

## **HULL AND EAST YORKSHIRE CREDIT UNION FREEDOM LOAN LENDING GUIDELINES**

### ***Who can apply for a Freedom Loan?***

Any member of Hull and East Yorkshire Credit Union aged over 18. If you're not already a member, it's easy to join.

### ***How much can I borrow?***

Your first Freedom Loan can be for up to £500. We will review your income and expenditure and make sure that you can afford to repay your Loan. It is therefore very important to complete your application form fully. We take great care to be a responsible lender and not encourage people to get into too much debt.

All loans are subject to approval at the discretion of the Credit Union. We will contact you to let you know our decision.

### ***How do I collect my loan money?***

If your loan is approved we will make an appointment for you to come to the Office or Branch to sign your Loan Agreement.

We can arrange to pay off your existing credit provider, transfer funds direct into your bank account or give you a cheque.

### ***How do I repay my loan?***

We prefer you to have a regular method of repayment, such as a Bank Standing Order or Payroll deduction. If you do not have a bank account, you can apply for a Credit Union Current Account which lets you set up standing orders as well as other useful services.

### ***What interest do I pay?***

The interest on Freedom Loans is 2% per month (26.8% APR). Other credit union loans carry different interest rates.

### ***How often must I make repayments?***

Repayments can be made weekly, fortnightly or monthly, depending on how often you receive your income. We can help you set up a bank standing order to take effect on the same day as you get your income, so that you can avoid the risk of getting bank charges. But it is your responsibility to make sure there are sufficient funds in your account on the day your loan repayment is due. Any bank charges you incur will not be reimbursed by the Credit Union.

### ***What about saving?***

We encourage members to save in one of our savings accounts while repaying your loan.

### ***When can I apply for another loan?***

You can apply for another credit union Loan when you have repaid half of your existing one. Any new loan given will pay off the outstanding loan first so that there is only one Freedom Loan at any one time.

### ***Can I repay my loan early?***

Yes, no problem and there is no penalty as you only pay interest on the outstanding daily balance.

### ***What if I die before my Freedom Loan is repaid?***

Up to age 70 your loan may be covered by Loan Protection Life Insurance, at no cost to you. Terms and conditions apply.