

Proposed Credit Union for Saffron Walden / Uttlesford

On Thursday 7th November David Tomlinson and I met with Chris Long and Phil Myhill. from Harlowsave an existing mutual Credit union with 1200 members and a £700,000 loan profile. They are looking to extend into Epping and Uttlesford, aiming to start in Saffron Walden in January. They have already held discussions with UDC.

They are registered with the FSA etc. They seek funding from local councils and charitable grant making bodies.

I think David and I thought this was an exciting possibility, and worthy of our interest and involvement.

Outline of the proposed Credit union

- The aim of a credit union is to provide ethical saving for members which is then used to provide members with loans at low interest rates. The intention being that loans are then available to people who might not be able to access loans through commercial banks or would resort to payday loan companies.
- Savings
Maximum of £15,000, but usually much less. No interest is paid, but profits are either re-invested or distributed amongst members each year. Aimed really at those who want to invest a small proportion of their savings portfolio in a credit union for ethical / charitable purposes. Savings are underwritten by the government's £85,000 protection..
- Loans – Affordable - capped at 2% interest (by government). Average loan is about £1000, their highest loan is currently £6000
Head office staff would assess and decide upon loan applications.
Two types of loans – 1 - secured loan, covered by that member's savings with those savings then being frozen until the loan is repaid. 2 – Unsecured loan but again, to savers / members only. The board to have a budget for loans to very needy cases for non-members, or members who don't meet the usual conditions. The average loan is £1000, with the highest loan currently being £6000
- Other – registering new members, depositing cash, bank card, loan requests

What do they want from the churches?

- Initially and primarily, to raise awareness / publicity, contacts etc.
- Volunteers to help. We did forewarn that with Street Pastors and Food bank both being recent initiatives; this might be difficult to deliver, but no harm in asking. Initially their own staff will be used.
- Possibly premises across Uttlesford from which to operate.

Next Steps

Further discussions to be held with –

CAB, CAP, Churches Together, Anglican synod, Uttlesford childrens and family group, County High 6th form (young savers)

We recommended a public launch meeting, possibly in the town hall.