

25th June 2020

Dear (Member)

As a Member of Community Credit Union (“CCU”), we are writing to advise you of changes to your account which become effective from 24 July 2020.

These changes limit the amount of total savings that Members may hold with the credit union. Total savings means the total of (a) shares and (b) deposits held in your share, super, budget and current accounts.

The following changes are being introduced:

a) Shares: Total savings limits:

Account (Membership) Type	New Total Savings Limit
Members over 16 years, Joint accounts and Club/Society/Association accounts	€25,000
Members under 16 years	€5,000

b) Deposits: Fixed Term accounts:

The credit union’s 6 and 12-month Fixed Term accounts will be closed for new deposits.

Why are we making these changes to the amount of total savings that Members may hold with the credit union?

CCU has recently experienced an unprecedented inflow of funds from Members. While this level of inflows shows that you, our Members, have great confidence in the credit union, it unfortunately creates issues for the credit union.

With the onset of COVID-19, the demand for loans has reduced and where member savings are not borrowed by other Members, these funds are invested in the financial markets. At this time, some financial institutions are charging the credit union to hold your savings.

The credit union has to comply with regulatory requirements to increase our reserves in line with increases in the levels of member savings. As a result, a significant portion of the credit union’s surpluses are required to be placed into our reserves reducing our ability to invest in new products and services for Members (such as improving our technology in the post COVID-19 world) and ultimately, to propose dividends.

How does this affect you?

- The limit on total savings applies from 24 July 2020 and Members over 16, joint accounts and club/society/association accounts who currently hold total savings of €25,000 or more may not add to their total savings balance.
- Members under 16 who currently hold total savings of €5,000 or more may not add to their total savings balance.
- Standing orders or other electronic payments into the accounts of Members over 16, joint accounts and club/society/association accounts with savings of €25,000 or more, and accounts of Members under 16 with savings of €5,000 or more, will be rejected and returned.

The above changes affect approximately 2% of our membership, and to those affected Members, we apologise for any inconvenience this may cause.

For the Members whose savings are currently above the new total savings limits, the credit union will be in contact with you directly (prior to September 2020) to assist you in reducing your savings balance.

If you have any queries in relation to these changes, please contact a member of our Management Team by phone at 01-869 2500 or by email at info@communitycu.ie.

Finally, we would like to thank you for your continued loyalty and support. As a membership-based organisation, we recognise and value this support. We look forward to continuing to serve your financial needs in the future.

Yours Sincerely,

Camilla McLoughlin
Interim CEO