

## Loan Terms and Conditions

### Who can apply for a 1st Class Credit Union loan?

You can apply for a loan if you meet the following criteria:

- You are a member of the Credit Union and are making at least the minimum weekly/monthly contribution.
- If you are not already a member of the Credit Union, you must have completed a Membership Application. The loan assessment can begin at this stage however, no funds will be released until the first deposit has been made into your share account via payroll or direct debit.
- You are at least 18 years old.
- You are under the age of 79 – unless you are applying for a Secured Loan.
- You have not been declared bankrupt or entered into a Trust Deed, Individual Voluntary Arrangement or DRO.
- You have not missed any payroll/direct debit contributions to your current loan with us in the past 3 months. If you have, the following conditions apply before you can make an application for a loan:
  - You must make 12 weekly/3 monthly repayments.
  - Any accrued arrears must be repaid in full.

### I have applied for a 1st Class Credit Union loan before – can I apply again?

Yes, you can apply for a loan if you meet the following conditions:

- A period of at least 3 months has passed since we approved your last loan.
- A period of at least 3 months has passed since we last refused you a loan.

### What supporting documentation will I need?

You will need to provide the following documentation to assist us in assessing your loan application:

- Your most recent pay slip.
- 3 months' bank statements if:
  - This is your first loan with the Credit Union
  - This loan is for more than £2k risk
  - You have had more than 2 loans in the last 12 months from the Credit Union

The Loans Team may request further proof of income and expenditure at their own discretion.

Additional supporting documentation will be required if you are applying for a Debt Consolidation Loan.

## What is the maximum loan amount I can apply for?

- The maximum loan you can apply for is £20,000 plus the amount of your shareholding.
- The maximum number of top-up loans in a 12-month period is:
  - Three – for loan balances up to £10k
  - Two – for loan balances over £10k

## Can I withdraw my share balance?

- You can withdraw or transfer savings as long as your savings remain at least the amount of your outstanding loan balance.

## Debt Consolidation Loan

In addition to the above terms and conditions which apply to all loans the following additional conditions apply to Debt Consolidation Loans.

If you are applying for a Debt Consolidation Loan you must;

- provide the following additional supporting documentation:
  - your most recent credit card statement; and/or
  - a settlement figure for the loans you will be repaying  
or if companies are unable to provide settlement figures an up-to-date statement of account.
- pay and close credit accounts that are included in the consolidation. We will pay loan funds directly to third parties on your behalf, however it is your responsibility to close these accounts. Where we are unable to pay directly to creditors, the funds will be paid to you and you must provide proof that this has been paid to your outstanding debt(s).

Any loans you currently have outstanding with 1<sup>st</sup> Class Credit Union will be included in the consolidation.

## Credit Builder Loan

In addition to the above terms and conditions which apply to all loans, the following additional conditions apply to the Credit Builder Loan:

- You must have made your first payment into your account via payroll deduction/direct debit.
- You have not had any CCJ's in the past 6 months.
- You can apply to borrow between £100 - £750, repayable over a maximum of 12 months.
- No top ups will be permitted on this loan type, the loan must be repaid in full before any further credit can be applied.

## Premium Loan

In addition to the above terms and conditions which apply to all loans, the following additional conditions apply to the Premium Loan:

- You must be a continuous member of the Credit Union for at least 5 years.
- You can apply to borrow between £10,000-£20,000.
- You must have share value that will equate between 10-20 if multiplied by 3.

- You have not been approved for a loan with the Credit Union in the past 12 months.
- You do not have a history of bad credit such as, missing payments, CCJ's or excessive borrowing in the past 36 months.
- You do not have affordability concerns on your bank statements such as, high levels of gambling, reliance on payday lenders or by now pay later, and no returned direct debits in the last 6 months shown on your bank statements.

## Season Ticket loan

In addition to the above terms and conditions which apply to all loans, the following additional conditions apply to the Season Ticket Loan:

- You can borrow between £500 - £4,000, repayable over a maximum of 12 months.
- No top ups will be permitted on this loan type, the loan must be repaid in full before any further credit can be applied.
- This loan type will sit outside of the top-up limits.

## Christmas Loan

This loan product is active between 1<sup>st</sup> October and the 31<sup>st</sup> of December. In addition to the above terms and conditions which apply to all loans, the following additional conditions apply to the Christmas Loan:

- You can borrow between £500 - £1500, repayable over a maximum of 12 months.
- No top ups will be permitted on this loan type, the loan must be repaid in full before any further credit can be applied.
- This loan type will sit outside of the top-up limits.

## Secured Loan

In addition to the above terms and conditions which apply to all loans, the following additional conditions apply to Secured Loans:

- The balance in your Share Account (Share 1), must be at least the amount of the loan you will be applying for.
- You can apply to borrow between £1000-£20,000.
- You will only be able to withdraw shares in excess of your outstanding loan balance during the term of the loan.

## Refinanced Loans

If you have refinanced a current loan due to affordability issues, you will not be able to apply for further credit with the Credit Union for at least 12 months. At this time, the maximum loan you can apply for is £1000. After 24 months, there will be no limitations on the amount you can apply to borrow.

All loan applications are subject to terms & conditions as set out above.

## **Exception**

Member's loans that have been refinanced due to payment change i.e., changing from weekly to monthly, merging loans together, and changing the loan product type.

## **Payment Holidays**

Following the completion of a payment holiday, you will need to make 3 monthly or 12 weekly repayments before you can apply further credit. If you stop the payment holiday early, the period of 3 monthly or 12 weekly repayments will begin from the last date of the payment holiday.

## **Your Personal Information**

When you apply for a loan with us you give 1<sup>st</sup> Class Credit Union permission to make searches about you and use certain information about you, relating to assessing your application, verifying your identity, and preventing or detecting financial crime. You can see the full terms of our Privacy Notice - <https://1stclasscu.co.uk/privacy-policy>

## **Refused Loans**

We reserve the right to decline any loan application or to offer a reduced amount. If your loan application is refused and you are unhappy with the decision, you have the right to appeal this within 14 days of refusal. Appeals can be made in writing and sent to our office, or via email to [loans@1stclasscu.co.uk](mailto:loans@1stclasscu.co.uk)

All appeals will be reviewed and answered within 7 days.