

Join the **RMT CREDIT UNION**



For more information

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RMT Credit Union Ltd (registered No.705C)
39 Chalton Street, London NW1 1DJ
Authorised and regulated by the Financial Services Authority, FRN No.228612



Helping our people



RMT Credit Union

An easy way to save, a cheap way to borrow for RMT members

RMT Credit Union

We are part of the union, owned and democratically by RMT members. We provide savings accounts and low-cost loans. We're different. We don't promote credit cards or push loans you can't afford. Our Credit Union provides a non-profit, low-cost alternative to high street banks, loan and credit companies which seek to exploit working people. By saving together and lending to each other, we provide help and support to each other and take the profit motive out of savings and loans.

✓ An easy way to save, a cheap way to borrow

Members save a minimum £5 monthly. You can also make one-off payments or vary the amount saved to suit your needs. At the end of our financial year our AGM decides how much of a dividend we add to members' savings accounts. For 2008, the dividend on savings was 3.5%, a very healthy return.

✓ Our loans are cheap

Many banks advertise rates that look cheap but when you examine the details you will find that we provide the real value. The banks' adverts state a "typical APR" but this is usually for

very high amounts over very long periods. For the sort of loans we offer, we're confident that our rates are cheaper and more flexible. You can decide on repayment amounts and you can also make lump sum and one-off payments that save you money.

✓ Saving and borrowing – a winning combination

Once you have been a Credit Union member for 3 months, you can apply for a loan. The loan can be up to 3 times or 5 times your savings balance, depending on how long you have been an RMT member and credit union member. We offer very competitive interest rates on loans which start at 7.9% APR. But the interest you pay on our loans does not go to a bank's profits, it helps to create the surplus we use for the dividend. As all our borrowing members are also savers too, they benefit directly.

✓ It's good for all of us!

The Credit Union creates a virtuous circle – members save regularly, building up a useful balance. This enables them to borrow at low interest rates. While they borrow, their savings balance increases and they benefit from the dividend.

The Real Cost of Borrowing

RMT Credit Union Provides Real Value for Loans

Our loans provide real value for our members. Our current interest rate is just 12.68% APR on loans above your level of savings. But for loans up to your level of savings, our rate is just 7.9% APR. We believe this provides great value and is one of the most competitive rates around.

The real value in our loan rates is demonstrated below. Another benefit of our loans is that we only charge interest on the reducing balance each month. We charge 1.056% per month on the reducing balance which converts to 12.68% APR. This means that if you wish to make one-off payments or repay the loan early you can save money.

Amount	12 mths	24 mths	36 mths	48 mths	60 mths
£500	43.47	22.59	15.65	12.18	10.11
£1000	86.94	45.18	31.29	24.37	20.23
£2000	173.88	90.36	62.58	48.73	40.46
£3000	260.83	135.55	93.87	73.10	60.69
£5000	434.71	225.91	156.45	121.83	101.14

Amount	12 mths	24 mths	36 mths	48 mths	60 mths
£500	44.58	23.70	16.77	13.33	11.29
£1000	89.17	47.39	33.54	26.67	22.59
£2000	178.33	94.78	67.08	53.34	45.18
£3000	267.50	142.18	100.62	80.01	67.77
£5000	445.84	236.96	167.70	133.34	112.95

What does Typical APR mean?

APR means the Annual Percentage Rate, which would be the amount of compound interest charged on a loan over a full 12 months. If you take a look at the adverts of the big banks, the supermarkets and loan companies, they sometimes appear to offer lower loan rates than ours. Many advertise rates of 6.8% Typical APR.

But by using the word "Typical" these organisations hide the real rates they charge for many loans. Often the so-called "Typical" rate is only on high value loans over long periods. The table below demonstrates the real costs of some of these loans compared to the sort of loan we offer. The RMT Credit Union loan is always cheaper even though our headline rate is higher! Work it out, they have to make their vast profits somewhere!

£3000 repaid over a period of 48 months					
	Advertised APR	Actual APR Charged	Monthly repayments	Total cost of credit	Cost compared to RMT CU
RMT CU	12.68%	12.68%	£80.01	£3,840.48	
Tesco	8.20%	15.90%	£82.77	£3,972.96	+ £132.48
Halifax	12.9-28.5%	19.90%	£91.37	£4,385.76	+ £545.28
Cooperative	17.90%*	17.90%	£85.92	£4,124.16	+ £283.68
Natwest	16.90%	16.90%	£84.59	£4,060.32	+ £219.84
* typical					

It always pays to investigate all of the facts and look beyond the headlines. But you can be sure that the RMT Credit Union will always seek to give great value to our members.



RMT CREDIT UNION LTD.

Finance Department, Unity House, 39 Chalton Street, London NW1 1JD

MEMBERSHIP NUMBER

RMT CREDIT UNION APPLICATION FORM – please complete your application along with the attached Direct Debit.

Please use **BLOCK CAPITALS** and **black ink**.

1 PERSONAL DETAILS.

Surname Address

Forename(s)

Home phone

Mobile phone Postcode

Email address

Date of Birth / / National Insurance Number

2 **Marrital Status** married partner single divorced **Drivers Licence No.**

3 Your Employment.

Employer RMT Branch

Job Description

4 **Mr** **Mrs** **Ms** **Miss**

5 Membership Status

RMT TU Member Retired RMT TU Member RMT Family Member

6 **How much do you wish to save £** This is the amount you wish to save by Direct Debit monthly on the 28th or date you next get paid
or 4 weekly (Fri)

7 Normally your payments are made once a month (28th) to RMT Credit Union Ltd.

8 **Next of Kin**

Address

.....

.....

We are checking new member identification electronically. To do this, we now carry out searches with credit reference agencies who supply us with relevant detail including information from the Electoral Register. The searches will not be used by other lenders to assess your ability to obtain credit.

I agree to my identity being checked electronically

If we cannot verify your identity and address by this method, we will ask you to provide paper documentation instead. Full details of these can be supplied to you by calling 020 7529 8835.

9 I undertake to abide by the rules now in force or those that are adopted.

Your signature Date / /



Instruction to your Bank or Building Society to pay by Direct Debit



Please fill in the whole form including official use box using a ball point pen and Send to: RMT Credit Union Ltd., 39 Charlton Street, London NW1 1JD

Name and full postal address of your Bank or Building Society

To: The Manager Bank/Building Society

Address

Postcode

Originator's Identification Number

9 7 4 2 8 1

Reference Number

FOR RMT CREDIT UNION LTD OFFICIAL USE ONLY
This is not part of the the instruction to your Bank or Building Society.

Name(s) of Account Holder(s)

Bank/Building Society account number

Branch Sort Code

Instructions to your Bank or Building Society.

Please pay RMT Credit Union Ltd Direct Debits for the account detailed in this instruction subject to the safeguards assured by the Direct Debit Guarantee. I understand that this instruction may remain with RMT Credit Union Ltd, if so, details will be passed electronically to my Bank/Building Society.

Signature(s)

Date

Banks and Building Societies may not accept Direct Debit Instructions from some types of account

This guarantee should be detached and retained by the Payer.

The Direct Debit Guarantee

- This guarantee is offered by all Banks and Building Societies that take part in the Direct Debit Scheme. The efficiency and security of the scheme is monitored and protected by your own Bank or Building Society.
- If the amounts to be paid or the payment date changes, RMT Credit Union Ltd will notify you 10 working days in advance of your account being debited or as otherwise agreed
- If an error is made by RMT Credit Union Ltd or your Bank or Building Society, you are guaranteed a full and immediate refund from your branch of the amount paid
- You can cancel a Direct Debit at any time by writing to your Bank or Building Society. Please also send a copy of your letter to us.





RMT Credit Union Your Questions Answered

What is it? It belongs to us and it's part of the union – Only members or retired members, spouses, partners and children over 18, of the National Union of Rail, Maritime & Transport Workers may join.

Who runs the Credit Union? RMT members run it. It's managed by a voluntary Board of Directors, elected by members at the AGM. Any member can stand for election to the Board which is responsible for the Credit Union's statutory, legal and moral obligations and, above all else, to ensure the integrity and security of members assets.

Where can I apply for a loan?

After you have been saving for at least 13 weeks. This allows new members to build up an early track record of regular savings, no matter how small.

How much can I borrow? It's linked to how long you have been an RMT member and credit union member, as well as your own circumstances. Generally, you can borrow up to 3 times your savings in the first year and 5 times your savings thereafter. The maximum you can borrow in generally £5000.

Would I get a loan for anything?

Our loans can be for virtually any purpose including holidays, Christmas, household goods, DIY etc. Many people use their Credit Union accounts in a way that allows them to borrow two or three times a year to coinciding with regular expenses.

What checks do you make on loan applications? To protect our members' savings, we use credit scoring and credit checking agencies when considering loan applications.

How do I make savings or loan payments? By Direct Debit from your bank account on the 28th of each month or **4-weekly which we can coincide with your pay cycle.**

What does a loan cost? 7.9% APR for loans up to the balance of your savings, 12.68% APR for multiples of your savings. Interest is only charged on the reducing balance – therefore the interest payable reduces in line with the decreasing loan balance. Furthermore, as you continue to save at the same time as repaying a loan, you will see your savings balance grow over the duration of the loan.

What if I lose my job and I can't pay a loan?

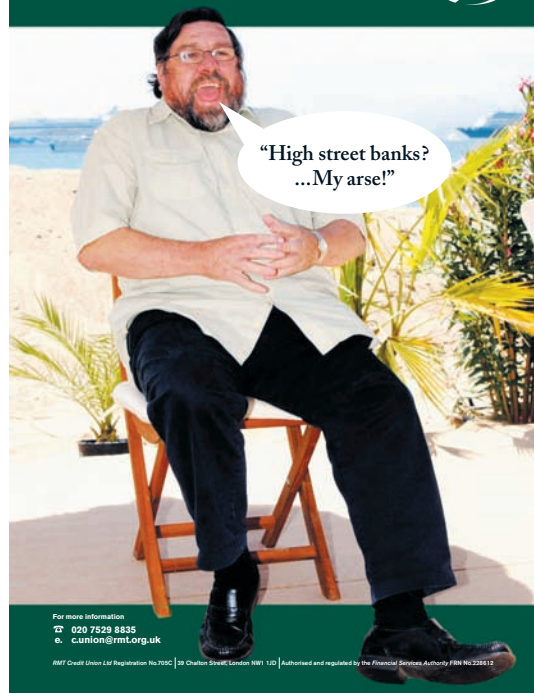
If a member has difficulties, they should contact us immediately. Provided the Credit Union is aware of the problem we will try to help. When problems are ignored it's hard for the Credit Union to assist. RMT Credit Union's policy is to take all possible steps to recover unpaid loans.

What about my savings? We call your savings 'share holding', as all the members of the Credit Union are its shareholders. After our running costs, surpluses can be paid back to the members in the form of an annual dividend. The dividend decision is made by our AGM, which in 2008 was 3.5%.

What happens to my savings when I have a loan? Your shares remain in your account and you continue to save at least £5 per month. When your loan is repaid, you'll have more savings than when you started, plus any annual dividend.

What if I need to withdraw savings? Your savings are accessible, provided that you allow some notice of your intention to make a withdrawal, to allow processing. However, as our loans are unsecured, you cannot withdraw any shares that

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are acting as collateral for any outstanding loan you have. Any surplus of shares over loan can of course be withdrawn in the normal fashion via a share withdrawal form. Payment will be made direct to your bank account by BACS.

How do I know my money is safe?

Your savings are secure. The Financial Services Compensation Scheme protects your savings 100% up to £50,000. So with RMT CU your savings are completely safe. We are regulated by the Financial Services Authority (FSA)

Is there anything besides Savings & Loans?

– We have **Christmas & Summer Holiday** clubs which pay out just at the most expensive times of the year for most families.

**For further advice and assistance – call us on
020 7529 8835.**

We are here to help and our friendly staff are able to offer advice and guidance on all **RMT Credit Union** matters