

Saver Loan

Members' Guidance (applicable from Tuesday 2 June 2010)

The **Saver Loan** is designed for Members who have saved regularly and shown a commitment to Harlowsave. Please read through this leaflet as it will help you decide if you are eligible for a **Saver Loan**, how much you are entitled to borrow and what interest you will be charged.

1. If this is your first loan, weekly payers must have saved for eight weeks. For monthly savers two months must have been received. (If not you may be entitled to Capacity Loan, see the leaflet Capacity Loan Members' Guidance).
2. All new loans will be charged a £5.00 set-up administration fee, which will be taken from your shares.
3. If you have had previous loans with Harlowsave, checks will be made for any history of defaulting. This may affect your eligibility for another loan or the interest rate charged.
4. The interest rate your **Saver Loan** is between 1 & 1.5% per month, on a reducing balance:

	1 st loan	2 nd loan	3 rd loan	4 th & further loans
Interest Rate per month	1.5%	1%	1%	1%

5. The maximum amount that can be borrowed with a **Saver Loan** is three times the existing level of savings balance or as per the table below, whichever ever is the maximum. Also, the method by which payments are made, determine the level of a **Saver Loan**:

Payment Method	1 st loan	2 nd loan	3 rd loan	4 th & further loans
Cash / Cheque / PayPoint	£750	£1,050	£1,250	£1,750
Standing Order	£1,500	£1,800	£2,800	£3,800
Payroll Deduction	£1,900	£2,700	£3,500	£5,000

At least six months of regular repayments must be made before the next loan can be applied for.

It is also important to take note of the following points:

- ✓ Any savings in share 1 account are used as security on the loan and may not be withdrawn until the outstanding loan balance is less than the value of your savings
- ✓ No savings may be withdrawn from accounts 2 3 or 4 if the **Saver Loan** is in arrears
- ✓ Defaulting on loan repayments will be immediately investigated and if necessary the debt recovery policy will be in-acted. This may lead to the member becoming liable for a £100 administration charge and all third party recovery costs
- ✓ In the spirit of Harlowsave, you will be encouraged to continue to save in your share1 account the minimum amount throughout the period of your **Saver Loan**. For those in full-time employment this is £5.00 per week or £20 per month. For those not in employment, or working less than 16 hours a week, this is £2.50 per week
- ✓ No **Saver Loan** application will be agreed if it considered that you do not have the ability to pay back. This may mean that you may be offered a lower amount
- ✓ Never spend your **Saver Loan** until you have received the money from Harlowsave
- ✓ If you get into trouble with making your repayments, call Harlowsave on 01279 451234. We are here to help.