



Abacus
Australian Mutuals

Association of Building Societies and Credit Unions

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Country credit union is first credit licensee

South West Slopes Credit Union has won the distinction of being the first Australian Credit Licensee under new laws regulating consumer credit.

South West Slopes Credit Union is a community credit union operating in south western NSW, including the towns of Young, Cootamundra, West Wyalong, Harden, Boorowa and Temora.

"Every lender, from the biggest bank to the smallest loan broking outfit, has to be licensed or authorised under the new consumer credit regime so it is fitting that a representative of the most responsible lending sector is number one," said Louise Petschler, CEO of Abacus – Australian Mutuals.

South West Slopes Credit Union CEO Steve Elsley said the credit union always puts its members first. This includes ensuring loans to members are suitable and affordable with a consistent and transparent application process. Combined with special hardship provisions, this meets all the cornerstones of consumer protection.

"As a mutual, we are committed to being there for our members and our communities and that means we take our regulatory compliance obligations very seriously. We have worked positively with ASIC to become the first Australian Credit Licensee," Elsley said.

Steve said SWSCU is fortunate to have the resources of a strong and dedicated Compliance Officer, Suzanne James, who has driven the process of ensuring SWSCU continues to exceed its obligations under legislation.

Ms James said SWSCU already had a culture of protecting members from unfair practices and had already subscribed to the new Mutual Banking Code of Practice. 'We only needed to make amendments to existing policies and procedures to achieve the benchmarks set in the new NCCP Act', she said.

Petschler reiterated this, saying "Credit unions and mutual building societies are the most prudent and responsible lenders in the consumer credit market."

"This is a reflection of our focus on our customers because our customers are our owners.

"Our sector also has a very strong record of regulatory compliance. Each and every credit union and mutual building society is an Authorised Deposit-taking Institution under the *Banking Act 1959* and an Australian Financial Services Licensee under the *Corporations Act 2001*.

"The new credit laws mean consumers now have greater protection against unfair and predatory lending practices and lenders and brokers now have a single national licensing regime," Petschler said.

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