



# London Capital Credit Union

the savings & loans co-operative

Every loan application is considered by credit union members serving on the 'Loans Panel'. It's their role to assess the willingness/ability to repay the loan. Remember, the money we lend is the savings of many other members.

## Getting Your Loan Approved

Here are four top tips to increase the likelihood of your loan being approved. Remember, unless it is a real emergency we will not issue a loan within 6 months of your previous application.

### 1 Tell us about your credit history.

We sometimes conduct a credit check with TransUnion. Having a poor credit history does not mean we decline the loan, but the member has to be 'up-front' about it.

To find out how to check your credit report visit our website **Money Guidance** page here. If there is inaccurate information held there you can and should challenge and correct it. Be sure to tell us about any issues you have had with meeting payments in the past, it will help your application.

### 2 If you owe any money elsewhere, make sure you declare all your debts.

A vital part of what the credit union does is to encourage members to take control of their finances. A crucial part of taking control is knowing how much you owe to whom, and how much the payments are. A member having lots of debt doesn't mean we decline the loan automatically, but the member has to be 'up-front' about it and show that they have thought about working with us to escape from that problem debt. It is worth making a full list of who you owe money to.

### 3 Try to evidence and explain that the repayments are affordable.

As a co-operative we're trying to help our members out of debt, so do not want to escalate a member's debts to boost our profits. You should try to explain how the additional borrowing is affordable: for instance, you are clearing an existing high interest debt which will reduce payments and increase your income. Feel free to add a note with the application. As a general principle, do not apply for more than you need.

### 4 It pays to have saved with us before applying for a loan.

You do not have to save before applying for a loan but the interest rates may be even lower if you do. Sometimes when demand for loans is high it's only fair to give priority to those members who have been saving with us before applying for a loan. As a general rule, establishing any sort of savings pattern with us reduces the loan interest rate and greatly increases the chances of your loan application being successful. It is not how much you save but the regular pattern that counts.

## Top Tips

- If there is additional information to support your loan application when you apply then feel free to include an explanatory note.
- Be as specific as possible about the purpose of the loan.
- Remember to list all debts, including any that have been recently cleared.
- The longer you save with us and/or the less you ask to borrow the greater the chance that your application will be successful.
- The less frequently you borrow the greater your chance of success.



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