



Which Loan is right for me?

The Credit Union is a member owned organisation, and always aims to assist members with loans where this is in their best interest.

The information in this leaflet provides a brief guide to help you decide which of our loan products may be right for your circumstances.

The Credit Union does not charge a set-up fee for loans. Interest is only charged on the outstanding balance of the loan, and loans are insured against death at no cost to the member (subject to policy limits).

Applying for a Loan

Apply for a loan on-line using our web site or pick up a loan application form or loan top-up form from one of our branches.

When you apply for a loan in person, and when you sign to collect your loan, you will need to provide proof of your ID and your current address. If necessary, we may also ask for bank statements, evidence of your income or debts or other information to inform our loan decision.

Before your loan is issued we will ask you to provide evidence that you have made arrangements for regular electronic loan repayments.

SAVE AS YOU BORROW (SAYB) LOAN

Our most popular loans, for up to £1,000, for members on low incomes, who need help to build up their savings or with a poor credit record.

Part of your agreed payment each week or month is added to a separate savings account. You can't touch the savings while you have a loan, but will have a lump sum saved up when you finish paying back the loan.

CREDIT UNION PERSONAL LOAN

Personal loans up to £10,000 are offered to members with sufficient income to afford the loan and a fair to good credit record. **The Credit Union no longer requires regular savings before a loan application.**

FLEXI LOAN

Flexi loans work a bit like a credit card - we agree a credit limit with you and make an initial loan payment. You can top up the loan using a voucher, providing that you are making the regular payments that have been agreed. Flexi-loans require discipline to be used responsibly.

For more information contact: **Lewisham Plus Credit Union Limited, 262 Kirkdale, Sydenham, London SE26 4RS, or your local branch.**
Tel: 020 8778 4738 Email: admin@pluscu.co.uk www.pluscu.co.uk

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SAVE AS YOU BORROW (SAYB) LOAN

The most popular loan for members on low incomes, who need help to build up their savings or with a poor credit record.

- You make an agreed payment each week or month, and a small part of this is added to a special savings account. You can't touch the savings while you have a loan, but you will have saved a small lump sum when you have finished paying it back.
- We can lend up to £600 for a SAYB loan for members without savings, although first loans are usually less, and up to £1,000 for top-up loans.
- Interest rate up to 3% per month on the loan balance (42.6% APR).
- Top-up loans may be considered after six months from the original loan date and per three months thereafter, each subject to loan approval.
- If you receive benefits, loan repayment by direct credit of a benefit will normally be required. You will need a Credit Union Current Account (CUCA) or Engage Prepaid Card to access surplus cash.
- Your loan can be credited to your CUCA or Prepaid Card, and then cashed using a Cash Point machine, or can be transferred by BACS to your bank account. Loans are not normally issued in cash.
- You can make additional repayments to reduce the loan more quickly if desired, but must make your minimum payments on time. There is no charge from the Credit Union for early repayment of the loan.

SAYB LOAN (Representative examples)

Loan size	Weekly*	Loan + Interest	Monthly*	Loan + Interest	Total saved (weekly)	Total saved (Monthly)
£200	£5	£247	£20	£255	£63	£65
£300	£7	£370	£28	£382	£64	£66
£400	£10	£493	£40	£509	£127	£135
£500	£12	£616	£48	£636	£128	£135
£600	£14	£739	£56	£764	£129	£135
£1,000	£22	£1,232	£88	£1,272	£132	£135

*Including contribution to your savings over 62 weeks or 16 months.

Paying more than the minimum will clear your loan quicker, and reduce the total amount you have to pay, but will also reduce the amount of savings you build up while you repay the loan.

All loans are legally binding agreements. If you do not keep up with agreed repayments we can take debt recovery actions. These may include transferring your savings to pay off your loan or using debt collectors, County Court Judgements and attachment of earnings, which may affect your credit rating and others in your household.

CREDIT UNION PERSONAL LOAN

Personal loans up to £10,000 are offered to members with sufficient income to afford the loan and a fair to good credit record. **The Credit Union no longer requires regular savings before a loan application.**

- As a guide for members, Personal Loans require net income as below:

Net Income	Loan Product	Net Income	Loan Product
Less than £600 per month	SAYB or Flexi-Loan	Over £15,600 p.a.	Personal Loan up to £3,000
Over £7,800 p.a.	Personal Loan up to £1,000	Over £23,400 p.a.	Personal Loan up to £10,000

- Interest rates are between **0.75% per month (9.4% APR) and 2% per month (26.8% APR) depending on the size of loan agreed.**
- Loan repayments must be made by electronic credit of salary/benefit or standing order. A Credit Union Current Account (CUCA) or Prepaid Card may be required if you do not have a suitable banking facility.
- You may be asked to deposit an agreed amount of savings in a secure savings (S2) account while the loan is outstanding.
- Your loan can be credited to your CUCA or Prepaid Card, and then cashed using an ATM, or can be transferred by BACS to your bank account. Loans are not normally issued in cash.
- You can make additional repayments to reduce the loan more quickly if desired, but must make your minimum payments on time. There is no charge from the Credit Union for early repayment of the loan.

PERSONAL LOAN (Representative examples)

Loan size	Loan term	Weekly payment	Total payable	Monthly payment	Total payable	Interest rate (APR)	Minimum weekly net income
£500	12 mths	£10.84	£564	£47.28	£568	26.8	£150
£1,000	12 mths	£21.68	£1,127	£94.56	£1,135	26.8	£150
£1,500	24 mths	£18.20	£1,891	£79.31	£1,904	26.8	£300
£2,000	24 mths	£23.28	£2,422	£101.40	£2,434	19.6	£300
£3,000	24 mths	£34.92	£3,632	£152.10	£3,651	19.6	£300
£4,000	36 mths	£30.57	£4,765	£132.86	£4,783	12.7	£450
£5,000	36 mths	£38.21	£5,960	£166.08	£5,978	12.7	£450
£7,500	48 mths	£42.97	£8,937	£186.64	£8,959	9.4	£450
£10,000	48 mths	£57.30	£11,916	£248.86	£11,945	9.4	£450

(1) Net Income is the amount of pay you receive each month, after tax and any other deductions. Salary / wages is counted as income, along with most state benefits. However, Housing Benefit / Local Housing Allowance is not counted as income for loan purposes. Household income may be considered if you have a partner.



FLEXI LOAN

- Available to members who have not yet built up savings.
- Flexi loans work a bit like a Credit Card - we agree a credit limit with you. Maximum Flexi limit is generally £600 for members without significant savings, although limits for first time users may be less.
- The initial payment, normally credited to your CUCA, is between £100 and £400. If you don't need all this at once, some can be put into your Credit Union savings and then withdrawn at a later date.
- Top-ups to draw down further monies in multiples of £50 to £250, are available after 3 months or 12 weeks, providing that you have made the minimum payments correctly.
- Up to one top-up each calendar quarter is allowed, if you have sufficient funds within your credit limit.**
- The interest rate is 3% per month on the loan balance (42.6% APR).
- To access a Flexi loan, you will normally need to have a Credit Union Current Account, with income (wages or benefits) paid directly into it.
- Remember that using a Flexi loan requires a lot of discipline - it is important not to use it too often. Otherwise, you may end up paying more interest, and be unable to borrow when you really need to.
- Your Flexi-loan credit limit is based on your ability to pay and your credit history. Your Flexi limit will be reviewed after six months and may be increased or reduced. Your account will be reviewed after three years, although we reserve the right to do so at any time.

FLEXI LOAN (Representative examples)

Flexi Credit Limit	Weekly payment	Total payable	Monthly payment	Total payable	Minimum top-up loan*
£100	£2	£123	£8	£127	£50
£200	£4	£247	£16	£255	£50
£300	£6	£370	£24	£382	£100
£400	£8	£493	£32	£509	£100
£500	£10	£616	£40	£636	£150
£600	£12	£739	£48	£764	£150
£800	£16	£986	£64	£1,018	£200

These examples show the amount payable if no further top-up loans are added, and are based on regular payments over a typical term of 62 weeks or 16 months.

*In order to access a further loan, you must have paid off at least the minimum further loan amount. This must be achieved using your usual payment method. Recent lump sum payments to reach these limits will not be permitted.

Please note that the information in this leaflet is a general guide only and is correct at the time of publication. Lewisham Plus Credit Union reserves the right to decline any loan application (or reduce the amount offered) based on any factor that it considers relevant.