

CRAFT

FLEXIBLE FINANCE

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— Overview



Makers, do you need help financing your next project? Apply for a loan of up to £7,500.

CRAFT Flexible Finance is a new two-year pilot project run by Castlemilk Credit Union (CCU) that offers loans exclusively to Scotland-based makers.

We know the challenges of cash flow and access to reasonable rates for loans for makers. Makers have shared this with us in Craft Scotland and Creative Scotland's research within the Scottish craft community.

With CRAFT Flexible Finance, you can apply for an affordable, flexible loan up to £7,500 to support any aspect of your creative practice.

You might need a cash injection to purchase new equipment or set up a studio space, cover the stand costs of taking part in exhibitions/trade shows or even produce a new body of work.

Did you know that 7% of the Scottish population are members of a credit union?

There are 101 credit unions in Scotland serving over 388,000 people.



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— About CRAFT Flexible Finance

This two-year pilot project has been developed after a feasibility study carried out by the Scottish League of Credit Unions and Craft Scotland, with support from Creative Scotland.

The Scottish Government, politicians and a range of employers and organisations are keen to support the development and growth of credit unions. This is in recognition of the strength of the credit union movement in Scotland, and the role credit unions can play in offering easy savings, affordable credit and a wide range of financial services to communities.

CRAFT Flexible Finance is based on the credit union model that is built on a shared bond of responsibility within a community.

Credit unions serve the community so when you invest in your local credit union you know that the people who are benefitting are your peers and not outside shareholders.

Craft Scotland's role in CRAFT Flexible Finance is to facilitate applications to CCU and make an initial assessment on the relevance and appropriateness of the proposal to the makers creative and business practice. After this, CCU is solely responsible for making the financial assessment based on their criteria and liaising with the customer.


Please note, Craft Scotland is not advising makers to take out loans of any kind, through this scheme or otherwise. CRAFT Flexible Finance is one of several sources of finance available to support your practice. These loans should not be seen as a replacement for grants but complimentary to them.

CRAFT Flexible Finance is run by Castlemilk Credit Union, they are advised by Craft Scotland.



Did you know that you can save with Castlemilk Credit Union (CCU)?

You can save as much or as little as you wish but remember that having a savings account with the Credit Union is not necessary in order to apply for a loan.



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— Benefits & Eligibility



What are credit unions?

Credit unions are community organisations run by and for their members.

Key features include:

- People who save or borrow through a credit union must have a common bond. For example, you might live in the same area, work for the same employer or have the same profession.
- Credit unions are run on a 'not for profit' basis. Instead of paying a profit to shareholders, they use the money they make to reward their members and improve their services.
- Credit unions can be large or small; some have thousands of members while others are much smaller.
- Credit unions are regulated by the Prudential Regulatory Authority and the Financial Conduct Authority in the UK.

Why use a credit union?

Credit unions operate with three main aims:

- To provide loans at low rates
- To encourage all members to save regularly
- To help members in need of financial advice and assistance

Credit unions act in the interests of all members and so try to ensure they don't let their members take out loans they cannot pay back by assessing their income and, in some cases, how much they've been able to save.

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— About Credit Unions



CRAFT Flexible Finance benefits

- You can secure a loan for any amount, up to £7,500
- Your craft business loan application will be assessed by people who understand micro to small businesses
- Your loan is flexible and can be paid back early without penalty (for example, if a big sale comes through)
- You have the ability to have repeat or multiple loans
- There is a quick and simple procedure for requesting a loan, as an alternative to applying for a time-consuming business loan through a bank

Rates

1.5% per month, equivalent to 19.5% APR

How much is in the fund?

CRAFT Flexible Finance is a two-year pilot and as such it has a limited fund in place. Once the total has been distributed for the year no more applications will be accepted, until the following year.

Eligibility

- Professional makers who are living and working in Scotland (full-time or part-time)
- Makers who are working in one of the supported disciplines: Basketry & Willow Weaving, Bookbinding, Ceramics, Furniture Making (furniture and lighting), Glass, Jewellery, Leather Working, Metal Working (blacksmithing and large-scale work), Millinery, Mosaics, Paper Making (paperworks and wallpaper, this does not include stationery), Silversmithing & Goldsmithing, Stone Working (carving, lettering, sculpture, plasterwork and dry stone walling), Textiles (weaving, knitting, crochet, printed, embroidery, tapestry, felting, quilting, tufting and lace), Wood Working.

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— How it works



Applications will be accepted throughout September 2018 – September 2019 until the fund for that year is exhausted. At that point, CRAFT Flexible Finance will close until the following year or until additional funds become available through repayment of loans. Applications are accepted all year-round, there is no closing date.

Applicants in this pilot, whether successful or not, will be required to contribute towards an evaluation of CRAFT Flexible Finance and its implementation. This may involve a short telephone interview with an independent assessor.

Please note, *Craft Scotland will not be involved in any way in the financial decision about whether a loan is granted or not, nor will Craft Scotland see any of the financial information provided to CCU. They will be informed by CCU if the loan application has been approved or not, and will receive anonymised reports on the loans lent and repaid.*

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— How it works



Any questions?

Please contact forms@craftscotland.org



Stage 1: get started

Makers should complete and submit the short application form, which can be [found here](#).

Craft Scotland aim to review applications within five working days of receiving the application. Your review will be assessed against the eligibility criteria and relevance of the requested loan towards your creative and business development.

If your initial application is successful, it will then be referred to CCU for processing.

Stage 2: if successful

You have to become a member of CCU. There is a small one-off membership fee of £5 and you will also then need to provide a share deposit of £5. So, you will need £10 in total.

You will need to provide proof of identity (Passport, Driving Licence) and proof of address.

Payable by BACS to CCU.

Stage 3: loan application

After your application has been referred to CCU, they then take over the relationship. Makers will be asked to complete a further application form, electronically or by post. You will also be required to provide details of your income and expenditure.

There is also the option of visiting their office at 155 Castlemilk Drive, Glasgow, G45 9UG, and speaking to them face to face if this is preferable. Routinely and at busy periods they ask for seven working days turnaround. All loans are processed electronically to a nominated bank account.

If necessary loans can be fast-tracked, there is a small cost involved per transaction: same day payment (£5 fee) or next-day payment (£1).