

## **PRESS RELEASE**

Thursday July 3, 2008



### Tackling the credit crunch - local MP to launch new financial inclusion service

Local MP Austin Mitchell will officially open the doors to the area's first Community Development Finance Institution (CDFI) on Friday July 11, 2008.

Shoreline and Havelok are tackling the credit crunch and bridging the gap of financial exclusion by funding the CDFI, based on Freeman Street, Grimsby.

The Institution is an independent, not-for-profit, lending and investment enterprise providing affordable credit and a range of financial services to tenants and residents across North East Lincolnshire.

The service – in partnership with the Citizens Advice Bureau and North East Lincolnshire Credit Union – will be provided by the successful East Lancs Moneyline.

A range of services, support and impartial advice will be provided, including;

- low interest loans
- saving options
- insurance cover
- white goods loans

The social landlords aim to increase access to financial opportunities for tenants who live in primarily deprived communities where such services are not normally available.

Housing association officers from both landlords will use the service to help and support tenants at the earliest stages of financial difficulty, signposting tenants to the service while raising awareness in the local community.

Shoreline neighbourhood investment manager Graham Johnston said: "We don't think there should be such a thing as financial exclusion. We want to build sustainable communities where tenants feel financially secure in their homes.

"This service allows those residents who don't usually have the chance or who rely on more expensive alternatives, to access low interest affordable loans and increase their household income, ultimately improving their quality of life and wellbeing."

Havelok Homes' managing director Peter Osborne agrees: "Havelok has worked closely with its partners to fulfill its responsibilities to addressing the issues of financial exclusion in its areas of operation. We are supporting the development of the CDFI in the hope that it will alleviate some of the problems that have been encountered by the more vulnerable members of our community"

Investing in a not-for-profit CDFI ensures that the organisation is delivering social returns for years to come as no money is taken out of the company for private gain but is reinvested to help more customers.

Moneyline manager Ian Clough said: “ We are looking forward to opening in Grimsby. Our services will provide access for local residents who until now have had no alternative than to deal with expensive door to door cash loan companies.”

The social landlords will work closely with tenants to ensure that the service continues to develop in line with customer need.

Financial exclusion is the inability of individuals, households or groups to access necessary financial services because of a lack of access to a bank account or financial services, arrears or reliance on high cost credit.

Housing associations are taking the lead in tackling financial exclusion amongst their tenants and residents and both the Chartered Institute of Housing and the Housing Corporation have placed tackling financial exclusion and increasing community access to money high on their agenda.

- Nearly a quarter of housing association tenants have no bank account while 75% of tenants do not have home contents insurance.
- Housing association tenants make up over 70% of the three million people that borrow money at 164% APR or higher.
- 24% of North East Lincolnshire wards rank among the country's most deprived 10%.

**ENDS**