

2006 No. 78

CREDIT UNIONS

**The Credit Unions (Deposits and Loans) Order
(Northern Ireland) 2006**

Made - - - - - 2nd March 2006

Coming into operation 1st April 2006

*To be laid before Parliament under paragraph 7(3) of the
Schedule to the Northern Ireland Act 2000*

The Department of Enterprise, Trade and Investment^(a), in exercise of the powers conferred by Articles 26(4), 28(2) and 28(4) of the Credit Unions (Northern Ireland) Order 1985^(b) makes the following Order:

Citation, commencement and interpretation

1. This Order may be cited as the Credit Unions (Deposits and Loans) Order (Northern Ireland) 2006 and shall come into operation on 1st April 2006.

2. In this Order:

“Paid up shareholding” shall mean the sum total of shares held by a person in membership of a credit union.

“the 1985 Order” shall mean the Credit Unions (Northern Ireland) Order 1985.

Limit on deposits by persons too young to be members

3. Article 26(1) of the 1985 Order (which provides that a credit union may take deposits up to a total of £1,000^(c) from a person who is under the age at which, by virtue of Article 15^(d), he may become a member of the credit union), is amended so as to specify the amount of £10,000 instead of £1,000.

Limit on loan amounts

4. In Article 28(2) of the 1985 Order (which provides that the total amount on loan to a member of a credit union shall not at any time be more than £10,000^(e) in excess of his total paid-up shareholding in the credit union at that time), the specified sum shall be “£15,000” instead of “£10,000”.

(a) Formerly the Department of Economic Development, renamed as the Department of Enterprise, Trade and Investment by the Departments (Northern Ireland) Order 1999 (S.I. 1999 No. 283 (N.I. 1))

(b) S.I. 1985/1205 (N.I. 12)

(c) S.R. 1993/429 Article 5

(d) S.I. 1985/1205 (N.I. 12) Article 15

(e) S.R. 1993/429

Maximum repayment period for unsecured loans

5. In Article 28(4)(a) of the 1985 Order (which provides that the maximum period within which an unsecured loan by a credit union must be repaid shall be 4 years^(a)) the specified period shall be 5 years instead of 4 years.

Revocation

6. The Credit Unions (Loans and Deposits) Order (Northern Ireland) 1993 is revoked.

Sealed with the official seal of the Department of Enterprise, Trade and Investment on 2nd March 2006.

(L.S.)

Mike Bohill

A senior officer of the Department of Enterprise, Trade and Investment

^(a) S.R. 1993/429

EXPLANATORY NOTE

(This note is not part of the Order)

This Order increases—

- (a) the amount which may be taken on deposit from juveniles by a credit union from £1,000 to £10,000;
- (b) the limit on the total amount which may be on loan by a credit union to a member from £10,000 to £15,000 above the member's paid-up shareholding; and
- (c) the maximum repayment period for an unsecured loan by a credit union from 4 years to 5 years.

This Order also revokes the Credit Unions (Loans and Deposits) Order (Northern Ireland) 1993.