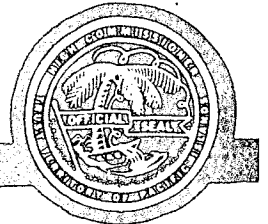


PRESS RELEASE



TRUST TERRITORY OF THE PACIFIC ISLANDS

Office of the High Commissioner

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CREDIT UNIONS GREW RAPIDLY DURING 1966

Marianas

Saipan, Mariana Islands, Trust Territory of the Pacific Islands, Apr. 18 . . . Even exceeding optimistic forecasts, Micronesian credit unions grew rapidly during 1966, statistics released by the High Commissioner show. Credit unions are member-owned and operated savings and lending associations, whose dual purposes are to teach and encourage their members to save money regularly, and also, to provide them with a source of low-cost credit for good purposes. "It is apparent the credit unions are fulfilling these purposes successfully", Assistant Commissioner for Resources and Development Paul L. Winsor said. The following statistics are based on 1966 year-end financial reports submitted by these organizations.

Trust

Ponape

Marshall's

TOTAL ASSETS AND NUMBER OF CREDIT UNIONS

Micronesian credit unions held total assets at the end of 1966 amounting to \$542,563. This was an increase during the year of \$252,030 or 87%. At the end of the year, there were 41 credit unions in Micronesia, an increase during the year of 15, or 57%.

Yap

MEMBERS SAVINGS

Savings of members aggregated \$476,669 at the end of the year, representing an increase of \$213,099 or 81%. These savings were held by 5,151 members. The number of members increased during the year by 1,506 or 41%. Also significant is the fact that average savings per member at the end of 1966 amounted to \$92, an increase of \$20 over the preceding

Palau

MORE

year. This means that, on the average, each of the 5,151 members held \$92 in cash savings at December 31, 1966. In some districts, the average savings per member was higher; for instance, the average savings was \$161 in Marianas District, \$143 in Palau District, \$141 in Yap District, and \$137 in the Marshalls District.

LOANS

At the end of the year, 2,318 borrowers owed their credit unions an aggregate amount of \$481,07 (even exceeding the total of members' savings by \$4,400; this was possible because some credit unions borrowed in order to meet the loan needs of their members). Loans were made for such beneficial purposes as home building and home improvement (by far the most prevalent kind of loan); to buy land; to buy a boat, or an outboard motor; to pay debts; to buy furniture and appliances; and for a multitude of other purposes.

During 1966, Micronesian credit unions made 3,056 separate loans to their members in the aggregate amount of \$880,699. This large amount probably approaches the total of all other commercial lending. Since credit unions first commenced operating in Micronesia, in 1961, they have made 3,211 loans amounting to \$1,866,417. It is thus apparent they have been meeting an essential need of their Micronesian members.

INCOME AND DIVIDENDS

During 1966, credit unions received total income, entirely from interest on loans to their members, amounting to \$44,074. This was an increase of \$17,643, or 67%, over 1965. After paying operating expenses, credit unions paid dividends on members' shares (savings), amounting to \$18,358.

MORE

RESERVES

Although no loans were written off as uncollectible during 1966, credit unions increased their reserves for possible uncollectible loans to \$30,045 by the end of the year. The reserves amounted to 6.2% of the loan balances outstanding at the end of the year.

MISCELLANEOUS

The largest credit union in Micronesia at the end of the year was Saipan Credit Union, serving government employees in Marianas District (except those on Rota). This credit union had 602 members at the end of the year, and \$126,579 in assets. During 1966, their assets increased from \$40,988, an amazing increase of 209%. Second largest credit union was Trukese Government Employees Credit Union, having \$69,430 in assets at the end of the year. However, 4 separate credit unions serving government employees in Palau District had combined assets of \$91,482.

Palau District had the greatest number of individual credit unions at the end of the year, with 23 in operation. Most of these credit unions were serving residents of villages on Babelthuap Island. The combined assets of all credit unions in Palau District amounted to \$153,168.

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