



## London Mutual

Credit Union

### Terms and conditions for London Mutual Credit Union Loans

#### Definition

- i. Lender means the London Mutual Credit Union (also referred to as LMCU)
- ii. CUCA means the Credit Union Current Account
- iii. Borrower means the member taking the Revolving Loan
- iv. Account means the Revolving Loan account maintained by the Lender for the Borrower in connection with the Loan Agreement
- v. "Conditions" means these terms and conditions in force from time to time which may be varied

#### A) General

1. To qualify for a LMCU Loan, you should be a member of London Mutual Credit Union and for some loan products you should be eligible to open a Credit Union Current Account.
2. Lender will approve the **amount** and **repayment terms** of your Revolving Loan based on your ability to repay.
3. Interest will vary depending on type of loan applied for, however it will never be more than 26.8% Annual Percentage Rate (APR). Interest charge for the Secured Tracker loans will be changed within 24 hours of the Bank of England's announcement of the interest rate change.
4. Once the loan has been approved you are required to sign a loan agreement, after which your loan will be released. In certain circumstances we may ask a member to deposit money into their LMCU account to cover the first loan repayment and agreed savings.
5. The Borrower may repay the outstanding balance of the Loan Agreement at any time without incurring any penalties.

#### B) Repayment of LMCU Loans

1. The repayment period for the Revolving Loan will be one month.
2. Maximum repayment period for Secured Fixed interest loans will be 24 months, after which you will be able to renew the exiting agreement or change the terms to a Secured Tracker loan.
3. The repayment period for all other loans will be the terms that are mutually agreed between the Lender and the Borrower.

#### C) Revolving Loans

##### Draw down from Revolving Loan Account

1. Once the Revolving loan has been approved by the lender and the loan agreement has been signed by the borrower, London Mutual Credit Union will transfer money into the borrowers CUCA from the Revolving Loan account as and when LMCU deem it necessary to prevent the CUCA being overdrawn. The amounts and timing of these transfers are at the discretion of LMCU.

2. If you use our Revolving Loan facility for bill payments, we do not require your further consent to activate the Revolving Loan account and to sweep money from your Revolving Loan account into the CUCA.
3. If you use our Revolving Loan facility to act as an overdraft, we will require a written request with your signature, detailing the amount and the date to sweep the money from your Revolving Loan account into the CUCA.

#### **Renewal of Revolving Loan Account**

1. The Lender will review the account for renewal from time to time either on request of the borrower or where the lender deems it is necessary to do so.
2. The Lender's decision will be final and binding on the Borrower.

#### **D) Default**

1. The Borrower agrees that if they give or receive notice of termination of their employment the Borrower shall advise the Lender immediately. The Borrower agrees that should they fail to make payment of any amount due to the Lender, or should their employment end for whatever reason, or should the Borrower set up a Individual Voluntary Arrangement or become bankrupt, the entire balance outstanding will immediately become due and payable, and the Lender shall have the right to recover any sums due to them from the Borrower's final wage or salary payment, including redundancy monies, severance payments, expenses and any other sums due to the Borrower.
2. The Borrower assigns to the Lender all paid shares and payments on account of shares held with the Lender which the Borrower has now, or which the Borrower may have in the future, as security for payment of the balance outstanding and also interest and expenses which may be due or become due, and the Borrower authorises the Lender to apply any or all such paid shares or payments on account of shares towards the satisfaction of any amount which the Borrower may owe to them.
3. The Borrower is aware that the Loan Agreement is a legally binding contract and that if the Borrower fails to comply with any of its terms; the Borrower may render them selves liable to further action, which may include Court action. The Borrower will be required to repay the Lender's legal expenses and administration charge if the Lender requires to take Court action to obtain repayment of all sums due under the Loan Agreement.

#### **E) Termination**

The Lender may terminate the Loan Agreement and demand immediate repayment of all sums due in respect of the Loan Agreement after giving any written notice required by law if:-

1. The Borrower shall fail in any material respect to keep any part of the loan Agreement
2. The Borrower shall have deliberately given false information or given inaccurate information in connection with the Loan Agreement or any other Credit Agreement between the Borrower and the Lender.
3. The Borrower shall be the subject of a Court action which has the effect of taking away from the Borrower's control of the whole or a substantial part of the Borrower's assets
4. The Borrower shall become incapable in law of managing their own affairs

Should the Lender terminate the Loan Agreement or should the Borrower default, the Lender is entitled to the repayment of the whole sums due under the Loan Agreement and may retain any monies held by the Lender for the Borrower in any other type of account and apply the said monies held on or towards payment of the balance outstanding in terms of the Loan Agreement.