with around *£350,000 of savings*.
- Over the period the credit union has made loans *totalling more than £650,000*, mainly to people excluded from mainstream financial services.
- The majority of these loans have been in the region of £450 to £750.
- During 2009 York Credit Union will begin offering these same services to anyone who lives or works in *North Yorkshire*.
- In May 2009 the credit union will change its name from *York Credit Union* to *North Yorkshire Credit Union*





## COMMON BOND

- Services available on a limited basis across the full Common Bond from day one, primarily focusing on Payroll Deduction.



# EASY CREDIT LONG TERM INDEBTEDNESS...

THE AVAILABILITY OF CREDIT IN YORK & NORTH YORKSHIRE





## Loan Comparisons for Postcode YO31 9\_\_ (Bell Farm Estate, York)

www.lenderscompared.org.uk (14/10/08)

### Parameters

Loan Amount: **£500**

Repayment Period: **36 to 60 weeks**

Ranked by: **%APR**

Lender	No. of Repayments	%APR	Total cost for credit
York Credit Union	52	19.6%	£47.05
York Credit Union Smart Loan (not shown)	52	26.8%	£63.53
Provident Personal Credit	56	183.2%	£340.00
Credit (Hull) Ltd.	40	200.7%	£250.00
MMF (UK) Ltd.	53	206.8%	£348.00
Morses Club	50	210.6%	£330.00
Greenwood Personal Credit	55	220.9%	£380.00
LoansAtHome4u.co.uk	52	230.2%	£366.65
Shopacheck Financial Services	52	246.5%	£384.00
LoansAtHome4u.co.uk	41	281.5%	£320.00
MMF (UK) Ltd.	45	340.0%	<b>£400.00</b>
KDS Finance Ltd.	43	<b>342.5%</b>	£381.50

**PaydayUK**

**Pre-Contract Information**

**FIXED-SUM LOAN AGREEMENT REGULATED BY THE CONSUMER CREDIT ACT 1974**

This Agreement is made on the terms set out below and overleaf between: - We, are MEM Consumer Finance Limited (Company Number 04788727) registered offices at 2 Minton Place, Victoria Road, Bloxton, Oxfordshire, OX26 6QB ("the Creditor") and You, ("the Debtor");

Name:

Address:

**Key Financial Information**

Amount of Credit: £225.00

Duration of Agreement: 16 days

Total Amount Payable: £281.25

Repayment Schedule: 19/01/2007 - £281.25

APR: 16203.2%

**16,203.2 %APR**

**Other Financial Information**

Total Charge For Credit: £56.25

Interest Rate: is fixed at 25% of funds advanced for the agreed loan duration.

Failure to make full and final repayment of the credit on the Repayment Date stipulated in this Agreement will result in - ~~additional charges~~ charges being added to your amount. Further, for each day which elapses between the Repayment



CREDIT AGREEMENT  
REGULATED BY THE CONSUMER CREDIT ACT 1974  
LENDER  
EARLY PAYDAY LOAN LTD. PO BOX 3193, WINDSOR. SL4 4ZS  
Company Registration No. 4959055

LOAN ID  
CONSUMER CREDIT LICENCE NUMBER 548370  
BORROWER



**IMPORTANT – YOU SHOULD READ THIS CAREFULLY – YOUR RIGHTS**

The Consumer Credit Act 1984 covers this agreement and lays down certain requirements for your protection which must be satisfied when the agreement is made. If they are not, the Lender cannot enforce the agreement against you without a court order. The Act also gives you a number of rights. You may have a right to settle this agreement at any time by giving notice in writing and paying off all amounts payable under the agreement. If you would like to know more about the protection and remedies provided under the Act, you should contact either your local Trading Standards Department or your nearest Citizen's Advice Bureau.

**FINANCIAL INFORMATION**

The credit limit of £ 320 may be varied to such a sum as may be determined by the lender and notified to the customer.

Interest will be charged at a rate of 25% on the credit provided, calculated at 20% of the face value of each cheque payable in advance.

The total amount payable shall be repaid by one instalment due on 21/08/2007, such payment to be made by way of 4 cheque(s) for £100 drawn on the bank account of the borrower.

The APR in respect of this service is 2,639,385.9 %.

This Credit agreement will cover any extensions to the repayment date for Loan ID 4137. The Extension Fee will be equal to 20% of the face value of each cheque that is extended, in advance.

**2,639,385.9 %APR**

**(2.6 million percent)**

## Buying on credit in North Yorkshire

PRODUCT	IN-STORE CREDIT 29.5%APR	CREDIT UNION 19.6%APR	CREDIT UNION £5 Weekly Repayment 19.6%APR
<b>Basic Washer Dryer Hotpoint WDL520P</b>	23 monthly payments of £17.43 Final payment of £17.25 Interest paid, £95.17	23 monthly payments of £16.13 Final payment of £15.96 Interest paid, £63.98	73 weekly payments of £5.00 Final payment of £1.19 Interest paid £43.22
Cost new £322.97	<b><u>TOTAL COST £418.14</u></b>	<b><u>TOTAL COST £386.95</u></b>	<b><u>TOTAL COST £366.19</u></b>
Comet, 4/12/2008		<b>YOU SAVE £31.19</b>	<b>YOU SAVE £51.95</b> plus Loan repaid 30 weeks earlier

- Members save simply by using the Credit Union for these kinds of credit purchases
- The money saved by the Member, along with the loan capital and interest, all remain in the local economy rather than being sucked out by a distant credit company, supporting communities and building 'local' wealth






## What will North Yorkshire Credit Union do to support those trapped in a high interest cycle?

- ✚ Provides affordable and *fair* credit
- ✚ Only lends to those who can 'easily' make the necessary repayments
- ✚ Risk Based lending procedures
- ✚ Repays high interest charging lenders directly
- ✚ Negotiates "full and final" offers on behalf of our members
- ✚ Reports members' repayment records to the Credit Agencies
- ✚ Protects Credit union members' savings by pursuing bad debt
- ✚ Re-schedules loan repayments where necessary

## What other services will the Credit Union provide for its members in York and North Yorkshire?

- ✦ Safe savings accounts (protected by the Financial Services Compensation Scheme)
  - ✦ Basic Savings Account
  - ✦ Christmas Saver Account
  - ✦ Holiday Saver Account
- ✦ FREE *Life Savings & Loan Protection* Insurance
- ✦ Links for our members to *CAB and money management* services
- ✦ *Dividends payable* on all savings accounts
- ✦ *Coming soon.* Junior Accounts, Child Trust Fund Accounts, Schools Programme, Cash ISAs, the Savings Gateway, Direct Benefits payments, BACS payments, PayPoint services, etc.

## What can we all do to support those in our communities falling prey to Doorstep and Pay-day lenders?

-  Tell people about the work of the local agencies tackling financial exclusion
-  Let people know the real cost of doorstep lending
-  Encourage saving with the Credit Union – the more savers we have, the more people we can help
-  Give information to the most financially vulnerable – they are the ones who often don't know how to access services
-  Know that we're here... And not planning on leaving



For further details contact:

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