

MEDIA RELEASE

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Credit unions support call for responsible, affordable lending

Abacus – Australian Mutuals has welcomed work by the Victorian Government to respond to the needs of vulnerable and disadvantaged consumers.

This was the focus of an Affordable Credit Summit hosted by Consumer Affairs Victoria in Melbourne yesterday, attended by lenders and community organisations.

“Responsible and affordable credit is core business for credit unions,” said *Abacus* Head of Public Affairs, Louise Petschler.

“Credit unions across Australia have a long-standing commitment to accessible and suitable banking and financial services for all Australians.”

As mutuals, credit unions focus on member-benefit – not driving profits for external shareholders. Credit unions also meet high regulatory standards as prudentially regulated lenders, overseen by the Australian Prudential Regulation Authority.

The Affordable Credit Summit sought to focus on the need for more access to low cost, small, short-term credit for vulnerable consumers, reducing the need for them to source loans from higher cost lenders in the market.

Abacus has welcomed suggestions that government, community groups and industry work together to sponsor and grow programs to meet the needs of low income and vulnerable consumers, such as low interest loan schemes. Victorian credit union Fitzroy & Carlton Credit Cooperative is an example of a credit union active in this work.

Abacus also cautioned individual State Governments to continue a commitment to national uniformity in credit regulation.

“Credit is a national issue and national consistency is key to consumer credit offerings,” said Ms Petschler. “Benefits for vulnerable consumers will be whittled away by red tape and complexity if States adopt different approaches to credit regulation around the country.”

Accompanying *Abacus* to yesterday’s Summit were Victorian credit unions Fitzroy & Carlton Community Credit Co-operative, Macaulay Credit Union, Maroondah Credit Union and Old Gold Credit Union.

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***Abacus - Australian Mutuals** is the industry body for credit unions and mutual building societies. We work with our 150 member institutions to promote the role of mutuals - building societies and credit unions that are owned by, and operated for, the benefit of their members. Our industry offers a different kind of banking: one that puts members first. More than four and a half million Australians are members of credit unions and building societies.*

For more information about Abacus and its members go to www.abacus.org.au