

14/04/2011

Budgeting Loans



If you're on a low income and need help with certain important costs, you may be able to get an interest-free Budgeting Loan from the Social Fund that you pay back.

Who is eligible?

- You may be able to get a Budgeting Loan if you or your partner have been claiming or getting payment of one of the following benefits for at least 26 weeks:
- Income Support
- income-related Employment and Support Allowance
- income-based Jobseeker's Allowance
- Pension Credit
- and you need help to pay for any of the following:
- furniture or household equipment
- clothing or footwear
- advance rent or removal expenses for a new home
- travelling expenses
- things to help you look for or start work
- improving, maintaining or securing your home
- repaying hire purchase or other debts you took out to pay for any of the above

How much do you get?

You can apply to borrow between £100 and £1,500. The final amount of Budgeting Loan you get will depend on:

- whether you are single
- whether you are a couple
- whether you are single or a couple, with children
- any existing money you owe to the Social Fund
- your ability to repay the loan
- your savings - your award will usually be reduced by the amount of any savings you or your partner or civil partner have above £1,000 (or £2,000 if one or both of you is over 60)
- The following can't be taken into account:
- the urgency of your need
- any health problems you or your family might have

How it's paid

Jobcentre Plus will normally pay your loan into an account.

Your loan can be paid into the following types of account:

- a basic bank account
- a current account
- a Post Office® card account
- a building society account
- a credit union account

in Connect Wyre Forest
10-12 Blackwell Street
Kidderminster
DY10 2DP

Telephone: 01562 60241 (Business Line)
Telephone: 0800 970 7202 (Helpline)
Fax & Minicom: 01562 68248
Email: info@nwdial.org.uk
Website: www.nwdial.org.uk



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How do you repay it?

Your repayments, which are worked out at the time your loan is agreed, are usually automatically taken out of your benefit. If you're not getting benefits, another method will be agreed.

You normally have to repay a Budgeting Loan within 104 weeks.

The repayments are interest-free which means you only pay back what you borrowed and no more.

Effect on other benefits

A Budgeting Loan award does not count as income and will not affect other benefit you're getting.

How to apply

You can contact Jobcentre Plus, or your pension centre and ask them to send you claim form SF500.

Or you can download the claim form from the Department for Work and Pensions (DWP) website.

Website: http://www.dwp.gov.uk/advisers/claimforms/sf500_print.pdf

What to do if you are unhappy with the decision on your application

If you're unhappy with a Budgeting Loan decision, you have the right to ask for a review. You must write to Jobcentre Plus within 28 days of the decision. You need to explain why you think the decision was wrong and ask for it to be reviewed.

If, after that review, you still think the decision was wrong, you can ask for a further review by a Social Fund Inspector. The Inspectors are independent from the Department for Work and Pensions. The review process is quick and simple, and should take no longer than 12 days.

We cannot be held responsible for the level of service provided by the organisations included in this publication.

All details correct at time of publication, if you find that this info is inaccurate please call us.

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