

# **Limerick & District Credit Union Limited**

## **Committee & Officer Reports**

Credit Committee

Credit Control Committee

Membership Committee

Insurance Officer

**Annual General Meeting**

**18<sup>th</sup> December 2019**

## **REPORT OF THE CREDIT COMMITTEE**

Thank you to all our members who collectively borrowed €13.447m this year. We continue to urge our members to contact Limerick & District Credit Union Limited first for all their borrowing needs. Our loan book now stands at €24.764m.

The majority of loan applications taken and granted are for personal borrowings for car purchase, holidays, Christmas or special occasions. However the Credit Union does offer a lower rate of interest of 9.75% (10.2% APR) for larger loan amounts of €10,000 up to €50,000 in excess of shares where the purpose of the loan is for home improvements. This product has proven to be very popular with our members when considering a home extension or large scale home improvements.

In 2019 we encouraged members to reconnect with our Credit Union who may not have borrowed with us in some time by introducing a Reconnect/First Time Borrowers loan rate of 7.95% (8.2% APR). This product was very successful. We welcomed back a number of existing members and also issued loans to a large number of new credit union members. Due to its success, it has now been reintroduced and is available up to 31<sup>st</sup> March, 2020.

During 2019, we enhanced our mortgage facilities by offering loan amounts up to €250,000. We also now offer business lending both secured and unsecured to our membership. We consider unsecured business loan applications up to €50,000 in excess of shares and amounts up to €500,000 in excess of shares where it can be secured over property. Fiona Cox, our Business Development Manager is available to meet with you to discuss all your lending requirements and can be contacted at [f.cox@lcu.ie](mailto:f.cox@lcu.ie)

One of the benefits of borrowing from us is the Loan Protection Insurance at no extra cost. In the event of the death of a borrowing member their outstanding loan balance is cleared in full providing the member was in good health at the time of drawing down the loan.

Thank you to all our borrowing members and we look forward to welcoming new borrowers in 2020.

**On behalf of the Credit Committee**

## **REPORT OF THE CREDIT CONTROL COMMITTEE**

The function of the Credit Control Committee involves the monitoring of loan accounts to ensure that repayments are being made as per the credit agreement.

Our aim is to work with and help members that are engaging and co-operating fully with us to achieve repayment of their loans and to restore their financial stability over time. We urge any members that are experiencing difficulty in meeting their repayments to contact the Credit Control Department as soon as possible and we will work with them to try and resolve their situation.

The total write off this year was €111,231 (2018: €92,664). Every effort is made to collect written off loan accounts and a total of €252,990 (2018: €264,360) was recovered for year ended 30<sup>th</sup> September 2019.

We would like to thank all our members for their continued loyalty to Limerick & District Credit Union and wish everybody a happy and peaceful Christmas and New Year.

**On behalf of the Credit Control Committee**

## **MEMBERSHIP REPORT**

At the 30<sup>th</sup> September 2019 membership reached 31,762 at Limerick & District Credit Union Ltd. This is an increase in Membership of 1.91% from the year prior. Membership is open to all persons who reside or work within our common bond. Documentation to open new accounts is as follows:

- Proof of Identification – Valid Driver Licence or Passport.
- Proof of Address – Utility Bill, Bank Statement or Government Letter (must be dated within the last 6 months). Must be the original and not a copy.
- Proof of P.P.S Number – Payslip, Medical Card or Revenue /Social Welfare Document.

All accounts opened for a juvenile (under the age of 16) must be opened as a joint account with the adult member. The adult member must provide all the documentation outlined above and the following documentation for the juvenile member must also be provided:

- Proof of Identification – Valid Passport or Birth Cert for Child.
- Proof of P.P.S Number – Social Welfare Document or Medical Card.
- Proof of address of the parent of the child.
- Juveniles aged 7 and over must be present at account opening stage.

### **Dormant Accounts**

Under legislation if a member has not used their account within the last three years it becomes a dormant account and must be re-activated. When an account becomes dormant the shares will remain in the account and will continue to earn dividend, however no transactions can occur on the account until it has been re-activated. For the account to be re-activated the following documents are required:

- Proof of Identification: Valid Driver Licence or Passport.
- Proof of Address – Utility Bill, Bank Statement or Government Letter (must be dated within the last 6 months). Must be the original and not a copy.
- Member will also need to call to the office in person, to sign the relevant documentation and complete a transaction.

**On behalf of the Membership Committee**

## **INSURANCE REPORT**

Here at Limerick & District Credit Union Ltd., we offer Life Savings Insurance, Loan Protection Insurance and Death Benefit Insurance to all qualifying members.

**Life Savings Insurance** is an insurance provided by Limerick and District Credit Union Ltd., to eligible members up to a maximum payment of €5,000.00.

**Loan Protection Insurance** is payable on the death of the borrowing member to repay their outstanding loan balance in full subject to policy terms and conditions. This cover ceases on a borrowing member's 85<sup>th</sup> Birthday and at Limerick & District Credit Union Ltd., we cover both tenants (members) on a joint account.

All borrowing members have automatic cover up to €8,000.00. Borrowers for amounts in excess of €8,000.00 must be fit to follow their normal duties and a Declaration of Health form is completed at time of loan application. Loans to groups, clubs and societies are not covered by this insurance.

**Death Benefit Insurance (DBI):** This is an additional benefit of €1,000.00 which is paid towards funeral expenses.

To qualify for Life Savings and Death Benefit Insurance members must have joined:

Before the age of 70

Be in good health at time of joining

For DBI Insurance there must be a minimum of €500.00 in the account of the deceased at date of death.

Amounts saved after the age of 70 are not insured, but insurance cover accrued before the age of 70 remains. Members should be aware that withdrawal of savings may affect the amount of life insurance benefit payable on the death of a member.

From 1<sup>st</sup> October 2018 to 30<sup>th</sup> September 2019, we received insurance payouts from ECCU (The Insurance Provider) in the amount of €461,920.93 for 149 deceased members. These payouts were made up as follows:

Savings :                    €190,407.60

Loans Repaid:            €156,613.33

DBI:                            €114,900.00.

This insurance is at no extra cost to the member, but the Credit Union pays for it as an operational expense. The cost to the Credit Union in the year ended 30<sup>th</sup> September, 2019 was €478,917.00 (30<sup>th</sup> September 2018: €458,485.00).

No other financial institution provides these valuable benefits to its qualifying members.

**Nominations:**

A Nomination is legally binding written instruction whereby you can nominate a person or persons to receive funds in your Credit Union Account up to a maximum of €23,000.00 including insurance on death. Any amount in excess of €23,000 will form part of the estate.

We would strongly urge our members to ensure they have a nomination in place on their account.

Please ask any Staff Member for further information on nominations.

**Insurance Officer**