

The Cover Letter

The cover letter is an important addition to your application. It gives the loan assessor an understanding of the context of the applicant's situation and the unique combination of circumstances they have experienced in the finances. The Loans committee members rely on this to understand and assess the application.

The cover letter complements the two budget worksheets, where the current budget worksheet is the present-day snapshot of the financial position. The intended plan in the future should match the proposed budget.

If there are other circumstances you think would be helpful to explain and relevant to understanding the application, these can be noted in the 'Background' section.

Cover letter examples:

1.

For a Get Control/Debt Relief loan - FM written

Relevant events & background

Judy* had several essential repairs (car and home) and, due to having no savings, had to use her credit card. This has meant that despite Judy's good money management, she has accumulated a large balance with interest well outside her means.

To note: There are a couple of BNPL entries on her bank statement, and when we discussed, Judy said there is only one payment left, and she provided the BNPL app screenshot to show this.

How the loan would help

Judy will clear the credit card debt, the debt will decrease, and she won't have to incur the hardship that making the current repayments is causing.

Plans for going forward

Judy continues to attend Money Mates and has a financial plan that will include budgeting for repairs.

2.

For a Get Ahead/ Asset Building loan - FM written

Background

Max* came to the budget service to see if he was eligible to apply for an NTM Get Ahead Asset Building loan of \$2000 to have his teeth removed. Max previously worked with *Jan from XYZ social services, who helped Max successfully apply for a \$1000.00 loan to (mostly) pay for dentures. The dentures were made several years ago but Max did not have enough money to pick them up. Max has now paid the balance outstanding on the dentures and would like to apply for a dentist bill to have his existing teeth removed and the dentures fitted.

Max works two jobs, one as a school cleaner and the other as a Teacher's Aide. His wife was not happy about having help financially from outside, being immensely proud about being able to manage on their own. However, she has had some health setbacks, been off work. Until she is able to return to work, during the school holidays Max has picked up some seasonal work to cover.

Max is extremely hard-working and has always put his family first and deserves new teeth.

There is still some IRD debt to tackle but next year we will look at this debt, by applying to have it wiped.

Income for the household comes into two bank accounts and the Working for Families will become more stable once the regular working hours resume. The budget worksheet contains the WFF according to the table on the IRD website for their current income, and when they continue with more hours, it will be a better case for their income with the extra wages and reduced WFF. We are not sure when the date to resume work will be.

*names used are fictitious