

Summary of updates to our General Terms & Conditions

Last updated 12/01/17

In the usual way these amendments will affect all existing and future Borrowers and Lenders.

Note: this is not a list of all changes, but a summary of key changes. We encourage you to please read our updated Terms & Conditions to understand the full changes. Throughout we have sought to clarify clauses and terminology and be more specific.

Principle	New position	Clause
Provisional Notice		
Provisional Notice for Developers	A clarification that this is only for Development sites with more than 5 plots	New definition of Plot Sale (pg 5)
Provisional Notice lender funds	A tightening up to ensure Lenders who take funds out and then put funds back on the waiting list are not able to accrue two lots of interest.	New Clause 20.2.7
Borrower Information and Reference Checks		
Privacy Policy	A more detailed policy has been added.	New Policy on website
Warranty from Borrowers	Warranty from Borrowers that they are not in the business of lending and will not be using the loan for onward lending.	New Clause 4.2.9
Arrears Process		
Arrears Policy	As a FCA authorised business we are required to hold an FCA compliant policy for Managing Arrears. There is now a clause notifying Lenders and Borrowers of the policy and our requirement to adhere to it.	New clause 17.6
Arrears and Credit Reference Agency	As part of our agreement with Equifax we will now report all Borrower missed payments to Equifax.	Amendment to Clause 17.2 and revised Privacy Policy
Borrower information when Borrower in arrears	The inclusion of detail regarding what information Folk2Folk would require from a defaulting borrower.	New clause 23.1.8, 23.1.9 and 23.1.10
Interest		

Changes made to FOLK2FOLK Terms & Conditions

Pro-rata interest distribution	There is now a clause specifying the provision for the pro-rata distribution of interest if Folk2Folk only received a partial payment of interest.	New clause 16.12
Lender Exit from Loans		
Fixed Term Lender Exit	This has always been prohibited, but new provision more clearly and expressly stating this.	New Clause 19.4
Lender Withdrawal Process	Previously there were requirements to refer to the Lender Pool before undertaking a Lender withdrawal. This is no longer required. In addition, Folk2Folk will use reasonable endeavours to find a replacement within 1 month of notice. Clarity that in the unlikely event a Lender replacement is not found then the Borrower must repay the sum due under this Loan Contract to this particular Lender at the end of the Notice period. Folk2Folk can substitute a Lender at any time in the Notice period, and on that date the interest payable to the existing Lender will cease and become payable to the new Lender.	
Lender withdrawal in an impaired loan	A Lender will no longer be able to serve notice once a loan is impaired/default.	New Clause 9.11
Parnalls' Role		
Standby Servicer	Originally Parnalls Solicitors Limited would administer our loan book in the event we were unable to do so (such as we go into Administration). The FCA requires that the entity doing this holds the suitable and requisite authorisations to do so. As such there is now a contract in place with Street UK.	New definition of Standby Services (pg 5) Amendments to clause 4.5.4