

COLCHESTER CREDIT UNION

New Members Most Frequently Asked Questions

- Q. Who can join?
A. **Anyone living, working or studying in the administrative Borough of Colchester and Tendring District.**
- Q. Who runs the Credit Union?
A. **It is a co-operative run by its members, who are also volunteers.**
- Q. Do I have to pay to join?
A. **There is a one-off joining fee of £3.00.**
- Q. How much can I save?
A. **You can open your account with £1 and then save as much or as little as you can afford, up to a maximum share holding of £10,000.**
- Q. How much interest will I get?
A. **Credit unions are not allowed to pay interest. However, if profits permit, they can pay a dividend to eligible members.**
- Q. If I take out a loan must I keep saving?
A. **You are encouraged to carry on saving while repaying the loan, although it can be less than your usual rate.**
- Q. Can I take out all my savings?
A. **Yes. Providing your savings are NOT securing a loan. We aim to deal with requests for cash withdrawal on demand. Large cash withdrawals will require notice. Withdrawals can also be made by cheque. Remember you need to leave £1 in your account to keep it open.**
- Q. While I have a loan can I withdraw my savings (Shares)?
A. **Normally shares cannot be withdrawn until 50% of the loan has been repaid.**
- Q. When can I take out a loan?
A. **After you have been saving a regular amount for three months (13 weeks) you can apply for a loan. Terms and conditions apply. All loans are assessed by the credit committee. Their decision is final.**
- Q. How much can I borrow?
A. **up to twice the amount you have saved for the first loan, maximum £500. A larger loan could be available thereafter.**
- Q. How much does a loan cost?
A. **Interest is 2% per month on a reducing balance. Typically, this works out at £13.47 interest per £100 over a period of 12 months. There are no set up fees and no penalties for early repayment.**
- Q. Who regulates the Credit Union?
A. **We are regulated by the Financial Conduct Authority and authorised by the Prudential Regulation Authority. We are members of the Association of British Credit Unions Limited. (ABCUL).**
- Q. Is my money absolutely safe?
A. **Yes. Your savings are protected by our Fidelity Bond and by the FCA Compensation Scheme. This means that you will not lose your money.**
- Q. I know a Credit Union is run by its members; can I help to run mine?
A. **Yes. We welcome volunteers from all backgrounds. Everyone has skills that can help make the Credit Union a success!**