

Affordable Lending Project

Ben Taylor
Service Development Officer

Credit Unions

- Also known as Community Banks
- 5 operate within Derbyshire
- Affordable alternative to Payday Lenders & Loan Sharks
- FCA Regulated and protected
- Affordable Loans offered up to £10,000
- Open an account from as little as £1

Derbyshire Credit Unions



Joining a Credit Union

- Must live, work or study in the ‘common bond’ area
- Must pay the membership joining fee
- Must have £1+ in a savings account
- Join in branch or online*

Saving



NO PENALTIES FOR
WITHDRAWING MONEY.
ACCESS SAVINGS WHENEVER
YOU WANT.



WATCH YOUR MONEY GROW
– DIVIDENDS ARE PAID
ANNUALLY BUT ARE
DEPENDENT ON THE
FINANCIAL POSITION OF THE
BANK



MANAGE YOUR ACCOUNT
YOUR WAY – ONLINE, IN
BRANCH OR BY TELEPHONE



PAY IN TO SUIT YOU – BY
CASH, CHEQUE, STANDING
ORDER, PAYROLL DEDUCTION
OR BY PAYING IN A BENEFIT
OF YOUR CHOICE



ETHICAL SAVINGS – BY
SAVING WITH THE BANK YOU
ARE ALLOWING OTHER LOCAL
PEOPLE TO BORROW WHO
WOULD OTHERWISE BE
UNABLE TO ACCESS HIGH
STREET LENDING

Borrowing

Borrowed	Community bank (APR 42.6%)	Fair For You (APR 55.6%)	Payday lender (APR 266%)	Doorstep lender (APR 498.34%)
£100	£10.38	£10.51	£24.37	£42.18
£200	£20.76	£21.02	£48.74	£84.36
£500	£51.89	£52.54	£121.86	£210.91

(12 monthly repayments)

Family Loans

- Offered to those in receipt of Child Benefit
- Subject to an Affordability Check
- Up to £500
- Child Benefit paid into Credit Union account to pay back loan and save

Why choose Credit Unions?

- Capped interest rates at 42.6%
- Dividends paid annually on savings
- Co-operative banking
- Lending decisions based on affordability made by people, not machines
- Assistance in the event of financial hardship

CDFIs

- Alternative to high cost lending
- Interest rates not capped, typically 55% - 199% APR
- Not for Profit

Fair For You

- Flexible financing for white goods and soft furnishings
- Items procured directly from partners such as Whirlpool & Dorset Home Stores
- Finance provided by Fair For You – representative APR 55%



Affordable Credit Project

- Funded by Public Health Investment Panel for three years from 2021
 - Aims to work with local Credit Unions to maximise opportunities for promotion
 - Set up referral scheme between DDF and credit unions
 - Service Development Officer to work on shared priorities and offer support
 - Carry out robust evaluation
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Affordable Credit Project

- Supports 5 Credit Unions in Derbyshire
 - Currently trialling referrals from local welfare assistance to credit unions for School Uniform
 - Christmas saving and borrowing campaign from September 2022
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School Uniform Campaign July 2022

- Pilot campaign to assist residents to apply for a loan to cover a school uniform
- Residents will then be able to save for next year's uniform
- Turning borrowers into savers
- Factors into current DDF procedure
- Assistance from the project to apply

Christmas Campaign September 2022

- Aims to encourage residents to save for Christmas
- Where a resident needs to borrow, encouraged to do so responsibly and affordably
- Social Media presence is key
- Leaflets to be handed out at in-person events

Christmas Campaign September 2022





Affordable lending and borrowing this Christmas.

The festive season is nearly here and you might be feeling under pressure to make it extra special this year.

That might mean spending more than you can afford or getting into debt that you can't get out of.

That's why we've put together information on safer, low cost borrowing options if you need them.

www.derbyshire.gov.uk/savingsandcredit





Keep your Christmas free from money worries.

Get information about safer, lower cost ways to borrow money & avoid debt this festive season.

Find out more at:
www.derbyshire.gov.uk/savingsandcredit

Affordable Lending Project

- Supporting Credit Unions & IMLT with 8 Digital Boards across Derbyshire libraries
- Key locations for advertisement of services



STOP LOAN SHARKS
Intervention . Support . Education

**Threats.
Debts.
Misery.**

Loan sharks cause nothing but harm to your community.

Stay confidential and speak up.

Your voice can make a difference.

If you live in Derbyshire and have been affected by illegal money lending, you can receive free and confidential support.

0300 555 2222 (24 Hour)
www.stoploansharks.co.uk

The poster features a person in the background covering their face with their hands, suggesting distress or shame. The text is bold and clear, with the main message in large, dark blue letters. The background is a light, neutral color.

Cost of Living Pillars



Energy
Affordability



Food Security



Housing
Sustainment



Debt
support/relief



Income
maximisation



Affordable
Credit



Employment
Opportunities



Digital
Inclusion



Mental Health
Support

Questions

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