



## Frequently Asked Questions – Family Loan

### **Who can apply for a Unify Family Loan?**

Families or individuals in receipt of Child Benefit can apply for a **Family Loan**. The lead person who is named on the Child Benefit claim may apply. The same person must also live or work within our common bond, which covers Wigan, Leigh, Chorley, Skelmersdale, Leyland and some other surrounding areas.

### **How do I apply?**

Your application will be made in one of our four branches. We will first need to take your details to ensure you are eligible to apply and to advise you about what documents to bring with you. Therefore please telephone **01942 245656** and select a branch that is closest to your home to speak to one of our friendly team. Please advise the staff member that you are interested in applying for the **Family Loan** with ourselves.

### **What documents will I be asked to bring?**

**Identity Check** - In order for us to perform an adequate identity check you will be asked to provide proof of your identity and proof of where you are living. There are various items that can be used to do this including Passport, Driving License, benefit letters amongst others; so we will discuss with you what items that you have that would be suitable to bring when you telephone us.

**Please note that if you have little or no identification, we will not be able to consider your loan application until you are able to provide adequate documents.**

**Affordability Check** – There is no credit check undertaken on the **Family Loan**. Unify Credit Union are responsible lenders which means that we will always need to check that every loan you apply for is affordable for you and your household. For us to do this you need to provide us with evidence of your income and expenditure. The documents required for this includes recent bank statements from all bank accounts in your household, but may also require additional documents depending on your individual circumstances.

### **How long does it take for a decision?**

Once you have made your application in branch and we have all the documents for the Identity and affordability check, we will submit your loan application. Depending on the time of year you apply, will affect the time it takes to receive a decision. This can vary from a day or two during 'quieter' months, up to ten days at busier times such as Christmas. When you submit your application a member of our team will advise you of the approximate waiting time for a decision.

### **I have been approved for a Family Loan, what happens next?**

Congratulations! What we do next is to invite you in for an appointment in one of our 4 branches. In the appointment you will become a member of the credit union and be issued your membership number. You will complete your loan paperwork and we will call the Child Benefit contact line to arrange to have your benefit paid into your credit union account. We will answer any questions you have about the loan. The appointment is usually around 30 minutes long. Once the appointment has been attended we will pay the loan into your bank account within 24 hours.

### **What will happen to my Child Benefit when it is paid into my Unify Credit Union Account?**

Part of the amount received will be used to make your loan repayment and you are required to put a minimum of £2 each week into your savings account (these savings cannot be withdrawn until the loan is repaid see next question for more details). Any money surplus after your loan repayment and savings can be sent back to your bank account or saved in a separate account with Unify until you need it.

### **Example of how your Child Benefit funds may be split.**

<b>Amount Received from Child Benefit</b>	<b>£34.40 per week</b>
Loan Repayment	£11.87 per week
Savings	£2.00 per week
'Surplus' available to withdraw	£20.53 per week

### **What will happen with my savings?**

Every member of the credit union is expected to save regularly in their account. Whilst you have any loan with us the funds in your savings are kept as security for your loan and you are unable to withdraw them until your loan is repaid. By saving with us, you build a credit history enabling you to access lower interest rate loans from us, over time.

*Your savings are also protected by the [Financial Services Compensation Scheme](#).*

### **Can I apply for more than one Family Loan or “top-up” my loan?**

Once you have repaid 50% of your loan balance you may apply for another **Family Loan** up to £500. You will need to provide your proof of income and expenditure for the affordability check for every application you make as your circumstances may have changed since your last application.

If you are looking to borrow a more than £500 at your next loan application you could apply for the **Starter Loan** instead. The **Starter Loan** has the same interest as the **Family Loan** however it allows you to top-up amounts of £750 and you can top-up every 6 months (affordability checks still apply). Please note that with the **Starter Loan** a Credit Check may be undertaken which will be reviewed when we consider your loan application. For more information about the Starter Loan please visit its dedicated page on our website.

**For any other questions feel free to call your local branch on 01942 245656.**