

## **'SAVER LOAN' POLICY MEMBERS' GUIDANCE NOTES**

1. In considering a member's eligibility for a loan account will be taken of any previous defaulting on loan repayments. We reserve the right to refuse an application if there is insufficient evidence of the member's commitment to save and ability to repay outstanding loans.
2. The Loans Panel will consider all loan applications upon merit based upon the member's willingness and ability to pay. Saver Loans are only available to members who pay by payroll deduction or standing order.
3. The rate of interest charged on loans will remain fixed at 12.7% APR throughout the period of the loan.
4. A minimum of £5.00p per week or £26.00p per month must be paid into share account one throughout the period of the loan repayments.
5. In normal circumstances loan applications will not be considered unless a member has made at least 3 regular monthly savings payments or at least 8 regular weekly savings payments, and in all cases an applicant must have made a minimum £20 deposit to their account before a loan can be granted.
6. How much can you apply to borrow? No loan will exceed £5,000 above savings.
7. All maximum loan figures below are quoted above the existing level of the member's savings. An application may be up to 3 times savings or the figure below, whichever is the greater but no loan will ever exceed £5,000 above savings.

| <b>Payment Method</b> | <b>1<sup>st</sup> Loan</b> | <b>2<sup>nd</sup> Loan*</b> | <b>3<sup>rd</sup> Loan*</b> | <b>4<sup>th</sup> and Subsequent Loans *</b> |
|-----------------------|----------------------------|-----------------------------|-----------------------------|--|
| Standing Order        | £1,000                     | £1,600                      | £2,500                      | Up to £4,000                                 |
| Payroll Deduction     | £1,500                     | £2,600                      | £4,000                      | Up to £5,000                                 |

\* After at least 12 months scheduled repayments of previous loan.

8. No savings may be withdrawn if a loan is in arrears.
9. Savings in share account 1 are frozen as security on the loan and may not be withdrawn until the outstanding loan is less than the savings value when the difference becomes withdraw able.
10. If, and only if a member's loan account is not in arrears, they may withdraw savings from their share account 2, 3, 4.
11. Should a member default on loan repayments the Loans Panel will immediately enact the policy to recover the outstanding loan and the member will become liable for a £100 administration charge and all subsequent third party recovery costs.