



# LASA

Credit Union / Undeb Credyd



## Applying for a loan with LASA Credit Union

Loans and Savings Abertawe (LASA) Credit Union offers low-cost loans to its members. This information sheet covers everything you need to know about applying for a loan.

### The Types of Loan we offer...

There are two different loan types that a person can apply for; a Saver Loan or a Handy Loan. But which one is the right one for you?

#### Saver Loans

A person can only apply for a Saver Loan, if they save with the Credit Union for a minimum of eight weeks. The first loan would be up to the value of three times the amount they have in their savings.

A savings balance 1/3 of the loan balance would need to remain in savings at all times. The interest charged is only 1% per month on the decreasing loan balance and a £500 loan being repaid over a year would be £10.50 a week, and the total interest charged for the year would be just £30.28\*

Subsequent Saver Loans after the first has been paid off entirely, would be up to the value of five times a person's savings balance, and a savings balance of 1/5 of the loan balance would need to remain in savings at all times.

Proof of Income is required for Saver Loan applications over £1,000.

#### Handy Loans

Quite often, a person may need a loan urgently or cannot afford to save with LASA for eight weeks, and so this is where the 'Handy Loan' comes in.

Applicants for Handy Loans do not have to save regularly (although it is encouraged). Any savings they do have are not taken into consideration against the loan. As a result, the interest charged is slightly more than the Saver Loan, at 2% per month on the decreasing loan balance.

A £500 loan being repaid over a year would cost just £11.00 a week, and the total interest charged for the year would be £62.47\*

*\*Repayment Figures provided are correct so long as repayments are made on time. Late repayments will accumulate more interest.*

## **The Credit Committee**

All loan applications are processed by The Credit Committee. The Credit Committee meet once a week on Tuesday mornings. In order for the committee to look at your loan application, it is recommended that you put the application in, by the previous Friday at the latest (with all supporting documents).

The Credit Committee are a group of volunteers/board members that are elected at the Credit Union's Annual General Meeting each year, and are fully trained to deal with applications.

## **Membership**

As mentioned earlier, loans are only available to members of the Credit Union. If you are interested in applying for a loan but are not an existing member of the Credit Union, you will need to complete a Membership Application form, provide us with Proof of Identity and Proof of Address and pay a £2 non-refundable entrance fee and a minimum £1 payment to open your account.

By joining the Credit Union, you will automatically have a Savings Account.

## **Benefits of Saving**

Many people come to the Credit Union looking to apply for a loan and do not have existing savings with us. If you fit this description, it is a very good idea to put savings aside while repaying a Handy Loan, for example, in order to get cheaper loans in the future. An additional £4 a week savings (along with your loan repayment) would give you £208 of savings over a year.

## **Methods of Repayment**

There are a number of ways to repay the loan, either by Standing Order from a bank account, Payroll Deduction Order\*\*, Paying at your local Post Office or any shop bearing the "Pay Point" logo, Paying at one of the Credit Union's Community Collection Points or at our Calvert Terrace office.

**Please notify us immediately if you come into difficulty repaying the loan.** The quicker you contact us, the easier it will be for you to repay the loan.

*\*\*Payroll Deduction Orders are only available with employers that the Credit Union has existing agreements with. For more details, ask a member of staff or a volunteer.*

# ***'a better way to save and borrow'***

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