



Guide to Loan Flexibility Options for Members Impacted by COVID-19

Cover Page



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Our Promise to You

Are you worried about loan repayment difficulties because you have been impacted by Covid-19?
We're here to help

we promise to work with you and help in any way we can

We also promise that at all times, our communications with you;

- Will be in clear language. Where we need to use specific terms, like those taken from law or regulations, we'll always try to explain what these terms mean.
- Will be proportionate. We will only communicate as much as we need to and will not bombard you with calls and letters. Where possible we will agree frequency of communications with you.
- Will be respectful and never aggressive, intimidating or harassing.
- Will be reasonable. Where we ask you to respond to us or provide further information, we'll always allow you reasonably sufficient time to do so.

This Information Booklet sets out guidance for our Members who have a loan with us and are;

1. Impacted by Covid-19 and expect to have difficulty making loan repayments; or
2. Worried about falling into arrears

This Booklet firstly gives details on our process for dealing with Members impacted by Covid-19 and the steps involved. Because of the nature of the Covid-19 containment measures, we have designed this process to operate remotely so that we can practice social distancing in accordance with national guidance.

The most important thing in dealing with difficulties repaying your loan is to contact us as early as possible, we're here to help.

We then explore in more detail, some of the options that can be available to Members who are worried about making loan repayments, we call these Repayment Arrangements. There are some positives and negatives to each option so we'll set those out also. Please be aware that your individual circumstances will need to be assessed before deciding if any of these arrangements are suitable for your circumstances.

This Booklet also includes some handy additional information, like useful supports with expert information about coronavirus and Covid-19.

We have dedicated contacts if you are worried about falling into arrears;

In the first instance, if you are impacted by Covid-19 and are worried about meeting loan repayments, please request a call back. We have a dedicated form for this available at www.cuovid19.ie/corecu/

Alternatively, you can reach us by email or phone

Email: creditcontrol@corecu.ie

Telephone : 01 2725612

Please note, while we will keep branches open as long as possible, social distancing is national guidance so please deal with us remotely where possible.

Section 1 – The Process for Loan Flexibility

1.1 Introduction and Steps in the Process

We understand that a large number of our Members have been impacted by Covid-19. For some, their employment has been suspended or their hours reduced because of the containment measures, while for others there have been increased and unexpected costs. This means that many people are likely to experience short-term cash flow difficulties and will need some assistance with their loan arrangements.

Our Process for engaging with Members who are impacted by Covid-19 has been designed to operate remotely. Insofar as possible we need to practice social distancing for the protection of our Members, staff and communities so we would ask all Members to engage with us remotely.

There are 4 steps in our Process;



- 1 **Online Request** – the first step in the process is to engage with us. Whether you have missed a repayment or fear you might not be in a position to meet a repayment, it is important for you to engage with us as early as possible so that we can help.

We have dedicated contacts if you are worried about falling into arrears;

In the first instance, if you are impacted by Covid-19 and are worried about meeting loan repayments, please request a call back. We have a dedicated form for this available at www.cucovid19.ie/corecu/

Alternatively you can reach us by email or phone;

Email: creditcontrol@corecu.ie

Telephone : 01 2725612

Please note, while we will keep branches open as long as possible, social distancing is national guidance so please deal with us remotely where possible.

Our staff are trained, experienced and help people in loan arrears every day so there's no need to feel anxious when getting in touch. We promise that you will be treated with respect at all times and of course everything you tell us will be in strictest confidence.

- 2 **Call back** – the next step is that we will call you back. This is so that we can collect the information that we will need to carry out a full assessment of your circumstances.

Please be understanding that we are experiencing a very high volume of requests from Members but we will call all Members back as quickly as possible.

The information we request will help us understand which loan flexibility options might be most appropriate for you given your unique circumstances. We will seek information on how you have been impacted by Covid-19 and how this has impacted you.

We may require documentation to assist us in assessing your request, for example a letter from your employer confirming that your employment has been impacted by Covid-19. We will discuss how you can submit copies of these documents to us on the phone call.

- 3 **Assessment** – Once we have everything that we need to conduct a full assessment of your circumstances we can begin our assessment.

Our assessment will take account of many different factors, including;

- The information provided to us on the phone call
- Your current repayment capacity
- Your previous repayment history
- Your personal circumstances

Taking those and any other relevant factors into consideration, we will explore the various loan flexibility options that may be available. Our primary consideration is to find a solution that is appropriate for you. This means that repayments are sustainable for you for the duration of the solution.

Having conducted a full assessment we will decide on what we believe is an appropriate solution for you having considered your individual circumstances.

Once we have decided on a solution, we will inform you of this in writing. The time it should take between us beginning our assessment and informing you in writing of our decision will be as quick as possible but please be patient as we are experiencing a very high volume of requests.

- 4 **Resolution** – Depending on the outcome of your Assessment conducted under Step 3, we have a number of loan flexibility options that we may offer to you. These solutions are called Repayment Arrangements and we will explain these in more detail in Section 2 of this Booklet.

Please be aware that the availability of a Repayment Arrangement is dependent on a full assessment of your individual circumstances and on you meeting our lending criteria for a sustainable solution.



Section 2 – Repayment Arrangements

In this section we will provide more detailed information on the Repayment Arrangements that will be considered under our Process for engaging with Members impacted by Covid-19. Again, please be aware that in deciding the solution we believe is most appropriate for you, we will conduct a full assessment of your individual circumstances.

Because the nature of the Covid-19 response measures and the impact they will have on employment are currently expected to be short term, the options we will discuss are temporary solutions.

Temporary Solutions – these are short term solutions and will not be offered for a period of over 12 months. Generally, these solutions are designed to help you for a short while, where you have temporary financial difficulties and need a little while to get back on your feet.

We will continue to monitor developments with Covid-19 and we will engage with Members to discuss long-term loan flexibility options if this becomes appropriate.

2.1 – Temporary Loan Flexibility Options

Solution	Description	Positive	Negative
Interest Only	<p>You pay the interest portion of your loan repayment for a period of time.</p> <p>Because you are not paying anything towards your capital balance (the amount you borrowed), your repayments will be lower.</p>	<p>Repayments are lower for a short period of time to allow you the chance to return to full repayments in the near future.</p>	<p>Because you have not been making payments against capital for the duration of the arrangement, when you return to making full payments;</p> <ul style="list-style-type: none"> - The amount of your regular repayments will increase to make up for the lower payments made under this arrangement. - Your total cost of credit can increase because the capital balance was not reducing as quickly as expected.
Reduced Repayments	<p>For a limited period of time, the amount of your regular repayments will be reduced to a lower amount.</p>	<p>Repayments are lower for a short period of time to allow you the chance to return to full repayments in the near future.</p>	<p>Because you have not been making full repayments for the duration of the arrangement, when you return to making full payments;</p> <ul style="list-style-type: none"> - The amount of your regular repayments will increase to make up for the lower payments made under this arrangement. - Your total cost of credit can increase because the capital balance was not reducing as quickly as expected.
Temporary Repayment Break (Moratorium)	<p>For a limited period of time, your regular repayments will be suspended. This means you will not be making any repayment.</p>	<p>Repayments are suspended for a short period of time to allow you the chance to return to full repayments in the near future.</p>	<p>Because you have not been making repayments for the duration of the arrangement, when you return to making full payments;</p> <ul style="list-style-type: none"> - The amount of your regular repayments will increase to make up for no payments being made under this arrangement. - Your total cost of credit will increase because the capital balance was not reducing as quickly as expected.

Section 3 – Useful Resources

3.1 Relevant Contact Details

Name	Description	Contact Details
Credit Union Resources		
Credit Union Arrears Support	Dedicated team within the credit union offering loan arrears support	T: 01 2725612 E: creditcontrol@corecu.ie
Other Relevant Resources		
HSE Covid-19 Updates	Official Covid-19 updates from the Health Service Executive	W: https://www.hse.ie/eng/services/news/newsfeatures/covid19-updates/
Department of Health Covid-19 Updates	Official Covid-19 updates from the Department of Health	W: https://www.gov.ie/en/news/7e0924-latest-updates-on-covid-19-coronavirus/
Hand Advice	Official advice on Hand Hygiene from the HSE	W: https://www.hse.ie/eng/services/news/newsfeatures/covid19-updates/hand-hygiene-poster.pdf

Section 4 - Credit Rating

Reduction in agreed repayments may affect your credit rating.

Core Credit Union understands that this may be inevitable due to current circumstances and we will be there to help you with your credit needs in the future.

We are currently engaging with the Central Bank to look at how we can reduce the impact of reduction of payments on your Credit Rating .