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Highland Communities Credit Union

Members Newsletter

February 2017

**AGM Saturday 25th March 12PM Upper Room, Duncansburgh Church,
The Parade, Fort William PH33 6BA**

What's New???

HCCU has recently reduced the interest rate on loans secured by shares to 0.5% per month on a decreasing balance (6.2% APR). A loan secured by shares is one where a member borrows an amount less than the value of their savings. It might seem odd to borrow money when you have the savings to withdraw, but have you thought about the advantages of doing so? Here are some reasons why you might consider taking a loan rather than withdrawing your shares:

It keeps your savings intact. This provides a "buffer" for you: if your circumstances change, you have some funds that you could withdraw in an emergency. Alternatively, as you can apply to borrow up to 3 times the value of your savings from HCCU, keeping your savings intact means that you potentially have access to more funds.

You are never borrowing above your capabilities. If you ever needed to repay your loan immediately, you would have the savings to cover it.

Both your savings and loans are insured. HCCU pays life insurance that will, in most cases, cover your loan in the event of your death, and double the value of your savings. This means that if you had £1,000 and withdrew £500, your next of kin would receive £1,000 (your £500 savings, and the same value from our insurers). However, if you had taken a loan of £500 over 1 year, your next of kin would receive £2,000 (your £1,000, plus the same value from our insurers), and your loan would be repaid – and you would only pay around £16.50 interest.

Your loan is covered up to the age of 70, and anything you save up to the age of 65 receives 100% insurance, while anything saved between the ages of 65 & 80 receives 25% insurance. There are only a few exclusions to this: for more information, please get in touch with us.

If you are aged 65 – 70, the insurance coverage as described above has an even more dramatic effect, as withdrawing funds that you had saved before you turned 65 reduces the value of savings that attract 100% insurance.

The interest you pay helps grow HCCU. All interest received by HCCU is used to pay for expenses, including staff, office costs, and the cost of insuring members savings and loans. The more interest HCCU receives, the more we can grow, enabling us to better serve our members.

So if you are thinking about withdrawing your savings, why not consider a secured loan instead. It makes a lot of sense.

Retirement of Director.

John Anthony, one of our directors, and former director and loans officer for Inverness Credit Union (ICU), decided to retire from active credit union work on 31st December 2016, about 3 weeks before he retired from his day job.

John joined the fledgling ICU in September 2001 along with his wife Valerie, and both were staunch supporters. John took over as the Loans Officer in 2005,

and his diligent work led to a reasonably quick reduction in the amount of loans in arrears. Both John and Valerie served for many years as Directors of ICU

until the merger with Lochaber Credit Union, when Valerie decided to step down.

John worked tirelessly with all of the directors as we went through the merger process, and then continued his work as a director, and "loans officer" for the Inverness area of the Credit Union, from the merger until his retirement.

John - you are going to be missed, it's been a pleasure working with you - and on behalf of the Board Of Directors and members of the Credit Union, we would like to wish you and Val a long and happy retirement.



Partnership with Lochaber Housing Association (LHA).

On February 9th 2015, I started my new job as project worker for the Credit Union. My remit was to raise the profile of the Credit Union to the public in general, and particularly for LHA tenants whose benefits were changing to Universal Credit. The plan was that LHA tenants would be able to opt to have their Universal Credit payment paid into their Credit Union account and their rent then paid before they had access to their money. This was intended to rid the claimant of some of the stress of the new system and to keep a roof over their heads. So – where do I start?

I began by learning about benefits changes and Universal Credit. However, as many of you will know, the roll out of Universal Credit has been subject to delays. This meant that there was not the interest from LHA tenants that we expected. However, things may change this summer when more tenants are affected by benefits changes. We are ready to help them!

Then I started contacting groups in the area to tell them about HCCU. Articles appeared in various local papers and Newsletters and Cheryl and I had two slots on Nevis Radio. Sally and I have distributed posters and leaflets to all sorts of venues throughout Lochaber, and all three of us have attended rallies, open days, fun days and conferences with one thought in mind – promoting Highland Communities Credit Union. Actually, one of the privileges of this job has been being paid to travel to the various venues in the area, as the scenery has been magnificent! I can understand why tourists flock to this region! Another bonus has been meeting many lovely people – people who are willing to go the extra mile to help others. We are fortunate to live in such a society. We can't have done too badly with our promotions, as HCCU has had 161 new members since the project started, including our first payroll deductions and the first members to have their benefits paid in to their credit union account.

The Scottish Government is keen for Credit Unions to promote payroll deductions and school collection points. Although I have been in touch with over 100 businesses regarding payroll deductions for their employees, few seem keen to participate. I have had more luck speaking to school children and encouraging them to set up collection points in the schools – as around 10 schools have run or plan to run a school collection point. Hopefully, the enthusiasm of the children will encourage the parents to join too.

Over the period I have been working, HCCU introduced "instant loans" of £250 to provide an alternative to more expensive credit for those who can't afford to build up savings before applying for a loan. We have increased the amount on loan to members from 42% of shares to more than 50%, increasing our income and strengthening our finances.

All in all, I have thoroughly enjoyed my work. I have learned lots of new things such as a new computer system and how to put posters on to Facebook! I believe I have been able to improve the lives of some by pointing them in the direction of the Credit Union. I would just like to say thank you to Cheryl, Sally and the staff in *An Drochaid* for putting up with my silly questions and being such a help to me.

Marion Carr

Collection Points

Fort William

Fort William Council Service Point, High Street
Thursdays 11.30pm – 12.20pm

Lochaber Housing Association

High Street Fort William
Monday to Friday 9am to 5pm (Thurs 10am to 5pm)

Inverness

Coop 74 Telford Street
Tues 12.30-2.00 Weds 6.30 to 8.00 Thurs. 5.30 to 7.00
Hilton Community Centre
Wednesdays 2.30 to 4.00

Mallaig

Fisherman's Mission
Fortnightly Thursday
10.30-11.30



Important Information about Compensation Arrangements

Highland Communities Credit Union Ltd is covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a credit union is unable to meet its financial obligations.

Most depositors – including most individuals and small businesses – are covered by the scheme.

In respect of deposits, an eligible depositor is entitled to claim up to £85,000

For further information about the scheme (including amounts covered and eligibility to claim) please refer to the FSCS website <http://www.fscs.org.uk/> or call 0800 678 110

Your money is protected
by the FSCS.



HCCU is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

FCA Firm No 213955



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