



# SME LOAN PRODUCT GUIDE

<b>Loan amount</b>	£75,000 to £500,000 (including fees)
<b>Term</b>	6 to 60 months
<b>Interest rate</b>	6.90% to 18.20%
<b>Risk Bands</b>	A+ to C+
<b>Repayment profile</b>	Capital and interest – fixed monthly repayments
<b>Arrangement fees (payable by the borrower)</b>	Up to 9%
<b>Early repayment charges</b>	None – borrowers can also make overpayments of at least £5,000
<b>Personal guarantee</b>	Yes, for loans up to £350,000 (including fees), subject to credit assessment
<b>Security</b>	<p>A charge or asset security may be required in addition to personal guarantee for loans above £350,000</p> <p>Bilateral guarantees from associated companies may be requested in specific circumstances</p> <p>Borrower remains 100% liable for the debt</p>

Please remember that any property used as security, including the borrower's home, may be repossessed if the borrower does not keep up repayments on a mortgage or any other debt secured on it



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### INITIAL CRITERIA

- Limited company and LLP owner occupiers
- England, Scotland or Wales only
- Two years' trading history
- Turnover >£100,000
- No active CCJs over £1,500
- No failed business in last 2 years

### WHAT WE NEED TO ASSESS AN APPLICATION

- Two years' filed accounts (last one no more than 15 months old)
- Last three months' bank statements
- Details of current borrowing
- Purpose of funds
- Management information (if available)
- Business plan (if available)

### FUNDING USES

- Cash flow
- Working capital
- Expansion funding
- Stock purchase
- Debt restructuring
- Marketing funds
- Equipment purchase
- Acquisition funding
- Management buyouts

### NOTES

#### Minimum 2 years' trading history

For businesses with only one year's filed accounts, we will also require one year's management information.

#### Affordability

Based on modelling of positive operational cashflow, and current and proposed debt.

#### Credit checks

Loan applications are subject to credit checks of the business and its members, directors and shareholders of 25% or more.

#### Existing debt

Any existing debt (including hire purchase, but not leasing) will be taken into account in assessing loan affordability. We will consider refinancing existing debt.

#### Personal guarantee

Members, directors and shareholders must demonstrate they have assets covering 50% of the loan (100% for loans in C+ Risk Band). Third-party guarantors must demonstrate 100% coverage and receive Independent Legal Advice. If there is more than one guarantor, we will consider the aggregate value of the assets across the guarantors.

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