



Credit Control Committee Report

The past year has seen a significant increase in activity in the Credit Control area, with a 44% increase in bad debt recoveries – up from €5k in 2003 to €9k this year. This, coupled with a decrease of 25% in debt collection costs – down from €46k to €36k, demonstrates the commitment to credit control.

This year, we are writing off €379k – representing 1% of our loan book. We would point out, however, that this write-off is only an accounting exercise, with all of these members being pursued for full recovery of their debts. We would, again, encourage members who are in difficulty to contact our Credit Control Officer – Sarah Beasley, who will deal with their difficulty in a sympathetic manner.

Our Bad Debt Provision at €1.8 million now represents 6% of loans outstanding. We feel this level is prudent in the current economic climate. It is hoped to at least maintain this level moving forward.

We would urge caution to all members in respect of borrowing. It is very easy to get finance at present – either from financial institutions or, even, supermarkets and credit card companies. Should the interest rates increase, members could find themselves in severe financial difficulties. Please consider all the issues before taking on additional borrowings. We would also ask that members do not take offence if their loan applications are declined – the decision is in their own interest.

As already outlined, Roscrea Credit Union has joined the Irish Credit Bureau. This will ensure that we have access to financial information, previously not available. We are hopeful that, over time, this access will prove helpful in reducing our bad debt exposure. We also have online access to judgements registered, which is another tool we use in ensuring that we have accurate information.

Credit Control is an integral part of our day-to-day processes. We can assure members that the full rigours of the legal process and tracing agents will be used in recovering any debts outstanding to the Credit Union.

Credit Control Committee.

Tom McCarthy, Eamon Phelan, & David Donnelly.