

# Personal Loan Agreement

## Kingdom Community Bank

This is an important document that you are required to read and sign before we are able to lend you money

If you are unsure about any part of this Agreement or see anything that you think is incorrect then please contact us. We are here to help our Members.

**1 This Personal Loan Agreement is made on:**

**2 Between the following two Parties:**

**a) The Company/Creditor ("we/us")**

- hereinafter referred to as "**Lender**" Kingdom Credit Union Ltd trading as Kingdom Community Bank.  
Registered address: Main Street, Methilhill, Fife, KY8 2DP

**b) The Member/Borrower ("you")**

Membership number  Date of birth   
First name(s)  Surname   
Address

**3 Key Loan Details under this Agreement**

- |  |   |
|--|---|
| a) Loan amount <input type="text" value="[Loan amount]"/>  | g) APR (%) <input type="text" value="[APR]"/> %   |
| b) Outstanding loan balance (if applicable) <input type="text" value="[Outstanding loan balance]"/>      | h) Duration of the Agreement <input type="text" value="[term of credit]"/> months   |
| c) Total loan amount (including any outstanding balance) <input type="text" value="[amount of credit]"/> | i) Repayment frequency <input type="text" value="[repayment frequency]"/>   |
| d) Total charge for credit <input type="text" value="[Interest amount]"/>                                | j) Under this agreement you will pay <input type="text" value="[loan months]"/><br>consecutive payments of £ <input type="text" value="[repayment amount]"/><br>commencing on the agreed first repayment date <input type="text" value="[first repayment date]"/> |
| e) Total amount payable <input type="text" value="[Total amount]"/>                                      | k) Locked shares/secured by shares amount<br>£ <input type="text" value="[locked shares amount]"/>  |
| f) Interest rate (per month) <input type="text" value="[monthly rate]"/>                                 | l) Payroll saving loan Yes <input type="checkbox" value="[Y]"/> No <input type="checkbox" value="[N]"/>   |

**4 Compulsory savings during repayment**

All of our loans require the Borrower to save whilst they have a loan with us. The Borrower agrees to save the minimum of £2 per week or £10 per month with

the Lender. These savings will not be withdrawable until the loan has been repaid.

## 5 Repaying the Loan

5.1 The Borrower shall repay the loan as per the details in Section 3 of this Loan Agreement. The repayment amount shall be paid by standing order/electronic payment, payroll deduction or direct benefit payment from the DWP, HMRC, Social Security Scotland or other benefit agency.

5.2 It is the responsibility of the Borrower to ensure the agreed repayment amount is received on time. The Lender is not obliged to make allowances for late payments regardless of the cause. Late payments will result in us sharing information with credit reference agencies which may affect your ability to get credit from other lenders.

## 6 Missed payments/defaults/going into arrears

6.1 We want you to meet all of the terms of this Agreement and to repay your loan as agreed. If you experience any difficulties or think you might struggle to meet any of the terms of this Agreement you should not enter into it. If you experience difficulties after entering into this Loan Agreement you should contact us as soon as possible and we will try to help where we reasonably can.

6.2 The Borrower assigns to the Lender all paid shares and payment on account of shares (those sums which the Borrower may refer to as savings) held with the Lender now or in the future as security of payment of the balance outstanding and all costs, expenses or charges incurred by the Lender in connection with the loan. For the avoidance of doubt, this assignment applies to all paid shares and payment on account of shares, not just any shares set aside for a secured loan or loyalty loan.

6.3 If you do not keep up repayments as set out in this Agreement, or in line with any satisfactory proposal for repayment that we formally agree with you in writing, we will share information with credit reference agencies which may affect your ability to get credit from other lenders.

6.4 The Borrower agrees that should the Lender incur any expenses because it needs to remind you or require you to comply with the terms of this Loan Agreement, it may recover its reasonable expenses in doing so. This does not limit or affect rights to recover any judicial expenses if court action is required in relation to this Loan Agreement.

6.5 The Borrower agrees that a certificate issued by the Lender shall be final and conclusive evidence as to the amount owed by the Borrower on the date that the certificate is issued.

6.6 The Lender may terminate this Agreement and demand immediate repayment of all sums due if:

- a) You fail to adhere to all of the terms of this Agreement
- b) We reasonably believe that you gave us false or inaccurate information on your Loan Application or in any information connected with this Loan Agreement
- c) You become incapable in law of managing your own affairs, which would include, for example, entering into sequestration of a trust deed or similar.

## 7 Benefits payments

7.1 The Lender is registered with the DWP under its Eligible Loans Deduction Scheme and may register with other benefit agencies such as HMRC and Social Security Scotland where they operate similar schemes. Therefore, if you fall into arrears with loan repayments those repayments may, subject to any rules in force at the time, be deducted from the benefits to which you are otherwise entitled and the remainder paid to the Borrower.

7.2 Where a benefit is being paid directly to the Lender to repay your loan, you are required to sign a

separate benefits redirection form to agree that in the event of non-receipt of benefit, the Lender is authorised to apply to the relevant benefit agency to re-instate payment during the period the loan remains outstanding. We will not pay out the loan amount until the separate benefits form has been signed and returned to us and we have verifiable confirmation that the benefit will be paid to the Lender.

7.3 Where the benefit amount exceeds the loan payment amount, the surplus will be deposited in your savings and will be returned to you at your request.

## 8 Payroll Saving

8.1 The terms in Section 8 shall apply if Section 3(l) states that this is a payroll loan. For the avoidance of doubt, all other Sections of this Agreement apply in full, regardless of what is stated at Section 3(l).

- 8.2 The Borrower must continue to save through their payroll savings mandate until this loan is repaid.
- 8.3 The Loan and your legal obligations under this Agreement are not in any way linked to your employment or continued employment with the employer that you have established a payroll saving

mandate with. If you change employer, become unemployed or there are any other circumstances affecting the payroll saving or loan repayment to the Lender, it is incumbent on the Borrower to contact the Lender and make alternative arrangements to adhere to all of the other terms and conditions within this Agreement.

## 9 Secured by Shares and Loyalty Loans

9.1 If an amount of money is specified at Section 3(k) of this Agreement it means that this is a Secured by Shares Loan or Loyalty Loan, in which case the Borrower agrees to maintain the minimum balance set out at Section 3(k) in their share account. These shares will not be withdrawable for the duration of

the loan or until the share balance is in excess of the outstanding loan balance.

9.2 When the share balance is in excess of the outstanding loan balance the difference is able to be withdrawn and/or transferred.

## 10 Early settlement

You may repay the loan or any part of it at any time without penalty. On any part repayment the amount and frequency of the repayment instalments will stay the same

but the period during which the remaining repayment instalments fall to be paid shall be shortened accordingly.

## 11 Right to withdraw from Agreement

The Borrower has a right to withdraw from this Agreement without having to give any reason. The right to withdraw starts on the day the Agreement is made and ends 14 calendar days later. You can do this by giving notice to us, either personally or in writing. If you give us notice

to withdraw, the Agreement and any ancillary service contracted will be treated as if it was never entered into. You must then repay to us without delay (and no later than 14 days after giving notice) any credit provided under this Agreement.

## 12 Changes in your circumstances

You agree that all details set out in this Agreement are correct and you will inform us immediately, in writing (by e-mail, letter or through our website), if your details or circumstances change. This includes advising us of

any change of your address, contact details, change of employment, benefits or other change in your circumstances that may affect your ability to repay the loan.

## 13 Statement of Account

The Borrower has the right to receive, on request and free of charge, at any time throughout the duration of the Agreement, a statement in the form of a table showing the following:

- the details of each instalment owing under the Agreement;

- the date of which each instalment is due, the amount and any conditions relating to the payment of the instalments;
- a breakdown of each instalment showing how much comprises (a) capital repayment (b) interest repayment and (c) any charges due

## 14 Legal

14.1 The headings in this Agreement will not affect its construction or interpretation.

14.2 The Lender may abstain or fail to enforce any of its rights under the Loan Agreement at any time, or from time to time. It shall not prejudice the Lender from doing so at any other time.

14.3 Each provision of the Loan Agreement is severable from the others and if at any time any provision is or becomes invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected.

14.4 The validity, construction and performance of this Agreement, and any claim, dispute or matter arising under or in connection with it or its enforceability,

will be governed by and construed in accordance with the laws of Scotland. Each party irrevocably submits to the exclusive jurisdiction of the courts of Scotland over any claim, dispute or matter arising under or in connection with this Agreement or its enforceability or the legal relationships established by this Agreement.

## 15 Concerns or Complaints

If you have a concern or a complaint, please visit our website ([www.kingdomcb.org.uk/feedback](http://www.kingdomcb.org.uk/feedback)) or write to:

Chief Executive Officer, Kingdom Community Bank,  
Main Street, Methilhill, KY8 2DP.

## 16 Financial Ombudsman Service

If you have a complaint about this agreement and our complaints process has not resolved it to your satisfaction you have the right to complain to the Financial

Ombudsman Service (FOS), South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

## 17 Additional information in the case of distance marketing of financial services

### a) Concerning the creditor (the Lender):

*Registration Number:* Our PRA Number is 231896

*The supervising authority:* The Financial Conduct Authority

### b) Concerning the credit agreement (this Loan Agreement):

*The law taken by the Lender as a basis for the establishment of relations with you before the conclusion of the credit contract is Scots Law*

## 18 Declaration

18.1 This is a legally binding contract and if you do not understand any part of this Agreement, you should take independent legal advice, for example from a local Citizens Advice Bureau, Law Centre or a Solicitor.

18.2 By signing this Agreement you are declaring that:

- a) you have read and agree to all of the terms set out in this Agreement;
- b) the information you have given us in your loan application and the information set out in this Agreement is correct at the time of signing;
- c) if you have provided information about your partner, you are entitled to do so;
- d) you realise we may rely on the information you have provided, as well as any information we may seek from credit reference agencies, to decide whether we should make this Agreement;
- e) you agree that if you default on repayments, information about your loan may be passed on to credit reference agencies which may affect your ability to get credit from other lenders;

- f) you agree that if you default on repayments, we are likely to contact the DWP, HMRC and/or Social Security Scotland (the benefit agency administering the benefit you receive), if a key source of your declared income is, or becomes, benefits payments, for their consideration of deductions from the benefits that you are, or will become, entitled to;
- g) That you hereby consent to registration of this Loan Agreement for preservation and execution. This means that you consent to the Lender registering this Loan Agreement in the official register known as the Books of Council and Session, thereby obtaining a warrant for lawful execution;
- h) You understand that if you fail to repay the loan as provided for in this agreement the Lender may therefore enforce payment of the debt without having to get a court decree. You agree that a certificate signed by an official of the Lender shall be sufficient to ascertain and constitute conclusively the amount due by you to the Lender at the date of the certificate. You understand this means that the Lender may take action immediately if this loan goes into arrears.

18.3 Signature and Date Signed

X

[Signature]

[Date Signed]