



Dollars & \$ENSE

What's happening in Our Community

December 2022



Our Members Profit.

“...This has led to our phenomenal growth over the past few years.”



LDCU Mortgages Surge

For the first three quarters of 2022, residential mortgage growth at Ladysmith & District Credit Union (LDCU) has been in excess of 18.57% or \$25mm. This growth has been unprecedented, and a sign of a very robust housing market in Ladysmith. The significant incoming migration of new families and retirees has been a major factor to this residential home growth. New developments and construction have contributed to housing availability, and Ladysmith is on pace for a record year in home sales. However, the dark cloud on the horizon of this growth trajectory is higher interest rates. What does that look like for new applicants, and how can LDCU help?

Currently, the Big Six Banks control 80% of the residential mortgage market. But that trend is changing. Chartered banks are regulated by the Office of the Superintendent of Financial Institutions (OSFI). One of OSFI's regulations that impact residential mortgage applications is called the qualifying rate. This is a form of a stress test that requires a mortgage applicant to qualify for a rate 200 bps, (2%) higher than their signed rate. This means if you apply for a mortgage with a rate of 5.19%, you must qualify at a rate of 7.19%.

The Bank of Canada has so far this year increased rates by 350 basis points, including their increase of 50 bps on October 26th. This has lifted the minimum qualifying rate for the biggest banks' mortgages, set by regulator OSFI, reducing the amounts borrowers can access and leading some of them to seek alternatives.

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Ladysmith



WELCOME BACK!

We are proud to have been a part of the Festival of Lights tradition since almost the very beginning. We hope you get a chance to enjoy this community tradition top.



Happy Holidays!
From all of us to all of you.

CALL FOR NOMINATIONS
The terms of 3 Directors will need to be filled.

See inside page 2 for details

DIRECTORS NOMINATIONS

At the Annual General Meeting to be held on May 9, 2023, the terms of 3 directors will need to be filled, each for a three year term.

All candidates seeking election to the Board of Directors must complete and submit a nominations package to the Nominations Committee by the nomination deadline of February 21, 2023. Packages can be picked up at the Credit Union (CU) or downloaded from our website at www.ldcu.ca.

Each member in good standing of the Ladysmith & District Credit Union who is 19 years of age or older, is entitled to sponsor the nomination of one candidate. According to our Credit Union Rules, a member in good standing is a member, who at the date on which good standing is determined:

- a) has purchased, paid for, and holds, the number of Membership Equity Shares required by the Rules;
- b) has been a member of the CU for at least ninety (90) days;
- c) is not more than ninety (90) days delinquent in any obligation to the CU; and
- d) has paid an annual membership fee as determined from time to time by the Directors, (if required).

Please note:

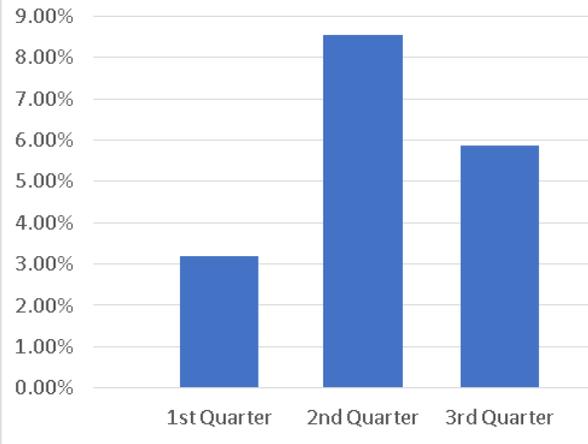
1. Where each member in joint tenancy individually holds sufficient Membership Equity Shares to meet membership requirements, (\$5 per separate member), both may nominate a candidate.
2. A member that is a legal entity and not an individual, (i.e. limited company, registered society, or other legal entity), may authorize in writing, one person, on its behalf, to exercise its right to nominate a candidate.
3. Credit Union members who are eligible to stand for election to the Board of Directors must qualify pursuant to the Company Act, Financial Institutions Act, and the Credit Union Incorporation Act. In addition, the must be a member in good standing for a period of 12 consecutive months, be a minimum of 19 years of age, and qualify subject to the Rules of LDCU.



OUR MEMBERS PROFIT from page 1

This qualifying rate does not apply to provincially regulated Credit Unions like LDCU. The impact of this qualifying requirement has been profound. During the last quarter that information was available from OSFI: April 1st – June 30th, residential mortgage growth was 2.6%% for the Big Six banks. Compare this to 8.53% growth at LDCU. With growth more than triple the chartered banks, Ladysmith & District Credit Union is making a major difference in mortgage qualifying and ultimately in aiding buyers in purchasing homes within our community.

2022 Mortgage Growth by Quarter



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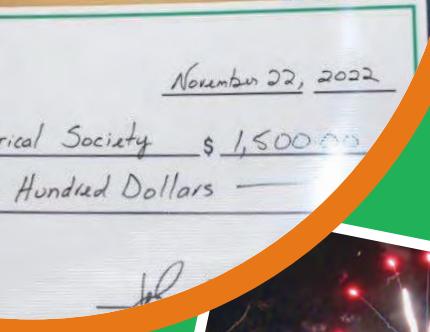
“We are seeing an upsurge in residential mortgage inquiries and applications,” said John de Leeuw, CEO at Ladysmith & District Credit Union. “We have several meaningful advantages over the big banks. First our applicants are not subject to the 200 bps qualifying rate, which is so meaningful considering this rising rate



Millie Stirling, Economic Recovery Coordinator accepts a cheque for \$3000 for the Chamber Golf Tournament



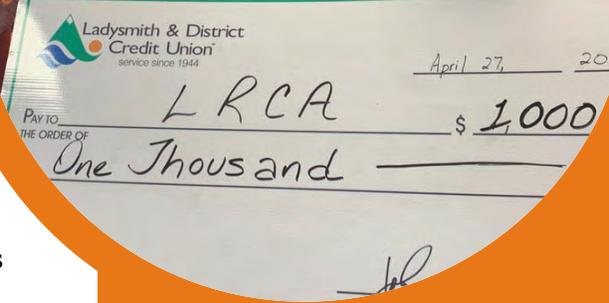
LEFT: Quentin Goodbody from Ladysmith Historical Society accepts a cheque for \$1,500 for their Magic of the Season event.



TH DAYS
LIGHTS



RIGHT: Executive Director of LRCA, Karen Laing accepts a cheque for their Concert in the Park event



environment; second, decisions on all applications are made right here in house, in Ladysmith; and finally, we have a Mobile Mortgage Manager who has the ability to meet with applicants anywhere, anytime. This could be in-branch, in their home, at the local coffee shop, or even virtually. Whatever works best, and is most comfortable for the applicant. Finally, our More than a Mortgage™ product offers the most flexibility available in the market. Our mortgage holders can prepay up to 25% of their original mortgage balance each year. Additionally, they can increase their payment up to 25% each year. These options give control back to the mortgage holder, and have proven very popular over the years. Clearly, our members have spoken. The flexibility of our MORE than a Mortgage™ product offers superior benefits.

De Leeuw went on: “Our members, who are also profit-sharing owners of LDCU, have the advantage that we can take into account factors that the big banks may not consider, including variable income for self-employed borrowers and those who have stable income now, but may have a limited or checkered credit history through past situations beyond their control. We look at the person, or people that sit in front of us, not simply the numbers, and this has led to our phenomenal growth over the past few years.”

If you are looking for the best mortgage at the best rate, contact our mortgage experts at 250-245-2247, or apply online at www.ldcu.ca



John de Leeuw presents Jacqueline Neligan of LAFF a cheque for \$1,000.



TOP: Brianne Mactier, LDBA President accepts a \$1000 cheque for the Jingle Bell Shop

LEFT: John de Leeuw presents Maddie Smith with her Fellowship designation with Credit Union Institution of Canada

Say "Hi" to Sunny

Watch for him with helpful tips and videos on services you need.

Coming Soon.

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GET smart

Call us for your insurance needs.

250-245-2268

lcuinsurance.ca

ICBC Appointed Agent

We're stepping it up.

Ask us about our 2 Year Rate Climber

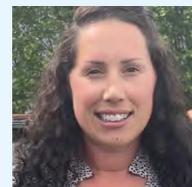
5.50%*

Add our 100% Deposit Guarantee and your money is guaranteed to grow, safely and securely.

Give your money a step up.



DID YOU KNOW...?



BROOKE ORR, CAIB

Recycling is a great thing, but don't put empty boxes of expensive products outside your house. These boxes are an advertisement to potential thieves of what can be found in the house.

Excited to be taking that long awaited vacation? Letting your family & friends know you are going on vacation on Facebook may seem like a harmless action, but you could also be letting a would-be burglar know that you will be leaving town as well.

*Available for new deposits only. Non-redeemable. Visit LDCU.ca for details.



Ladysmith & District
Credit Union™
service since 1944

www.ldcu.ca

Our Community. Your Credit Union.™



ICBC Appointed Agent



driver services