



MANCHESTER CREDIT UNION

Family Loan Frequently asked questions

What is a Family Loan and how does it operate?

Our 'Family Loan' allows all families/individuals in receipt of child benefit to apply for a loan of up to £500 from the Credit Union. If we approve your application, we will ask you to have your child benefit paid directly into your account with the Credit Union.

Who can apply for a Family Loan?

Anyone who lives or works in Manchester, Tameside, Trafford, Rochdale, Stockport, Bury or High Peak and receives Child Benefit can join Manchester Credit Union and apply for a Family Loan.

What happens to my Child Benefit when it arrives at the Credit Union?

The whole of your child benefit will be paid to your account with Manchester Credit Union. Part of it will be used to make your loan repayment and a small amount (£1pw/£4 every 4 weeks) will be held in a savings account for you which cannot be withdrawn until your loan is paid in full. You can decide what happens to the 'surplus' amount. It can be left in a second savings account, withdrawn or split between savings and withdrawal. If you chose to have some of your Child Benefit paid back to you we will transfer this at 9.30am on the day we receive the money, and funds should be in your bank account by 11.30am

My Family Loan has been approved how long will the funds take to be deposited into my account?

When your application is approved, we'll ask you to contact the Child Benefit office to arrange for your benefit to be paid in to your credit union account. When we receive the first payment we'll send you a loan agreement to sign electronically – As long as the agreement is signed before 15:30 Monday – Friday your funds will be in your account by the end of that working day. If the document is signed after 15:30 it will be the next working day (please note we do not operate during weekends or on Bank Holidays).

Can I apply for more than £500 or have more than one Family Loan?

Your Family Loan balance can never be more than £500 and you can only have one loan at a time.

Can I "Top Up" a Family Loan?

You can Top Up your Family Loan when you have repaid 1/3 of your original loan. If you had a £500 this means you will be able to top up when your balance is below £335. You can track the balance of your Family Loan by registering for our App or for the Members Area of our website or by text

Can I get a standard loan with the Credit Union?

Once you have repaid 1/3 of your original Family loan, you will be eligible to apply for a standard Manchester Credit Union loan. The amount we can lend you will depend primarily on your income & expenditure and credit history. This loan application will also be subject to a credit check.

How do I apply for a Family Loan Top Up?

You can make a Top Up application by logging into the Members Area of the website. We will process the top up and email you a new Loan Agreement which you can sign electronically. There is no need to call into a branch to do this.

How can I access my savings?

Your savings with the credit union are covered by the Financial Services Compensation Scheme (FSCS), so your money is just as safe as it is in a bank or a building society.

If you want to withdraw some of your savings you can arrange this yourself on our App or in the Members Area of our website.

If I have requested a withdrawal when can I expect the funds to be available?

Any funds withdrawn from within the Members Area of the website are transferred immediately and the service is available 24/7.

Can I pay my loan back early? Are there any fees for this?

Members can clear the balance of a loan at any time and we do not charge any early settlement fees for this.

What happens to my loan if I die?

Any loan with Manchester Credit Union is automatically covered with free loan protection. In the event of your death, any outstanding loan balance will be paid off.