



LOAN APPLICATION

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Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Wrexham County Borough Credit Union Ltd is authorised and regulated by the
Financial Services Authority. Firm Ref. No. 459641 Reg. No. 737C

Managing Your Money

Budgeting and Dealing with Debt

Sometimes money does not seem to go very far. Working out how to manage your money is daunting. Changing your spending habits can help.

Change your habits with the help of your Credit Union:

- If you need to spend less, work out the areas you can cut back.
- Think also of where you would like to spend extra - a holiday or a new car.
- It is important that you put money aside to have fun or you will never stick to your spending plan.
- Budget to save a little in your Credit Union account every month – and set goals for the year and for the long term.
- Even if you are paying back a Credit Union loan, you can still put a little aside into your credit union account each month.

How it all adds up

- A 50p can of soft drink each day equals £182.50 per year
- An annual council tax bill of £1,000 equals £19.23 per week
- An annual gas bill of £400 equals £33.33 per month

Talk to your Credit Union about how we are different from other lenders

Where to go for advice

Remember - You don't have to pay for money advice. Many agencies do not charge for their assistance.

- **National Debtline - 0800 808 4000 www.nationaldebtline.co.uk**
- **Citizens Advice Bureau - www.citizensadvice.org.uk**
- **Consumer Credit Counselling Services - 0800 138 1111 www.cccs.co.uk**

If you are unable to manage your money, for whatever reason, you may get into debt. If you get into debt DO NOT IGNORE IT. If you ignore debt, then your problems will only increase. There are options.

What can I do to sort out my debts?

If you have a debt problem it is better to face up to it now and not allow the problem to get out of control.

- Work out your budget and decide how much you can afford each month to pay off your debts, putting your priority debts at the top of the list.
- Contact all your creditors as soon as possible and explain the problem.
- Offer to pay off the debt at an amount you can afford. Most creditors know that this is what a court would order, so it is beneficial to arrange a mutually suitable repayment schedule.
- Cut out all unnecessary spending and cut up all your store cards and credit cards.
- Consider ways you might increase your income e.g. working more hours, changing benefits.

What are Priority Debts?

Some debts are more important than others because the consequences of not paying them are severe. These debts are known as **Priority Debts**.

For example:

- If you fail to pay rent, you could be evicted.
- If you don't keep up with mortgage payments, your lender can force the sale of your home.
- If you don't pay your fuel bills your gas or electricity can be cut off.
- If you don't pay your council tax you can be sent to prison.
- If you don't pay court fines, you could be sent to prison.

Under no circumstances should you ignore **Priority Debts**. Make sure that you have money available to pay these first.

Are you claiming all the benefits you are entitled to?

Even if you are working you may still be entitled to benefits. To find out more go to www.direct.gov.uk

Should I look for a consolidation loan to pay off my debts?

Be cautious. Some loan companies sound too good to be true. Many consolidation loans in reality are over a long period of time and are often secured on property. This makes them expensive and you could pay back an extremely high amount of interest.

Lending Guidelines

Your Questions Answered

When can I apply for a loan?

Members may apply for a loan once the account opening formalities have been completed.

How much can I borrow?

Up to £5,000 but only as much as you can afford to repay. It is important that you fully complete the Loan application form and supply details on your income and expenditure as this will enable us to assess your application without undue delay. Please note that the granting of loans is subject to the availability of funds.

How do I repay the loan?

The same way that you make deposits to your savings. This can be at any of the collection points, through your bank or building society, through payroll deduction from your employer or through any UK PayPoint outlet using your PayPoint card (if one has been issued).

What about repayment periods?

Loans may be repaid over a period up to 3 years depending on the amount and purpose for which the loan is being sought. Please indicate on the application your preferred repayment option (weekly/monthly) or contact the Credit Union Office for further advice.

What interest do I pay?

Interest rates are reviewed periodically by the Board of Directors. Interest is applied to your loan daily and is calculated on the outstanding balance. If you pay off your loan early you will pay less interest. There are no penalties or hidden costs for paying early. The maximum interest charged by credit unions is **26.8% APR**.

What about insurance?

All members have FREE life insurance that covers savings and loans should the member die. (Certain restrictions apply).

Can I take out another loan before the original loan is repaid?

Yes you can subject to certain regulatory conditions.

How do I receive my money?

Once your loan has been approved you will be sent a loan agreement form which must be signed and returned to the Credit Union. You may receive your money by either:

- Collecting the cheque (Post Office encashment arrangements can be made); or
- Providing instructions to have the loan paid into your bank account.

What about savings?

To ensure that the Credit Union continues to be able to grant loans, members must continue to save whilst repaying their loans.



LOAN APPLICATION FORM

Please complete all sections of the form in **BLOCK CAPITALS**. If you need any help in completing the form, staff or volunteers in the Credit Union will be pleased to assist. You must be over 18 years to apply.

Please Supply The Following With The Application:

- 1 x Proof of Address
- Latest 3 Pay Slips / Benefit Letters
- Last 3 months Bank Statements
- Rent /Mortgage Statement (within last 3 months)
- A Recent Utility Bill (within last 3 months)
- Statement / Repayment Book for other debts / loans

MEMBER DETAILS *(To be completed in full)*

Title: _____

Name: _____ Membership No: _____

Address: _____

Post Code: _____ Time at Current Address _____

(If less than 3 years) Previous address: _____

Date of birth: _____ National Insurance No. _____

Home telephone No. _____ Mobile No. _____

(Inc STD Code)

Are you: Single Tenant Joint tenant House Owner
 Living with family Buying your house Lodger

Number in household Number of children

EMPLOYMENT / BENEFIT DETAILS

Employment Status * Employed / Unemployed / Self-Employed / Student / Retired

Occupation/Type of benefit received (ie IS/JSA/CTC): _____

Do you have deductions from Benefits? Yes/No

Name of Employer: _____

Address of Employer: _____

Time with current employer: _____

(If less than 1 year, please provide details of previous employment on a separate sheet)

Type of Contract * Permanent / Temporary / Fixed Term (Please specify) _____

* *(Delete as appropriate)*

LOAN DETAILS

Purpose of loan	Amount requested
TOTAL AMOUNT	£

Repayment period: _____ (Weeks/Fortnights/Months)

LIABILITIES (If answer yes, list below)

Do you have any County Court Judgments, Charging Orders or Default Notices registered against you? Yes No

Are you an undischarged bankrupt? Yes No

Have you either entered into or are you about to enter into an Individual Voluntary Arrangement? Yes No

Do you currently have / previously had a loan from a home collection credit company? (Provident/Greenwoods, etc.) Yes No

We will be carrying out a Credit Reference Agency search to confirm the following details.
Failure to divulge information, will affect the decision on the loan.

Name of Creditor (Who do you owe money to?) <i>(Please list all mortgages, loans, credit cards, catalogues, door step lenders, County Court Judgements, debt collection agencies, etc)</i>	Original Amount	Current Balance	Wkly/Mthly Payments

ASSETS: Please estimate the value of your:

	Member	Partner
Property	<input type="text"/>	<input type="text"/>
Vehicles	<input type="text"/>	<input type="text"/>
Savings	<input type="text"/>	<input type="text"/>
Other valuables	<input type="text"/>	<input type="text"/>

Use this table to work out where you spend your money. Complete the column that relates to when your main income is received, i.e. If you receive weekly benefits, just complete the weekly column.

EXPENSES	WEEK	MONTH	ANNUAL
Housing			
Rent/Mortgage			
Council Tax			
Insurance			
Gas/Electricity			
Water			
Telephone/Mobile/TV/Internet			
Household			
Groceries/Cleaning/Toiletries			
Snacks/Lunches			
Clothing			
Transport			
Petrol			
Car Tax/Ins/Maintenance			
Bus/Train/Taxi			
Leisure			
Holiday			
Going Out/ Alcohol/Tobacco			
Books/Magazines			
Sport			
Other			
Child Care			
Prescriptions/Health/Dentist/Optician			
HP / Catalogue			
Credit Card & Loan Payments			
Court Orders			
Other Expenses			
Total Expenses			
INCOME			
Wages/Salary/Benefits			
Interest/Dividends			
Other			
Total Income			
Disposable Income = (Total Income minus Total Expenses)			

FORMAL DECLARATION

I declare that I am/am not* in good health and I do not*/ do* require regular medical treatment. (* delete as applicable)

I further declare that the information I have given on this form is, to the best of my knowledge and belief, accurate and full information. I understand that the provision of false information is fraud and that the Credit Union may take appropriate action if I am found to have deliberately provided false or misleading information.

Signed: _____

Date: _____

PARTNER'S DECLARATION

If you have declared your partner's income details as part of your overall income in applying for this loan, your partner will need to sign below confirming agreement for their information to be used in considering the loan and its repayment and provide proof of such income.

Partner's name: _____

Partner's signature: _____

Date: _____

DATA PROTECTION STATEMENT:

In accordance with the principles of the Data Protection Act 1998, we will use your personal details for the purposes of managing your accounts with the credit union. Your personal details will be treated confidentially and will only be shared with other agencies for the purposes of credit referencing and debt recovery, for which purpose we hold a Category F Consumer Credit licence. The Credit Reference Agency will record details of this search whether or not this loan application proceeds and provide us with information about you and anyone with whom you are linked financially, which will be used to make the credit decision.

WHAT HAPPENS NEXT?

On receipt of your loan form, our Credit Committee will assess your application. If your loan is approved we will either contact you direct or send you a letter and loan agreement. A copy of which needs to be signed and returned to our General Office before the loan can be paid out. If your loan application has been declined you will be sent a letter confirming this.

Please note that all loans are also subject to the availability of funds.