

Credit Committee Report for Year ended 2013

The Insurance Employees Co-operative Credit Union weathered the year 2013 by improving the competitiveness of our offerings. The maximum loan term to purchase new vehicles was extended to eight (8) years. Additionally, loan rates were revised to as low as nine percent (9%) per annum for loan within shares and new vehicle loans. As in previous years, there was a high demand for educational loans and unsecured loans. To this end, the Payroll 24 loan was merged with the Unsecured Educational loan, the maximum amount increased to \$300,000 and the interest rate decreased to eighteen percent (18%) per annum with special conditions.

Of course all loans are calculated on the reducing balance. It is important to mention this often overlooked detail as several competing lenders in the market quote what seems to be lower lending rates but because they are calculated with “added-on” interest, the real cost of the loan is much higher. Several of our members have fallen victim to this situation and we urge you to be wary in your enquiries. We are ready to assist in ensuring you are not misled.

Members mainly borrowed for education expenses, motor vehicle purchases, debt consolidation, home acquisition and improvement and to meet domestic expenses. Motor vehicles secured loans continued to be the leading type at 55% of the total loan portfolio. Deposit secured loans and Unsecured Loans ranking a distant second and third at twenty-two percent (22%) and twelve percent (12%) respectively. Overall the total loan portfolio registered a two percent (2%) decline for the year under review. This is reflected in the table below.

Table 1: IECCU's Total Loan Portfolio 2009 -2013

Total Loan Portfolio	
Year	\$M
2009	762.23
2010	855.88
2011	976.62
2012	1,069.00
2013	1,048.00

The Credit Committee met fifty-two (52) times for the year and in tandem with the IECCU staff approved over six thousand (6000) loan applications. Two new members: Paulette

Small and Uelma Nicholson were welcomed to the team. They replaced Heather Nelson and Wilfred Ball. Heather Nelson demitted office whilst Wilfred Ball was elected to the IECCU Board of Directors. Ray Johnson was elected as the new Chairman of the Committee and Vernon O'Sullivan was returned as Secretary whilst Huie Bernard, H. Jimmy Reid and Cauline Haynes completed the seven member committee.

Former Credit Committee members -Heather Nelson and Wilfred Ball are to be recognised for faithfully serving the IECCU for over fifteen years (jointly). We wish them well in their respective endeavours.

The Credit Committee acknowledges the continued patronage that our members continue to extend. We are happy to serve in meeting your borrowing needs. However we also encourage you to protect your Credit Union and your credit rating by:

- 1) paying on time
- 2) paying the required amount
- 3) advising us of your challenges ideally in advance but certainly at the earliest opportunity so that we can assist.

You will develop a good credit history by practising these three things.

Your credit history is the financial recommendation that you write over time. It will determine how your loan application is considered, how quickly you access financing and any attending conditions that may be required for borrowing. In the spirit of co-operative principles, help us to help you to obtain your loans by correctly managing how you pay as we increase the possibilities that this Union has to offer.

Ray Johnson
Credit Committee Chairman