



North London Credit Union - Personal Loan Terms & Conditions

These Terms and Conditions relate to all loan products offered by North London Credit Union Limited (hereafter called 'loans'), excepting those for business purposes (covered in a separate document). They should be read with the Membership Terms and Conditions and with your Loan Agreement.

Introduction

1. Credit unions work by lending the money that members are saving with us. The interest that we charge on loans pays our running costs and the cost of making the loan available.
2. Credit unions are owned by their members and any surplus made by the end of the year is distributed to savers. This includes those who have a savings account linked to their loan (see below).
3. Borrowing money to buy something is more expensive than saving for what you want. It is very important that before you borrow money you think about whether you really need the loan and whether you will be able to repay it.
4. We will lend responsibly and aim to provide a product that is affordable for you, based on the information that you have provided to us.
5. We will give you information about our products and services and how they work, in a clear and understandable way, so that you can decide what's best for you and your needs. We will never pressure you into taking credit. We are not able to offer any general advice regarding credit or the merits of the different types of credit, nor can NLCU recommend any particular provider. We suggest seeking independent financial advice if required.
6. Like most lenders, we use a credit reference agency search to help us make decisions about applications. Applications for credit which are declined can be viewed by other potential lenders and may negatively affect future application for credit. You should therefore be sure that you meet our eligibility

criteria *before* submitting your application. We encourage applicants to be open about their circumstances, as failure to do so may lead to applications being refused and loan offers being withdrawn.

Eligibility

7. To receive a loan from North London Credit Union, you must be a member. Information on our criteria can be found on our website.
8. You must be over 18 years to enter into an agreement for credit.
9. You must be a UK resident to get a personal loan. If you are not a permanent resident, your eligibility to remain in the UK must extend beyond the term of the loan by a minimum of six months. We may request proof of your residency status.
10. You must have a regular income to be eligible for a loan. This may be from employment, pension, self-employment, welfare benefits or other legitimate source. Only the income that you are able to show evidence for can be used in respect of your application. In circumstances where your income fluctuates, we may ask for additional proof of income.
11. We will ask for details of the purpose of your loan and reserve the right to request proof of the loan purpose.
12. You can use your loan for almost anything, apart from:
 - Business reasons (please see separate details of our Business Purpose Loans);
 - Investments, including buying stocks and shares;
 - Timeshares;



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- Purchasing property (but home improvements are fine);
 - Repaying CCJs (County Court Judgments);
 - Political purposes;
 - Any purpose that we judge may bring NLCU into disrepute.
13. Applications can normally be made six months apart, regardless of the loan decision. We will not usually advance further funds until we have received six months' satisfactory payments on an existing loan and no further funds will be advanced where the account is not fully up-to-date with payments.
14. Eligible applications are assessed against our credit policy and decisions to lend are made entirely at our discretion.

How and when will we give you the loan?

15. When you have signed and returned the agreement, we will sign it. The agreement will start on that day and will end when you have repaid everything you owe us.
16. We will pay the loan into the current account you gave in your application and which has been verified as belonging to you (with the exception of loans for the purpose of consolidating other debt, see Consolidation Loan section, below).
17. This will usually be no more than five working days after the start date or the specific date you asked for.
18. Loan offers are valid for a period of three months from the date of the offer, unless otherwise agreed at the time of the application.

How must you repay the loan?

19. All loans can be cancelled within 14 days of taking the loan, provided that all transferred money is returned to the credit union (plus interest accrued to that point).
20. Loan repayments must be made monthly via direct debit, unless through payroll deduction

(if you work for one of our partner employers).

21. If payments by direct debit (or payroll deduction) are not maintained, this can prejudice any future loan applications.
22. You must make the monthly repayments set out in your agreement. If a repayment date is a non-working day we will collect it on the next working day.
23. For loans being repaid via payroll deduction, if you leave your employment you **MUST** inform us prior to your final pay, so that we can set up payments by direct debit, otherwise outstanding pay may be taken towards your outstanding loan.

What is the cost of the loan?

24. We charge a fixed rate of interest which we calculate from the point that the loan is disbursed. The total amount payable by you is the sum of interest and the amount borrowed. For these purposes, we assume we provide the loan one month before the first repayment date.
25. Interest on loans is charged on the reducing balance of the loan, and the rate will be fixed for the whole repayment period.
26. We will not charge you any lending fees, commission or early redemption fees of any kind.
27. If you repay part of the loan early, you can choose to reschedule your remaining monthly repayments (meaning lower monthly repayments) or to keep them at the same amount (and repay the loan more quickly). Please contact us if you would like to discuss your options.

Save as You Borrow

28. An important feature of a loan from North London Credit Union is that, in order to help members to get in the habit of saving, our loan products contain an element of compulsory savings.



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29. During the term of the loan, the borrower will pay to the lender a fixed amount of either £10 (for loans £1,000 or less) or £20 (for loans above £1,000), in addition to each loan repayment. This is made at the same time as the loan payment and is placed in a separate savings account which cannot be withdrawn during the term of the loan, but will be freely available to the borrower when the loan is repaid.
30. These savings will attract a return at the same rate as other share account savings.
31. Sums paid by the borrower in excess of loan payments and compulsory savings shall be placed to an ordinary (non-attached) savings account which shall be freely available to the borrower on the terms applying to such accounts. In the event of the loan being in default we shall have the right to offset the balance held in the savings account, up to the amount owing on the loan (including accrued interest). Such amounts shall not be available to the borrower, whilst the loan remains in arrears.
32. The exercising by the lender of any discretion in respect of any of the conditions set out in this clause shall not affect the lender's overall right to offset balances held, or affect any of the other terms and conditions.

Additional terms and conditions specific to Consolidation Loans

33. Consolidation loans are provided for the purpose of reducing the cost of your existing credit, enabling you to gain control of your finances and on the assumption that your overall debt levels will be reduced at a faster rate than would otherwise apply.
34. It is vital that you provide us with a full picture of your financial circumstances at the time of applying for any loan, but particularly where you applying for consolidation finance, as such a loan is not suitable for everyone.

35. The guidance that we as a credit union are able to provide on your finances is limited to that related to our own products (and general budgeting advice). We are not able to provide debt counselling or advocacy services. We suggest seeking free advice from a debt charity if required, such as your local Citizen's Advice, PayPlan, StepChange or the Money Advice Service.
36. We will ask for you to provide payment details for the people you owe and will, wherever possible pay them directly. Should they not accept payments from third parties, you must provide proof that you have made the payment to the creditor as agreed.
37. We may ask for proof that the account(s) are closed.

Additional terms and conditions specific to Savings-Secured Loans

38. Savings-Secured Loans are a way of borrowing money at a low, fixed rate, whilst retaining your savings.
39. You should be aware that you will likely pay more in interest charges than you would gain from any dividend.
40. All Terms and Conditions that apply to lending, including payment terms, apply to a Savings-Secured Loan.
41. When a loan is secured on your savings, we move your savings (to the value of your loan), into an account that is 'locked' until the loan is repaid. Other deposits you may hold with us may be accessed freely, as normal.
42. 'Locked' savings will attract a return at the same rate as that paid on other share account savings.

Guidance if you miss a repayment or we have other concerns

43. Please let us know if your circumstances change, particularly if what's happened is likely to cause you difficulties in managing your account or financial problems.



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44. Get in touch as soon as possible if you think that you won't be able to keep up with your repayments. The sooner you do this, the more likely it is we'll be able to find a way to help you.
45. There may be severe consequences if:
 - a) You do not make repayments on time; or
 - b) We find that any information you provided as part of your loan application was materially incorrect or misleading; or
 - c) You are declared bankrupt or have similar proceedings taken against you; or
 - d) We reasonably suspect any fraud or other criminal activity in connection with this agreement and/or any other facility or account that you have with us.
46. In any of these cases, we can:
 - a) Demand immediate repayment of the loan;
 - b) Disclose information about you and the conduct of your loan to licensed credit reference agencies (which may make it more difficult for you to borrow in future);
 - c) Bring legal action to recover the loan (which could include asking a court to order that, if a property you own is sold for any reason, some of the sale proceeds are used to repay this loan); and
 - d) Require you to pay our reasonable costs and expenses for taking action to obtain payment, including legal costs;
47. We will give you advance notice and (unless the problem cannot be fixed) the opportunity to fix the problem before taking any of these steps.
48. If we choose not to enforce our rights under this agreement at any time, we may enforce them at a later date instead.
49. You will be liable for any and all costs we incur in recovering sums due under the Agreement.

50. In the event of default the Credit Union reserves the right to pass information held about the defaulting member to third parties.
51. In the event of default the Credit Union may, if applicable, apply to The Department of Work and Pensions to deduct payment from the individual Borrower's benefits.

General

52. Failure by the lender to follow any or all of the procedures set out herein shall not invalidate the remaining terms.
53. A Loan Agreement is a legally binding Agreement; sign it only if you wish to be bound by its terms. If you do not understand any part of the Agreement you should take independent legal advice.
54. You must let us know of any changes to your contact details as soon as you can (including address, phone number and email address).
55. Statements for your accounts with NLCU are issued annually. Additional statements can be requested at any time. There may be a small charge to cover the cost of additional postal statements.
56. We have the right to offset any amounts you deposit to any of the accounts you hold with us against any amounts you owe to us. This means that we have the right to (for example) to move money from your savings account to pay loan arrears, or other amounts which are due.
57. A member of NLCU aged 18 years or over can receive a copy of the annual Report and Accounts (on request) and will invited to attend the Annual General Meeting as a voting member.
58. If you wish to make a complaint about this account or North London Credit Union, you should address it to: The Complaints Officer, North London Credit Union, 3 George Mews, Enfield, Middlesex, EN2 6JA. Complaints can be made in person, by post, or by email. A



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copy of our *Complaints Procedure* may be found on our website.

59. We are a member of the Financial Ombudsman Service.
60. For more information about NLCU's loans or other products please visit our website (www.northlondoncreditunion.org), contact us on 020 8366 8244 or email info@northlondoncu.org.
61. The Borrower authorises the Lender to search, link and/or record information at Credit Reference Agencies about them, and/or anyone else referred to by them, and agrees to be bound by the lender's policy on these matters as set out in "A condensed guide to the use of your personal information by ourselves and at Credit Reference and Fraud Prevention Agencies" which is available from our website or on request.

Changes in Terms and Conditions

62. We reserve the right to adapt or amend these Terms and Conditions.

Statutory Details

North London Credit Union Limited trades from its registered office at 3 George Mews, Enfield, Middlesex, EN2 6JA.

Its telephone number is 020 8366 8244, and its email address for general correspondence and enquiries is info@northlondoncu.org.

North London Credit Union is authorised by the Prudential Regulation Authority and regulated by

the Financial Conduct Authority and the Prudential Regulation Authority, registration 213809.

North London Credit Union is approved by HM Revenue & Customs (HMRC) as a provider of Cash Individual Savings Accounts, under the reference Z1743.

North London Credit Union is covered by the Financial Services Compensation Scheme (FSCS). The FSCS will pay compensation to depositors if a credit union is unable to meet its financial obligations. Most depositors – including most individuals and small businesses – are covered by the scheme.

In respect of deposits, an eligible depositor is entitled to claim up to £85,000. For joint accounts, each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £85,000 each (making a total of £170,000). The £85,000 limit relates to the combined amount in all the eligible depositor's accounts with the credit union, including their share of any joint account, and not to each separate account.

For further information about the scheme (including the amounts covered and eligibility to claim), please refer to the FSCS through their website (www.fscs.org.uk) or call them on 0800 678 1100.