

Increasing the likelihood of getting your loan application approved.

Every loan application is considered by credit union members serving on the 'Loans Panel'. It's their role to assess the willingness/ability to repay the loan. Remember, the money we lend is the savings of many other members.

Getting Your Loan Approved

Here are four top tips to increase the likelihood of your loan being approved. Remember, unless it is a real emergency we will not issue a loan within 6 months of your previous application.

1/ Tell us about your credit history.

We sometimes conduct a credit check with TransUnion. Having a poor credit history does not mean we decline the loan, but the member has to be 'up-front' about it.

To find out how to check your credit report [visit our website Money Guidance page here](#). If there is inaccurate information held there you can and should challenge and correct it. Be sure to tell us about any issues you have had with meeting payments in the past, it will help your application.

2/ If you owe any money elsewhere, make sure you declare all your debts.

A vital part of what the credit union does is to encourage members to take control of their finances. A crucial part of taking control is knowing how much you owe to whom, and how much the payments are. A member having lots of debt doesn't mean we decline the loan automatically, but the member has to be 'up-front' about it and show that they have thought about working with us to escape from that problem debt. It is worth making a full list of who you owe money to.

3/ Try to evidence and explain that the repayments are affordable.

As a co-operative we're trying to help our members out of debt, so do not want to escalate a member's debts to boost our profits. You should try to explain how the additional borrowing is affordable: for instance, you are clearing an existing high interest debt which will reduce payments and increase your income. Feel free to add a note with the application. As a general principle, do not apply for more than you need.

4/ It pays to have saved with us before applying for a loan.

You do not have to save before applying for a loan but the interest rates may be even lower if you do. Sometimes when demand for loans is high it's only fair to give priority to those members who have been saving with us before applying for a loan. As a general rule, establishing any sort of savings pattern with us reduces the loan interest rate and greatly increases the chances of your loan application being successful. It is not how much you save but the regular pattern that counts.

Top Tips

- If there is additional information to support your loan application when you apply then feel free to include an explanatory note.
- Be as specific as possible about the purpose of the loan.
- Remember to list all debts, including any that have been recently cleared.
- The longer you save with us and/or the less you ask to borrow the greater the chance that your application will be successful.
- The less frequently you borrow the greater your chance of success.

LOAN APPLICATION FORM

It's Quicker to Apply For Loans Online!

Please COMPLETE ALL SECTIONS of this form or write 'not applicable' (N/A).

We will not normally consider loan applications within 6 months of previous loan application.

- Section A:**
- 1.** Name..... Membership Number.....
- 2.** Address.....
- 3.** Post code..... **4.** Home Email.....
- 5.** Time at current address..... *(if less than 3 years, please provide details of other addresses below)*
.....
- 6.** NI number..... **7.** No of Dependents **8.** Are you a British Citizen? **Y or N**
- 9.** Home telephone number..... **10.** Mobile number **11.** DoB.....
- 12.** Are you a: Private tenant? [] Home owner / mortgage? []
Council tenant? [] Which Council?
Housing Assoc. [] Which Housing Assoc.?.....
Other () Please state
- 13.** How much is your monthly rent/mortgage? £.....

Section B: Employment details

- 14.** Employment status* **Permanent / Temporary / Self-employed / Not working** *Circle one category.
- 15.** Occupation (or type of benefit received).....
- 16.** Name of employer..... **17.** Time with current employer.....years
- 17.** Location of Workplace.....
..... Workplace Tel number.....
(if known)

Section C: Loan & Savings Details

- 18.** Purpose of this loan..... (Please be specific about purpose of loan)
- 19.** I would like to borrow £..... **20.** My total individual net monthly income is £.....pcm
- 21.** I wish to repay by direct debit / salary deduction / Child Benefit
- 22.** I wish to repay the loan at £..... plus £..... savings (recommended savings of £30 pcm)
(Savings must be **at least** £28.00p pcm or £6.00p per week)
- 23.** I would like to repay each **month / fortnight / week**

Section D: Paying Your Loan Sum to You

- 24.** How Would You Like Your Payment Made? *Circle a single category below.
- Paid to my bank account by BACS Paid by cheque payable to

Continued Overleaf

25. You must list all loans, credit cards, overdrafts, catalogue accounts or any other sums owed including council tax arrears, mortgage or rent arrears, or recently cleared debts. Failure to disclose information below may lead to your application being declined.

Continue on new sheet if necessary and ask if you need clarification.

Creditor	Purpose	Original Amount	Balance Owing	Repaid at £/month

26. I have un-discharged County Court Judgments against me. YES or NO (delete one)

27. I have, or am considering, insolvency, a Debt Management Plan an IVA or DRO with creditors.

YES or NO (delete one) If yes, please circle as appropriate.

NB A dishonest answer in this loan application may constitute the criminal offence of ‘obtaining monies by deception’, for which the maximum prison sentence is 10 years imprisonment. Having a CCJ, Debt Management Plan, Debt Relief Order or an IVA (Individual Voluntary Agreement) does not necessarily prevent us issuing a loan; however, failure to disclose this WILL lead to the application being rejected.

DECLARATION: (Please read carefully before signing. Ask if any part is not clear.)

- 1/ I am not indebted to any other Credit Union, bank or loan agency, either as a borrower or guarantor, except as stated previously on this application form.
- 2/ I understand that if I fail to repay the loan (default) I will be liable for the costs of recovery including legal costs and a £100 administrative charge towards the Credit Unions costs.
- 3/ I agree to permit the credit union to share information about my loan with credit reference agencies if they deem it necessary. (NB a negative report will not necessarily effect your application)
- 4/ I understand that I will be required to maintain the minimum savings level of £6.00p per week or £28.00p per month throughout the term of my loan.
- 5/ I understand that I may not withdraw savings until my loan is repaid.
- 6/ I've read and understood the data protection statement below regarding data sharing and agree to information being shared with credit reference agencies & for project monitoring purposes with credit union funders.
- 7/ The statements herein are made for the purpose of obtaining a loan and are true to the best of my knowledge.

Members Checklist

- Have you completed every section on both sides of the loan application form?
- Have you included two months most recent bank statements with your application?
- Have you included your most recent payslip if working?

Data Protection Statement: We may use credit reference and fraud prevention agencies to help us make decisions. A short guide to what we do and how both we and credit reference and fraud prevention agencies will use your information is detailed in the leaflet called: "A condensed guide to the use of your personal information by ourselves and at Credit Reference and Fraud Prevention Agencies". If you would like to read the full details of how your data may be used please visit our website at www.credit-union.coop or phone 0207 561 1786 or ask one of our staff. By signing this application you are confirming your agreement to proceed you are accepting that we may use your information in this way.

28. Applicants signature: **Date:**

The section below is for office use only - LOANS PANEL MEMBERS TO COMPLETE:

We approve / decline a loan for £..... **Approved date:**

To be paid back at £..... plus £..... savings per **month / fortnight / week**

Signed by Authorised Signatories Print names

.....

.....

Member notified of decision & that agreement is ready to sign (name& date).....