

Frequently Asked Questions About Dacorum First Credit Union

Who can join DFCU?

Anyone who lives or works in Dacorum can apply to be a member and the minimum initial savings amount is £5.

Is my money safe?

YES! All deposits are protected by the Financial Services Compensation Scheme (FSCS).

Can I withdraw my savings at any time?

YES! Your savings remain your property. However we do require 30 days notice of a withdrawal and if you have a loan outstanding this will limit how much of your savings you can withdraw. If you need immediate access to your savings it may be better to take out a loan which can usually be processed more quickly - please check with a member of staff who will provide more details.

Do I get interest on my savings?

YES! We aim to pay a dividend to savers based on the amount of their shareholding (savings) each year. The dividend percentage depends on the financial performance for the year and so is not quoted in advance. Note that in some years we may not pay a dividend but since all our staff are volunteers and our costs are low for the last few years we have paid dividends of around 1% – 2%.

How much can I borrow?

You must have saved regularly with us in order to borrow and the amount of your savings will determine how much you can borrow. All loan applications are considered individually but as a general guide on the first loan, up to twice the amount of money saved can be loaned. For the second and subsequent loans, up to three times the amount of money saved can be loaned. More details of our loan policy are available on request or from the website.

What happens if I can't repay my loan?

Please contact us immediately if you cannot keep to the repayment plan agreed when the loan was taken out. It might be possible to reschedule the loan so that it is more affordable to you and we will always try to help you in some way. Since the money you borrow belongs to our other members if your loan does become delinquent we may employ outside agencies to recover the debt.

What interest do I pay?

The interest is currently set at 1% per month on the outstanding balance. You may make repayments or pay off the entire loan at any time and there are no fees for arranging or paying off a loan. The APR is 12.68%, For a loan of £100 repaid regularly over a year the amount of interest would be approximately £6.10.

Do I have to save when repaying a loan?

YES! We require that at least a small amount is saved whilst repaying a loan, as it builds up your savings and strengthens the assets of the credit union as a whole.

What Life Insurance does my membership of DFCU attract?

Members are normally covered by life insurance equal to amount of their savings, e.g. if our member has £1000 in shares, that sum would be doubled and £2000 would be sent to the named dependent after the death of that member (this changes after the 60th birthday, and full details are available). Loans are also insured so that in the event of death a loan will be paid off by the insurance (terms and conditions apply).

How Can I Make Payments Into My Account?

You can come in to our office and pay in cash or cheques. You can also set up a standing order with your bank to make regular payments, or you can pay in to us using the internet banking service of your bank.

How Is DFCU regulated?

Like all Credit Unions DFCU is regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA), the governmental agencies which also regulate banks.

How Is DFCU Managed?

DFCU is a cooperative, all savers are members and all members can vote on important issues – normally at the Annual General Meeting (AGM). The AGM chooses the Directors who manage the credit union on a day-to-day basis. In addition to Directors DFCU depends heavily on members who volunteer their time to man the office and perform other vital work to support our organisation. Please contact us if you would like to volunteer.