

A Credit Union with Lending Restrictions

Background

A mid-sized credit union in a provincial town had been working under a Lending Restriction of €10,000 above shares and €250,000 per month. Over time, their Loan Book had reduced by 33%. During this time, the credit union had significantly improved their Underwriting and Credit Control procedures but the Lending Restrictions were still in place.



The image shows two overlapping screenshots of CUFA reports. The top report is a 'Quarterly Loan Book Summary' and the bottom report is a 'Vintage Analysis Report'. Both reports show detailed financial data for various loan categories over time.

Process

By using the Vintage Analysis and Quarterly Loan Book Summary reports, the Credit Union made a very strong case to have the Lending Restriction lifted. When the Credit Union's case was made through these reports it was self-evident that there had been a significant turnaround in the operations.

Result

The Lending Restriction was changed to €25,000 above shares and with no monthly lending limits. The credit union's loan book has been growing steadily since and their new products are performing very well.

