

Loan Terms & Conditions

General

- Membership of Penny Post Credit Union, or completion of a loan application, does not guarantee a loan will be granted.
- The credit union staff will gladly discuss loans and loan applications.
- Loan Agreements are subject to approval by the Loan Team.
- The Loan Team will not enter into discussions about their decisions. The Loan Team decisions are final and binding.

Disclosure of Information

- The information that you provide may be disclosed to a licensed credit reference agency which will retain a record of the search. It may then be used by other lenders in assessing applications from you and other members of your household and for debt tracing and fraud prevention. You have the opportunity to 'opt out' of the credit union receiving information about members of your household. This is clearly marked on the loan application. Information may be shared with other credit unions.
- Please note that by signing the loan application you are Giving permission to Royal Mail Group to share information.

County Court Judgments (CCJ's), Individual Voluntary Agreements (IVA's), Bankruptcy Orders

- Loan Applications will be considered in the normal way when a member has *low value* active CCJ/s. (see Declined Loans). Failure to declare a CCJ will result in an application being denied.
- Where a member has large CCJ's, a Bankruptcy Order or IVA's, the Loan Committee are currently not agreeing loan applications where shown on a credit report (currently six years).

Declined Loans

- The Loan Team will decline a loan application if, in their opinion, to make the loan would be against the interest of the credit union or the member. They take into consideration; length of membership, savings and loan record, amount requested, a credit reference agency credit report, available funds, current credit union rules & policies and any other information they consider relevant.
- We are not permitted to reveal details of a credit report but will give details of the credit reference agency used.
- If a loan application is denied, we will indicate the period that needs to elapse before a new application will be considered.
- The Loan Teams will not enter into discussions about their decisions and employees cannot overturn such decisions.

Distance Marketing Directive

Under the Distance Marketing Directive members have the right to cancel a loan agreement within 14 days by informing the credit union and returning the money lent.

Bereavement Fund

- In the event of the death of a member who has an outstanding loan, the Penny Post Credit Union Bereavement Fund will repay the loan. (see leaflet for more details)

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Loan Conditions

- There is a restriction of one loan at a time.
- Attached Loans only: Members can put a lump sum into their savings account in order to apply for a larger amount.

Loan Interest

- The interest on all loans is charged on a daily basis.

Early Loan Repayment

- Loans can be partially, or fully repaid, at anytime. There are no extra costs or penalties.

Loan Repayments

- Loan repayments can be increased as requested.
- It may be possible to reduce loan repayments. Please contact the office.
- In the event of missed loan repayments, shares may be transferred to cover the missing repayment.
- If the credit union is advised of a impending bankruptcy, or suchlike, shares may be used to reduce the outstanding loan balance.

Leavers

- If a members is about to leave Royal Mail It is important that contact is made with the credit union as soon as possible. This is to prevent any misunderstanding or any resulting recovery action. Arrangements can be made to repay the outstanding loan by bank standing order. Leavers are welcome to remain a member of Penny Post Credit Union and are able to apply for loans in the same way as Royal Mail employed members.

Financial Difficulties

- If a member, who has a credit union loan, finds themselves in financial difficulties, it is important that she/he contacts the credit union. We will do our best to help. Further help can be sought from Royal Mail's welfare services, the Rowland Hill Benevolent Fund and/or Citizens Advice.

Delinquent Loans

- When loan repayments are missed, a loan becomes delinquent. Every effort will be made to come to a mutual agreement with a member, or leaver, if their loan becomes delinquent.
- The credit union is obliged to recover delinquent loans. Shares, and other savings, can be used to recover loan repayments. If our efforts to come to a mutual agreement fail, further action may be taken. We do take legal action, including applying for County Court Judgements. We do use bailiff services. We do employ debt collection companies and solicitors. Costs are added to outstanding loans.

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Credit Union Loans

- Listed below are the current credit union loans and their main features.
- Please see leaflet, 'Penny Post Loans'

PERSONAL LOAN	Apply	After FIRST payroll deduction or at anytime
	Max. Amount	£2,000 for applications received in first 5 weeks of Membership. £6,000 thereafter.
	Interest	Applied daily, equivalent to 2% month (26.8% apr) to £3,999 , 1.5% month (19.6% apr) £4,000 to £6,000.
	Max. Period Feature	5 years Can withdraw regular savings at anytime.

ATTACHED LOAN	Apply	After minimum 6 weeks payroll deductions
	Max. Amount	£10,000
	Interest	Applied daily, equivalent to 0.93% month (11.7% apr)
	Max. Period Condition	5 years Apply for maximum 4 x savings balance



When submitting a loan application form please Remember to also enclose two recent pay advices. Failure to do so may delay your loan decision.