

## MannBenham Credit Unions | Info-Sheet

**Typically, unlike traditional banks or building societies, credit unions are run solely for the benefit of their members.**

Such organisations encourage both saving by members, and lending to members. Indeed, without saving, the lending activities of credit unions would not be possible.

Typically, those who save with credit unions do not receive interest on their savings, but they may receive a dividend at the end of the year, if the credit union has any surplus profit. Loans are offered to members based upon their ability to afford the repayments.

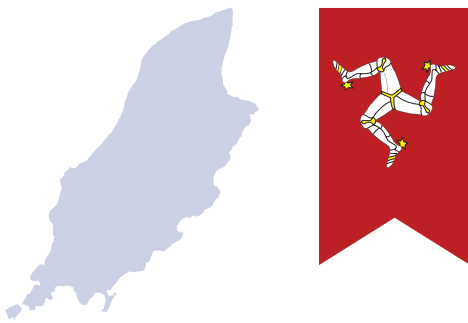
Credit unions are typically owned and managed by their members. They are financial cooperatives and as a member, you will typically have a say in how the credit union is run. This includes being able to vote at the credit union's Annual General Meeting (AGM).

Savings are vital to the activities of the credit union. Without incoming money from members' savings, there are no funds from which the union can lend to its members. By saving regular amounts with a credit union, you may then be able to apply for a loan from the union with the amount lent typically being based on your savings history. When a loan is applied for, the frequency of your savings payments is usually taken into account.

The interest rates charged on loans provided by credit unions tend to be relatively low, at least by comparison with pay day lenders and the like. Interest rates of 12% to 15% or thereabouts are not uncommon. Some credit unions also offer free loan protection which can kick in if you die, helping to protect remaining family members from the financial consequences of your death. Interest payments made to credit unions are a tax allowable expense for the member.

Finally, some large or medium sized employers offer pay roll deduction which means that your regular savings contributions and/or loan repayments to credit unions can be made direct from your salary each week or month.

Generally regarded as a growth area, the Isle of Man has its own Manx Credit Union based in Douglas.



### We are here for you...

Contact us today by telephone on **01624 639350** or by email at **[enquiries@mannbenham.com](mailto:enquiries@mannbenham.com)** to arrange a convenient time to call you back, either by telephone or video call.



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