



C.O.B.
CREDIT UNION

MEMBERSHIP GUIDE

'Measuring Success, One Member At A Time'

Updated January 8th, 2008



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COB Member Information Guide

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Dear Valued Member

It is our pleasure to provide you with this membership information booklet. We have conducted extensive research on the key queries, questions and information sought by our membership at our member contact points. The goal is to be able to provide answers and solutions to your queries in a comprehensive document that could act as a quick reference guide.

Inside we have included information on the Credit Union philosophy, our range of savings products, loan process and a variety of other topics.

It is hoped that this information will assist when conducting business with us. We value your business and look forward to providing excellent products and services to you.

Yours co-operatively,

Maria Boyce Taylor
Marketing Manager





ABOUT US

City of Bridgetown Co-operative Credit Union Limited was registered on the 20th of October 1983.

Historical documents have indicated that the genesis of C.O.B was a result of members having difficulty accessing funds from other financial institutions. They saw the wisdom of forming a society, which allowed young professionals like themselves to channel their limited resources and to have easy access to a Credit Union.

In the months to follow many discussions took place facilitated by persons who generously allowed their homes to be used on such occasions. Volunteers handled the society's business up to this time.

Today the City of Bridgetown Credit Union is one of the island's premier financial institutions and boasts an asset base of \$172 million with membership in excess of 40,000.

OUR MOTTO

Not For Profit. Not For Charity. But For Service

OUR CORPORATE VALUES

We believe and are committed to:

- Respect for Members
- Integrity and Transparency
- Service Quality
- Innovation
- Teamwork and Co-operation

OUR MISSION

- To deliver the most comprehensive and highest quality financial products and services that would attract membership.
- To influence the personal development and commitment of all employees and members to the Cooperative Principles.

- To treat our employees fairly and equitably within an atmosphere of teamwork.
- To engage in sound financial practices and building strong linkages that would cultivate community development.

- To verify the assets and monitor whether the assets are properly protected

How are Members of the Supervisory Committee elected?

The Members of the Supervisory Committee are elected at the Annual General Meeting. The members serve on a voluntary basis and report to the membership at the Annual General Meeting.

The committee consists of an odd number not less than 3 members.

What are the types of issues addressed by the Supervisory Committee?

These are:

1. Customer service issues
2. Inconsistency on accounts
3. Breach of policies and regulations

How does the committee carry out this role?

The role of the Supervisory Committee is ably carried out on a day-to-day basis by the Internal Audit department.

GETTING TO KNOW: THE SUPERVISORY COMMITTEE

The City of Bridgetown Cooperative Credit Union Ltd is governed by a Board of Directors, which establishes and governs the Credit Union. An important part of the Executive is the Supervisory Committee, which plays an integral role in ensuring that all policies, procedures and regulations established to protect the Credit Union are followed and adhered to.

Below is an introduction to the Supervisory Committee and its role.

What is the role of the Supervisory Committee?

- To monitor the management of the Credit Union
- To ensure compliance with the provisions of the Act, Regulations and By-Laws





What does an Internal Auditor do?

- The Internal Auditor and his department has the responsibility of testing, evaluating and analyzing the system of internal control employed by Management, to safeguard COB's assets
- They also ensure the accuracy of financial records
- The Internal Audit Department also reviews the processes for compliance with all of COB's policies and procedures relating to the members and seeks to promote operational efficiency when appropriate

How do the Internal Audit Department and the Supervisory Committee carry out their role?

- They conduct periodic checks of all departments
- They provide feedback to Management on issues or incidents that occur
- They conduct investigations on service, operations and member concerns
- By preparing monthly reports to the board
- The Supervisory Committee also oversees the operations

of the Internal Audit Department

- They meet on a monthly basis to discuss and address issues that are drawn to their attention from the Internal Audit Department or through letters submitted by concerned members

If I have an issue, how do I make contact with the Supervisory Committee?

The Committee works on all members' behalf. It is important when you do have an issue that you seek the support of the Supervisory Committee.

They may be contacted at: cobcreditunion@cob.com.bb

Or through the Internal Auditor Mr. Ronnie Norville at 430-5900 ext 2600

MEMBERS OF THE SUPERVISORY COMMITTEE FOR THE FINANCIAL YEAR 2007-2008.

Celeste Foster, Chairman

Bryden Springer, Vice Chairman

Gregory Holder, Secretary

Patrick Welch, Member

Christopher Oliver, Member

The Supervisory Committee working to protect the Credit Union and you, the valuable members.

CREDIT UNION PILLARS

Credit Unions are built on seven principles, these principles are the guidelines by which cooperatives put their values into practice.

1. Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2. Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Representatives are elected from the cooperative membership to serve on the Board of Directors.

3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is held as common property of the cooperative.

Because the cooperative is operated on a not-for-profit basis, members may allocate surplus for any or all of the following purposes: •developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; •benefiting members in proportion to their patronage with the cooperative; •and supporting other activities approved by the membership.

4. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they





enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperative. They inform the general public about the nature and benefits of cooperation and cooperative membership.

6. Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, state, national, regional and international structures.

7. Concern for Community

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

THE CREDIT UNION DIFFERENCE

Often times people ask, “What is the difference between a Credit Union and a bank?” There is a difference, we refer to it as “*The Credit Union Advantage.*”

Credit Unions are not-for-profit financial cooperatives and exist to serve their members, not to make a profit. They are less likely to charge service fees than for-profit banks and when they do charge, the fees tend to be lower than the bank. Unlike most other financial institutions, Credit Unions do not issue stock or issue earning dividends to outside stockholders. Instead, earnings are returned to members in the form of lower loan rates, higher interest on deposits, and lower fees.

Credit Unions exist to help people, not make a profit. In fact their motto is “People Helping People”. The goal of Credit Unions is to serve all members well and in turn, members are loyal. Members know their Credit Union will be there for them in bad times, as well as good. The “People Helping People” philosophy extends to communities in which Credit Unions operate. Credit Unions and their employees get involved in community charitable activities by donating money, time and their resources.

Credit Unions assist members with becoming better-educated





consumers of financial services. Many Credit Unions offer free financial counseling and educational programs to their members and within their local communities.

Each Credit Union is governed by a volunteer Board of Directors, elected by and from the Credit Union's membership. Credit Unions are an economic democracy with each Credit Union member having equal ownership and one vote - regardless of how much money a member has on deposit. At a Credit Union, every account holder is both a member and an owner.

Members of Credit Unions benefit in a number of ways from their access to competitive products and services to the financial benefits founding lower interest rates and higher interest on deposits. Credit Unions provide a secure financial choice for all consumers, all while staying true to our mission of "People."

OUR PRODUCTS

We at the City of Bridgetown Credit Union are dedicated to the development of each of our members; it is with this in mind that we are constantly seeking to provide our members with innovative products; practical tools catering to everyone regardless of their background and economic status.

Our goal is to see each of our members prosper. Please refer to our range of brochures to obtain detailed information on our family of products.

JOINT ACCOUNTS

We also offer joint accounts. Only two persons may comprise a Joint Account Agreement. There are two types of joint accounts: Joint And - requires signatures and identification from both parties to be presented to effect any withdrawals; Joint Or - presentation of identification and a signature of either party comprising the joint account is needed to execute any withdrawals. Any deposit to this account is and will be jointly owned. Any one or both of the Joint Account holders may, after signing the appropriate documentation, withdraw some or all of the funds remaining on the account.

WHAT IS AN AGENT?

An agent is noted as a person who has been empowered by the account holder through the submission of a letter bearing the member's signature and a seal from a Justice of the Peace or Notary Public to free uninhibited usage of the account until such time as permission is withdrawn.



EASY SOLUTIONS

We at the City of Bridgetown Credit Union believe in convenience and accessibility and it is with this in mind that we offer to you our **Easy solution** products, our remedy for your fast paced life style.

Easy Voice

With your touch-tone phone this system allows you:

- 24-hour access to information on your account
- To request withdrawals from your account
- To make transfers between your accounts
- To check your balance

The Easy Voice Number is: (246) 430 5905

E-Banking

This internet banking system allows you access to your account from absolutely anywhere. Our e-banking allows you to:

- View account summary and history
- Transfer funds between accounts
- Make loan payments
- Request withdrawals
- Apply for membership

Easy Access Card

Our ATM card allows you to:

- Make deposits
- Make withdrawals
- Make inquiries into your account
- Transfer funds between accounts

Deposits can also be made to your account in the following ways:

- Through any branch of BNB
- Through salary deductions
- Fast deposit
- International Money Orders
- Money Grams
- Electronic Transfers to our bank account.

All ATM deposits are cleared twice daily, at 10 am and at 2pm. All envelopes are credited in the business day in which they are received.

All lost or stolen ATM cards should be reported to any of our Call Centre Representatives as a matter of urgency to prevent any unauthorized debiting of the account.



Replacement cards are issued for a fee of \$20.

Please remember your pin number must not be shared with anyone.

Easy Deposits

Our easy deposit system allows you to credit your account and make loan payments without the hassle of standing in line.

Completed envelopes should be deposited into the fast deposit box provided.

Envelopes are available from any of our offices and once completed may be dropped into the box provided.

Envelopes are cleared three times daily and are credited to the account in the business day received.

All envelopes deposited after 2pm will be posted to the account the following day.

INTERNATIONAL DEPOSITS

It is easy for persons residing outside of Barbados to secure a Credit Union account. Application forms can be mailed via

registered mail to the prospective member for completion and signature from a notary public or lawyer. Once the form has been completed it can be returned to the Credit Union.

Crediting your overseas account has never been easier as funds can be remitted electronically to ensure security.

The routing information is listed below.

UNITED STATES

Barbados National Bank Inc.
Independence Square,
Bridgetown, Barbados
Swift code BNB.AB.BBB

For credit to account number 01201931

For further credit to **(members' name)**

COB account# **(members' account number)**

ENGLAND

Credit: Swift code LOYDGB2L
For further credit to:
Barbados National Bank Inc.
Independence Square,
Bridgetown, Barbados
Swift code BNB.AB.BBB



To bank account number 01201931

For further credit to **(members' name)**
City Of Bridgetown Co-Operative Credit Union (COB)
account# **(members' account number)**

Thank you for choosing us as your preferred financial institution.
We look forward to being of continued service to you.

LOANS

The City of Bridgetown Credit Union has an extensive line of loan products and a history of offering the most competitive loan rates on the market.

Vehicle Loans

New Vehicles

- Invoice confirming purchase price
- Letter containing engine and chassis number
- Letter containing year and model of vehicle
- Confirmation of Comprehensive Insurance coverage

Used Vehicles

- Letter from vendor confirming sale and selling price
- Roadworthy certificate from a recognized garage

- Confirmation of Comprehensive Insurance
- Valuation report

In addition to the other requirements, a percentage deposit of the total cost of the vehicle must be on the account at the time of application.

- New vehicles – 10%
- 1-3 years – 25%
- 4-5 years – 50%

Easy Personal Loans

Education

- Acceptance letter
- Tuition fees from institution

Medical

- Letter indicating the estimate of the cost of the procedure

Funeral

- Invoice from the Funeral Home

Wedding

- Copy of an invitation
- Letter from officiating minister
- Letter or invoice confirming expense to be incurred from supplier of service/ items

Travel

- Itinerary and quotation from Travel Agency

Household Furniture

- Invoice from store

Debt Consolidation

- All bills to be paid together with most current statement from the creditor where appropriate
- Written confirmation of outstanding balance

Easy Business Loans

The following documentation is required:

- Banker's Report
- Copies of financial statement for the last three years
- Business plan and/ or Feasibility Study
- Cash flow and Profit and Loss projections for the next three years

Where the application is for a new venture, this shall be subject to the following:

- Three year projection as per loan policy
- A business plan

A Certified Accountant must authenticate all of the preceding documentation. Annual statements must be presented to the Credit Union for the duration of the loan.

Easy Commercial Loans

Application for finance of the following, will constitute commercial lending:

- The purchase or construction of a property for rental or leasing
- The purchase or construction of a property to be used as a residence, other than the primary residence of the applicant.

Easy Line Of Credit (unsecured)

A pre-approved credit limit that allows you to easily and repeatedly withdraw funds up to your approved limit without re-application.

- Member should have a minimum of \$150.00 on their account to apply
- Members may access Lines-of-Credit as much as 4 times their salary or up to a maximum of \$30,000, which ever is less
- Minimum monthly repayment is 4% of the approved limit.





Easy Line Of Credit (secured)

The maximum Line-of-Credit facility shall be 95% of the savings balance for individuals with an excess of 5 years membership and 90% for all other members. The savings must remain pledged for the duration of the facility.

Easy Back to School/ Christmas Line of Credit

The Board of Directors shall determine the maximum limit for this category of loans from time to time.

These facilities shall be available for withdrawal once annually during the period as follows:

- Back to School Line of Credit- July to September
- Christmas Line of Credit- October to December

Easy Home Equity Loan


This loan shall be based on a percentage of the appraised market value of the property less the balance of any out standing loans secured by the property.

- Up to \$150,000 – 75% of market value less the value of attached loan
- Over \$150,000 – 60% of market value less the value of attached loans
- Repayment: 1.5% of approved limit

Easy Mortgage Loans

All applications for loans must be submitted on the official application form and be accompanied by the following documentation:

- Letter from vendor stating selling price- where applicant is purchasing property.
- Builder's estimate, with name and address of builder-where construction /renovations are taking place
- Copy of Certified Surveyors Plot
- Approved and valid plans from Town & Country Planning (applicable for extensions and new construction)
- Salary slip and/ or letter certifying employment from employer.
- Confirmation of balances – where debt consolidation is being considered.
- Confirmation of the payment of water rates (where applicable)
- Where the property will be used as security, a valuation must be done on the property. In this regard, a fee, which will be determined from time to time by the Credit Union, must be paid before processing of the application
- Creditor's report.



Self-employed members shall be required to provide such proof of income and expenses, as may be required.

Qualification Criteria

All applications will be subject to a minimum deposit of \$500. Borrowing members must be first time homeowners or must be acquiring matrimonial property.

Period of Loan

The maximum period for loan repayments is as follows:

- Residential properties constructed of wall – 30 years
- Residential properties constructed of green/ purple heart- 25 years
- Residential properties constructed of pine - 15 years
- Commercial mortgages – 15 years

Easy 100% Mortgage Loans

The Credit Union shall consider 100% loans subject to the following conditions:

- That upper limit shall be \$200,000.
- Subject to a maximum household income limit of \$5,000 per month.
- Applicants must have a good credit record with the Credit Union, as well as with other external

creditors.

- All other terms and conditions for regular mortgage loans shall be applicable

Loan applications may be obtained from any branch of the City of Bridgetown Credit Union. In addition to the documentation outlined above a job letter and two recent pay slips in the case of employed applicants and verification of income in the case of self-employed applicants must accompany a completed application form.

LOAN PAYMENT


FREQUENTLY ASKED QUESTIONS

ISSUE: Under the new system why am I paying so much interest?

SOLUTION

Actually you are paying the same interest as you did under the old system. The calculation may be done differently but the result is the same. Please see below examples of the calculations under:

1. Jack Henry Old System
2. OSI: New system
3. Manual calculation



For e.g. The calculations are based on the following member:

Betty Jones received an unsecured personal loan

- Value of loan: \$100,000.00
- Interest rate: 16.5%
- Length of loan: 10 year loan

OPTION 1

Betty Jones: 10,000.00 @16.5% for 5 years- monthly \$245.94

- OSI daily interest (per diem/daily interest)
 $4.51 \times 31 = 139.81$
- JACK HENRY - $10,000 \times 16.5\% \times 31 \text{ days} / 365$
 $= 4.52 = 140.12$

OPTION 2

You actually pay the same amount of interest. Both systems calculate your monthly interest based on a daily interest amount this is called a per diem.

OSI automatically calculates your per diem using the following- loan balance, payment, interest rate, and period.

Example:

- Betty Jones: \$10,000.00 @16.5% for 5 years
- monthly \$245.94
- Per diem: = \$4.52 (allows for computation based on a 400 if challenged)

Monthly interest: $\$4.52 \times 31 = \140.12

The per diem above is exactly as it would occur in our previous system.

Remember as your balance reduces your per diem will change, you can ask any teller to give you this figure before making a payment.

ARREARS: When I make my unscheduled payment I am still seeing arrears on my loan account?

A. This generally happens with members who have a payroll deduction to service their loan but also make a payment over the counter before the payroll is due.

For example, Betty Jones paid on the 25th of the month she sets a payroll payment of \$200.00 to pay her loan by the 28th (the due date). She gets \$200.00 from baking bread and pays it to her loan on the 10th of the month. She sees on her receipt that her loan is in arrears although she made the payment.

Actually when you make these unscheduled payments you are not in arrears. The new system will still be expecting your regular payment on the required due date (remember the loan is now in a fixed cycle like for e.g a utility bill). However COB has a system in place to reverse this and will removed



them as they occur. You will not received any penalty as it relates to this situation.

Payment and interest changes

Although automatic changes to payment and interest does not occur unless required. In the event that should experience a problem with your payment or interest changes please contact our contact center at (246) 430 5900 and we will have this issue resolved ASAP.

LOAN PAYMENT

Important things to remember!!

- **Unscheduled payment:** You can use this option of payment when you wan to make a specific payment to your principal (loan balance or interest at any time).
- **Providing flexibility:** When making your unscheduled payment kindly indicate to the teller how you would like to have the payment applied. How much to principal and how much to interest.
- **COB welcomes unscheduled payments.** We do not penalized its members when they repay their loans early.
- **Unscheduled Payment does not change your next payment date** so therefore the system will request your schedule payment on the due date.
- **It is our interest to facilitate your unscheduled payments** so therefore our team will minimize the inconvenience by

readjusting your next payment date as is necessary.

- Remember all loans are calculated on the reducing balance.

We sincerely thank you for your continued business and look forward to working with you in reaching your financial goals.

FREQUENTLY ASKED QUESTIONS

Q: How long will it take for a loan to be processed?

A: Our turn around time for loan secured by your savings is the same day. For regular loans it should not exceed a week. Mortgages are more involved as there is the need to be processed by a legal entity and therefore will take longer.


Q: Can I include furniture in a house loan?

A: Yes we can accommodate you.

Q: Are dependants children only?

A: No. A dependant is anyone who depends totally on you for financial support

Q: Do I need security?



A: We lend on the strength of your security, but not in every case. The application will be assessed on an individual basis.

Q: Can I use my car as security?

A: Yes, but only if the car is comprehensively insured.

Q: When are funds disbursed?

A: There is an assessment process. If lending is approved you may be called on the same day or at latest the following day.

Q: When will I start paying?

A: For loans approved during the 1st and 10th of the month, repayment is the end of the current month. Repayment will commence at the end of the following month on all loans approved after this date.

Q: Can I pay more than my monthly re-payment?

A: Certainly. Interest is calculated on the balance as it reduces. It is therefore to your advantage to reduce the balance owed.

Q: Can the disbursement cheque be made payable to me

instead of the supplier?

A: It is our policy to have a record of the payee and is in keeping with what you requested.

Q: Can the funds be placed on my account, allowing me to withdraw it as needed?

A: Yes provided it is secured by the funds already on your account.

Q: What happens if I miss a payment?

A: We would expect you to rectify this as soon as possible by either paying the outstanding amount or by paying a little more each month.

Q: How many payments can I miss?

A: You should try not to miss any of your payments but should this happen you are advised to please communicate this to us at the earliest possible opportunity.

Q: If I pay off a loan in a shorter time will I pay less interest?

A: Yes you will, as interest is calculated on the reducing balance.



Q: Why is so much information necessary?

A: We need the information in order to make an informed decision – one that will put you in a better financial position.

Q: Why do I need two pay slips?

A: This is the policy across the board as many members are paid bi-weekly. The deductions may not be the same during these two periods.

Q: What is the age limit on a vehicle as it relates to acquiring a loan?

A: Currently the age limit is 6 years.

Q: How many loans can I apply for in a calendar year?

A: There is no policy on this. Every member's situation is different.

Q: Why am I not allowed to make my payments over the counter?

A: A salary deduction is safer. Members may forget to make the deposit, it also saves time standing in line to make the transaction with the cashier.

Service Delivery through our Service Guarantee Programme

The Service Guarantee Programme seeks to ensure that COB offers optimum service at all levels of the organization to both internal and external customers.

COB prides itself on providing excellent service to our valued members at every point of contact.

To ensure that we guarantee this service we have provided the following avenues for the delivery of excellent customer service:

Our Service Guarantee Agents: They are located within our two branches and provide support assistance with the completion of loan applications and fast deposit envelopes, as well as they guarantee that you are being serviced in a timely manner.

Service points are :

- Assist members with the flow of traffic in the banking hall
- Alleviate time wasted by members seeking to conduct business by interfacing with them and, if possible, assisting them with their queries





- Assist the completion of loan forms, fixed deposits etc
- Cross and up sell COB's products and services to members
- Promote COB programmes and events to members
- Conduct surveys as required
- Inform team members about complaints and queries
- To be the liaison between MSR, Credit Officers and members
- Supervise the flow of traffic to ensure that all members are dealt with in a timely manner
- Greet members as they enter the branch and thank them upon leaving for doing business with COB.

Our Service Guarantee to you:

1. Prompt courteous service
2. Well trained staff who will treat all members with R.E.S.P.E.C.T
3. To provide services, which are responsive to your needs and to also provide access to our loans services.
4. Convenient hours of opening
5. To promote responses to enquiries, comments and complaints
6. Respect for your privacy.

City of Bridgetown Service Code

The Service Code refers to the components of daily activities that team members must consider as a service excellence guide when serving members as well as co-workers. In every task one should ask him/herself whether they are operating in a Professional, Efficient, Effective and Respectful manner.

Respectful
Efficient
Service excellence
Professional
Effective
Courteous
Total Quality

R.E.S.P.E.C.T.

Fifteen Service Guarantees We Shall Honour!!

We will guarantee to OUR members that:

- Team members will greet members in a professional and friendly manner whether via telephone or in person.





- All members will be greeted with a *Pleasant* ‘Good Morning’.
- Emails will be answered within 8 working hours.
- We will follow up with members via telephone within 10 working hours.
- All inbound telephone calls must be answered after 3 rings.
- We will provide members with the necessary information through COB’s website and printed materials to assist them with making prudent financial decisions.
- All team members must be pleasant and cordial to internal and external members.
- Team members must listen attentively to members before providing any information.
- We must greet members and close all interaction with members on a positive and cordial manner.
- Our team members will never be rude, offensive or vulgar to members.
- Our team members must always dress in a professional manner.
- Our team members will smile and make eye contact.
- Ask the potential member for his or her name and address them accordingly. That is, Ms./Mrs./Mr. So and So.
- Our team members will be prompt in responding to the potential member’s request/s within 8 hours.
- We will also be very attentive to the needs of our members.

COB CARIFS READY
Frequently Asked Questions

Q. If I am getting an ATM card for the first time can I use the card as soon as I receive it?

A: No. The Card will be activated 24 hours after you have received the card. You can then use your card anytime anywhere at any ATM or Point of Sale after the 24 hours have passed.

Q. Do I pay any fees for using my ATM card?

A. You can continue to use your ATM card at any COB location and these transactions will be absolutely free. There will be a fee for using the ATM card at any other financial institution.

Fees are as follows:

Withdrawals at CARIFS ATM:	\$1.00
Balance Inquiry	\$1.00
CARIFS Point of Sale	\$.50
Transactions at COB	Free



Fees are applied to both approved and declined transactions

Q. How can I check my balances on my account?

A. COB has a range of free services to check balances these are the

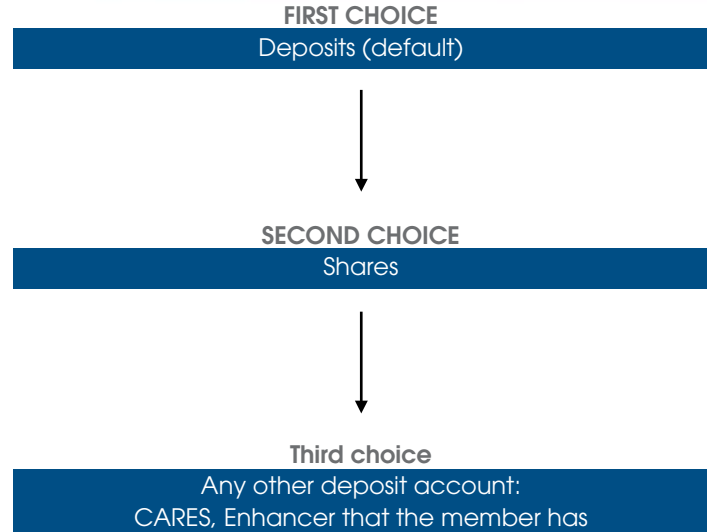
- Easy Internet Banking
- Easy Voice: telephone banking

These services are free and will allow you 24 hours access to check the balance on the account. For information on these services please visit our website at

1. www.cobcreditunion.com
2. or call us at 246 430 5903

Q. What accounts can I assess on CARIFS?

A. For ATM transactions it will be your Deposit account. If you do not have a deposit account it will default or go to your Share Account. If this is also unavailable it will go to the next deposit account which may be Prosperity Enhance, Securer as the case may be. See table below



Q. What account do I choose at the Point of Sale terminal, Savings or checking?

A. At Point of Sale remember to ALWAYS CHOOSE SAVINGS.



Our Member Contact Points

Contact Centre: this provides convenience at your fingertips and allows you to conduct business from your phone. Our highly trained agents can transmit calls, answer queries on the status of loan applications, general product questions, etc.

Member Care Department: can assist you with any queries and investigate any member services issues. Their role is to assist and support you as you conduct business with our Credit Union.

Member Services

The Member Services Department is one of the key contact points for our members. Our Member services representatives facilitate transactions such as:

1. Deposits to your accounts
2. Withdrawals from your accounts
3. Loan payments

This unit is also responsible for the opening of new accounts, joint accounts, issuing of ATM cards etc.

Remember to please have some form of identification

available (that is Identification Card or Passport) when making withdrawals.

It is also important that you notify one of our representatives when you have a change of address or telephone number.

Member Education Sessions

As part of our orientation of new and existing members, COB hosts regular quarterly Member Education and Financial Planning Sessions.

The goals of the sessions are:

1. **Education:** Inform members on the principles of the Cooperative Movement
2. **Fellowship:** Provide an opportunity for members to meet other staff members
3. Provide information on issues to assist members with making prudent financial decisions

For information on these sessions you may contact the marketing department at 430-5900.



FACT SHEET

SAVING FOR INCOME TAX

The Government of Barbados has made changes to the regulations on the administration of Savings Certificate for Income Tax purposes.

COB has been in consultation with the relevant departments to establish a system, which will make the process easier for you while following the regulations as established by the Ministry of Finance.

The new Regulations stipulate that with effect from January 1, 2007:

- Members of Credit Unions can claim up to \$10, 000 per year for savings made with Credit Unions.
- Withdrawal of funds claimed for income tax purposes within a five year period will be subjected to a 25 % with holding tax on the withdrawal amount.

THE COB SOLUTION

COB has decided to create a specific savings vehicle to manage that portion of savings which members choose to allocate for Income Tax purposes.

The new account will be known as the COB Income Tax Savings (CITS).

This savings plans is designed:

- To manage those savings which you would have earmarked for income tax purposes.

Features of the Plan

- The saving plan is set up for a period of five years.
- Members can add to this account at any time.
- Funds which have been claimed for Income tax purposes will be subjected to a 25 % withholding tax if withdrawn within the five year period following the deposit.
- **Interest rate:** An interest rate of 0.5 % above the prevailling deposit market rate will be offered on this savings account and will be paid quarterly on the actual balance.
- **Eligibility for a savings Certificate:** To obtain a savings certificate the member must place funds into this account. As a new measure, from the next financial year, savings certificate allocation will only be prepared for members who possess a CITS account.
- Deposits to the account can be made through the usual channels from the Member Services Representative/ teller.
- Withdrawals must be made at the teller due to the



Withholding Tax stipulation.

- It is anticipated that this account will be set up for all COB members.
- CITS will only be activated after you have made a deposit or a transfer to the account.

GLOSSARY: UNDERSTANDING THE LOAN TERMS

Due date: The date payments must be made as set out by the loan agreement with COB.

Schedule/Regular Payment: Payment made by the date set out by the loan agreement all loans at COB requires a schedule payment of 28th/30th of the month.

For. E.g. you loan payment is: \$200.00

Payment is due on the 28th of each month. The 28th is a schedule payment date.

Unscheduled Payments: Any payments that are made outside of your regular payment date

Collateral/security: Any item of valued used by a borrower to secure a loan.

Principal: Amount of money borrowed from the Credit

Union. E.g. I want to borrow \$2000 to buy a new refrigerator. \$2000.00 is the principal.

Interest Rate: An 'interest rate' is the "rental" price of money. When money is borrowed, the member pays interest to the credit union for the use of it. John Brown borrows \$2000.00 to buy a new refrigerator and the price for borrowing this money is 10%.

Reducing Balance: All loan payments are calculated on your outstanding loan balance and is not calculated on what you owe.





NOTES



City of Bridgetown Co-operative Credit Union Ltd.
'Measuring Success, One Member At A Time'

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