

PGA CREDIT UNION

One of the problems that golf professionals face is that of keeping a high enough credit rating to secure a bank loan. The problem is particularly discouraging for the young, up-and-coming professional. For the veteran, it is one of frustration. No golf club will co-sign a note for its professional, young or old, so the professional is on his own financially. Up to now, the professional's best bet was to take his chances on his own local bank.

That risk was cut drastically about a 18 months ago, when the Professional Golfers' Assn. came up with a savings and loan program for its members. The PGA Credit Union was created in response to the professional's multiple but related problems of meeting overhead, paying bills and maintaining inventory—all of which takes money—and credit.

The response of professionals to the program has been very sluggish, however. To date only 410 professionals have joined the program; that's less than 6 per cent of the total PGA membership. But one PGA official expressed optimism, characterizing the program as "building slowly, but constantly." Total deposits on hand come to about \$110,000 and the number of loans

The PGA's Credit Union is a savings and loan plan that takes the sting out of borrowing

that have been issued number 40, with dollar amounts running between \$85,000 to \$90,000.

Reasons cited for the disappointing showing were the present tight economy and the lack of promotion of the program, although a brochure outlining the program is available for the asking from the PGA. Perhaps professionals need now a reiteration of the basic plan:

- ☐ Members deposit into a savings account any amount of money they wish. They must make an initial share deposit of at least \$5. Life insurance is provided on the amount of the savings deposits up to a maximum of \$2,000 without charge to the depositor.

- ☐ Savings deposits earned 5 per cent interest as of December 31, 1971 (the union can legally pay up to 7½ per cent). Dividends will be computed on a monthly basis and money for deposit received by the 10th of each month will earn dividends for the entire month. However, if any amount is withdrawn during the dividend period, the ac-

cumulated dividend on the amount withdrawn will be lost.

- ☐ Loans for business purposes are available to depositors in the union. Eventually, the PGA hopes to be able to make personal loans available. A golf professional can borrow up to \$2,500 on his signature alone. Over that amount, but up to \$5,000, requires a security agreement using the pro shop assets as collateral.

- ☐ The interest rate on the loan is 12 per cent annually, based on 1 per cent a month on the unpaid balance. The loan must be paid back within a time specified by the Credit Committee.

- ☐ Loan protection insurance covers the outstanding balance of the loan up to a maximum of \$10,000 without cost to the member.

One advantage of this program is that the loan rate is computed on the diminishing balance, as opposed to a bank's computation rate. Further, the dividend from the savings deposit offsets the interest charge for the loan, reducing it considerably.

It's a good deal, why not take advantage of it? Contact PGA headquarters, Box 12458, Palm Beach Gardens, Fla. 33403 for a membership application. ☐