

Proposed JAFARI NO-INTEREST CREDIT UNION

Salamun Alaikum. As you are probably aware, a group of community members started the process to establish a no-interest credit union for the benefit of our community, InshAllah.

The process started in April 2012. We received approval from the Texas Credit Union department in May 2013. As the next step, in July 2013, we filed for approval with the National Credit Union Administration (NCUA), the federal agency that regulates, charters and supervises federal credit unions and provides deposit insurance for federally insured state and federal credit unions.

Below is a brief summary about the proposed credit union.

- *Objective:* Create a credit union, per Islamic principles, that does not charge interest for loans nor pays interest to depositors.
- Credit Union will charge every member \$3/month to pay for its expenses.
- Members can volunteer to join the \$7/month fee program to build the Credit Union's own funds, called Net Worth, required by law. Members can stop their participation at any time. Members who have a paid a certain amount in the past will not be charged this fee (see web-site for details).
- Members can volunteer to join the Regular Lending Fee program for \$25 to \$250/month to supplement the Credit Union's Net Worth and provide funds for lending. The monthly fees will be reduced the longer a member participates in the program. Members can stop their participation at any time. The Credit Union may allow fee refunds but in **very limited circumstances**; you **cannot** depend on getting all or any of these fees refunded (see web-site for details).
- An example of interest savings: a student loan of \$18,000 at 7.75% and \$300 monthly payment will be paid off, if interest-free, in 5 years instead of 7 years, and saves about \$4,800 in interest.
- Each state credit union's operations are regularly examined by the Texas Credit Union Dept.
- Deposits are federally insured by the NCUA for at least \$250,000.
- For more information / questions please see <http://www.jafari-ifl.org> and click on **Proposed CU**.

The NCUA has asked for several additional items as part of their approval process. One of the items they have asked for is written documentation of financial support from community members for the proposed credit union.

You can support the proposed credit union in several ways.

1. Paying a lump-sum Net Worth Fee when the credit union starts operations.
2. Paying a lump-sum Regular Lending when the credit union starts operations.
3. Donating funds for the operating expenses of the credit union. Your donations may be tax deductible if made through your religious/community center – please consult your tax accountant.
4. Signing up for the Net Worth Fee and Regular Lending Fee voluntary fee programs.
5. Maintaining a deposit balance in the proposed credit union.
6. A combination of all of the above.

Creating a no-interest credit union for the benefit of our community is a unique and special opportunity and we need your help to make it successful, InshAllah. Please fill out the PLEDGE FORM on the next page and return it to one of credit union volunteers. Thank you and JazakAllah.

PLEDGE FORM
for the
proposed JAFARI NO-INTEREST CREDIT UNION

Salamun Alaikum. We have been asked to provide written pledges of support for the proposed credit union.

- *Please fill out this pledge form, including your signature, and return it to one of the volunteers.*
- *Please note that you have the right to withdraw your pledge if there are changes in your financial circumstances.*
- *If you have any questions about the proposed credit union or this form please ask one of the volunteers, email us at **notify@jafari-ifl.org** or call Imran Dhanji at **832 661 2059**.*
- *You can also mail the pledge form to: Imran Dhanji, 12227 Shady Downs Dr, Houston, TX 77082*

1. I plan to join the proposed credit union (applicable only to community members in Houston, Austin and Dallas and those with family members in these three cities)	Yes / No
2. I will pay a onetime lump sum Net Worth Fee when the credit union begins operations (please write the amount or "N/A")	\$_____.00
3. I will pay a onetime lump sum Regular Lending Fee when the credit union begins operations (please write the amount or "N/A")	\$_____.00
4. I will donate a onetime lump sum amount when the credit union commences operations (please write the amount or "N/A"). The donation may be made directly to the proposed credit union or via your community center.	\$_____.00
5. I plan to maintain the following approximate amount as my deposit balance at the credit union (please write the amount or "N/A")	\$_____.00
6. I plan to participate in the monthly volunteer Net Worth Fee program, paying \$7/month.	Yes / No
7. I plan to participate in the monthly volunteer Regular Lending Fee program, paying the following amount (please write an amount between \$25/month- \$250/month, or "N/A").	\$_____.00
8. I am currently a member of Jafari Interest-Free Loans?	Yes / No

Name _____ Date _____

Street Address _____ Email _____

City, State, Zip _____ Phone _____

Signature _____