



Te Uniana Whakanama Pirihimana

BLUENOTES

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December 2021

Your Credit Union has continued to review our operating environment and ensure we continue to provide support to our members who have required additional assistance.

For the first time in our history, we held our Annual General Meeting in a virtual environment. We have learnt from this experience and enhanced our business contingency plan as a result. I wish to acknowledge the hard work of our team and our colleagues at Police Association in pulling this together to ensure we could still have the ability for members to attend and have full participation.

In other news, I am very pleased to announce the appointment of our new Chief Executive, Craig Pomare.

UPDATE FROM OUR CHAIR



As we rapidly head to the end of 2021, it is timely to reflect on the year. Covid-19 continues to cause challenges around the world, and New Zealand has not been exempt, particularly with the delta version impacting Auckland significantly.

Craig comes to us from his role as Chief Executive Officer at MTA. He has held positions at Westpac Bank and the Medical Assurance Society and brings a strong passion, focus and experience in membership owned organisations. We look forward to Craig joining us on 31 January 2022.

With Craig coming on board, I wish to acknowledge Richard Middleton for taking on the Managing Director role as we have gone through the CE recruitment. Richard's leadership has been outstanding, particularly given the challenges of leading our team "virtually" from Auckland given travel restrictions.

Your Police Credit Board has a newly elected Director from our recent election. Natasha Rodley has joined us and brings a wealth of experience from her role in

Police, Chartered Accountant and previous governance experience.

Your Police Credit Union Board is looking forward to operationalising several new initiatives in 2022, which have been delayed due to challenges with Covid-19. I will announce more details on these early in the new year but suffice to say a recent survey of our membership has certainly given us the certainty that there is a market for new products.

On behalf of your Board, and our hard-working team, we wish you, our members, a safe and relaxing Christmas period. I hope you get quality time with friends and family and enjoy our great country.

Regards

Lane Todd
Chair of the Board

CHANGES TO BORROWING IN NEW ZEALAND

Changes to the Credit Contracts and Consumer Finance Act 2003 (CCCFA), combined with home loan restrictions to the loan-to-valuation ratio (LVR) limits, are impacting both home loan and personal loan borrowers.

Whether you're a first home buyer or in the market for a personal loan, the landscape has changed, meaning you might be finding it's taking longer and that it's harder to get a loan than before. So, what has caused this change?

LVR Changes

From 1 November, the Reserve Bank of New Zealand (RBNZ) brought in restrictions that meant banks can only lend 10 per cent of new home loans to owner-occupiers with deposits of less than 20 per cent. The change was brought in to help curb inflation to housing prices.

In a nutshell, this means that banks have a limited amount of low-deposit home loans they can approve – half as much as before. The result is a higher number of first home buyer loans being declined by banks, and a rise in home loan applications for non-bank home loans.

CCCFA Changes

Alongside the LVR changes, from 1 December amendments to the CCCFA mean that lenders are bound by tighter rules around responsible lending – designed largely to protect vulnerable borrowers. These changes mean that lenders must show due diligence and ensure that information provided by borrowers for a loan application meet certain affordability and suitability criteria.

Loan assessments must follow very detailed regulations, often requiring more information for applications than before. This can involve lenders asking more about the needs and objectives of borrowers, as well as further assessment when making material changes to existing lending.

The increase in information required can result in a longer time to assess loans, so you may see the time to decision of your loan increased, at least in the interim until the changes have been embedded.

You want to borrow soon – what can you do?

If you're looking to borrow in the future, be prepared to provide more evidence of your financial situation. You'll need to provide at least 3 months' worth of statements showing good account conduct, and if you've previously borrowed you may notice you're being asked more questions or for more evidence than before. It's best to apply for your lending sooner rather than later to factor in a potentially longer assessment time.

What are we doing?

At the Police Credit Union we pride ourselves on approving loans to our members as quickly and easily as possible. We've partnered with Credit Sense, an online service that allows you to sign in to your online banking as part of your online loan application. This automatically downloads your statements and provides an automatic assessment of your bank statements, saving time in the manual assessment of your financial situation.

You can apply for a loan online at policecu.org.nz/loans/apply-for-a-loan and if you have any questions about lending you can email us at info@policecu.org.nz.

Stay safe out there!

Talk soon . . .

Money Penny



CHRISTMAS CLUB

Start saving for Christmas and get a bonus New World voucher!

Our Christmas Club account makes saving for the holidays easy with its great rate and the incentive of a \$20 New World card for consistently saving through the year.

Open an account before the 28 February 2022, make a deposit each month (and no withdrawals) and in November you'll receive your New World voucher.

To open an account you can:

- Call us on 0800 429 000
- Send us a message through internet or mobile banking
- Email us at info@policecu.org.nz



INTEREST RATES ON SAVINGS ACCOUNTS

As at 14 December 2021

Term Deposits

3 months	4 months	5 months	6 months	7 months	8 months	9 months	12 months	18 months	24 months
0.65% p.a.	1.00% p.a.	1.10% p.a.	1.55% p.a.	1.55% p.a.	1.55% p.a.	1.65% p.a.	2.05% p.a.	2.15% p.a.	2.55% p.a.

Interest can be paid out monthly, quarterly or six monthly.

Interest on Term Deposits 12 months or longer can be compounded quarterly, six monthly or annually

On maturity, Term Deposits can be reinvested, paid into your Credit Union account or paid out to an external bank account

Savings

Balance	Bonus Saver	Future Saver	Achiever Saver	Christmas Club
\$1+	0.50% p.a.* Includes bonus interest of 0.40% p.a.	0.50% p.a. Includes bonus interest of 0.40% p.a.	0.15% p.a.	0.15% p.a.

Interest is calculated daily and paid monthly.

* By depositing at least \$20 per calendar month, with no withdrawals in the calendar month, you will earn bonus interest on your total daily balance.

All interest rates are subject to change without notice.



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POLICE HELPING POLICE

Copies of our current Terms and Conditions and Product Disclosure Statement are available from the Police and Families Credit Union. These can be viewed at policecu.org.nz, or by calling 0800 429 000.

Police Credit Union is not a registered bank