



BORROWER GUIDE

FOLK 2 FOLK
The Local Lending Movement

Grow. Develop. Diversify.

If you're looking for simple and straightforward access to finance: we're here to help. We love dealing with people, so let us sort out the finance so you can focus on your business.

Here's how we can help

- Loans from £50,000 - £5m or more
- Interest-only
- Decision within 24 - 72 hours*
- Funds from 7 - 10 days of approved application*
- Fixed or flexible loans from 6 months - 5 years

* If you have all the relevant documentation ready and there are no complications


#'Home' as defined in our General Terms & Conditions

Who we help

We believe in and support a wide range of local, rural and entrepreneurial British businesses across the UK. From farmers seeking to diversify, property renovations and developments, country hotels and pubs, right through to manufacturing businesses, yoga studios and cafés.

So, whether you're looking to grow your business, buy an asset or boost working capital, we want to help you seize those opportunities with confidence, if:

- You're looking to borrow £50,000 or more
- You have land or property (but not your home[#]) against which to secure the loan. We lend up to a maximum of 60% of the forced sale value of the security
- You're an individual, organisation or a company seeking to borrow for business purposes
- You're based in the UK (excluding Isle of Man and Channel Isles)
- You're over 18



Short to medium term loans
offering you funds and flexibility
when you need them most so you
can crack on with your business.

For a full overview of costs, please refer to our Terms & Conditions at www.folk2folk.com Alternatively, you can call us on **0330 058 3153** (calls charged at standard national rate) to request a hard copy via the post.

Choose the right loan for you.

	FLEXIBLE	FIXED	
	ROLLING loan	FIXED 1 or 2	FIXED 3, 4 or 5
Loan term	A flexible loan with a minimum term of 6 months rolling up to 5 years maximum.	A fixed loan for 1 or 2 years	A fixed loan for 3, 4 or 5 years
Interest rate (payable monthly)	6.5% p.a. - Maximum LTV 60%		
Fees	2% Initial Arrangement Fee 1% Annual Arrangement Fee Legal costs and disbursements	2% Initial Arrangement Fee 1% Annual Arrangement Fee Legal costs and disbursements	1.5% Initial Arrangement Fee 1% Annual Arrangement Fee Legal costs and disbursements
Loan extension	Not applicable	Yes, for 12 months. Maximum combined loan duration 5 years 1% Extension Fee (subject to availability and review) + legal costs	
Redemption	Notice period 3 months Redemption Admin Charge of £250 + VAT (legal charge) No Early or Partial Repayment Admin Charge	Notice period 3 months Redemption Admin Charge of £250 + VAT (legal charge) Plus additional 3 months' interest payable to Lenders Early or Partial Repayment Admin Charge (if applicable) of £250 + VAT	
Partial draw down	Available	Not available on fixed loans	
Example loan purposes	Property development Working capital	Agriculture/diversification Working capital Leisure & tourism Renewables	Agriculture/diversification Leisure & tourism Renewables

LTV = Loan to value



In more detail

ROLLING LOAN

A flexible loan that rolls on for as long as you need it, up to a maximum of 5 years, and allows you to pay back when it suits you.

Rolling Loan Features

Keep it for as long as you need

The minimum term is 6 months and you have the option to keep your loan rolling forward for as long as you need it up to a maximum of 5 years. Give 3 months' notice when you wish to repay.

Repaying your loan

If you wish to exit the loan before the end of the 5 years you must give 3 months' notice; where 3 months' is not provided, an early termination fee (being interest in lieu of notice) is payable to your Lender(s). You can make partial repayments provided no Lender is left with less than the minimum amount (currently £20,000). See our Terms & Conditions for full costs.

Draw down when you need it

Choose how to manage your funds:

If you want certainty of the funds being instantly available, whenever you need them - that's fine.

We will match 100% of the loan amount with approved FOLK2FOLK Lenders right at the start of your loan meaning fees and interest on the full amount will be applicable from the start.

If you would prefer to only pay for funds as and when you draw them down - you can.

Though your full loan amount will be approved, we will only match Lenders each time you require an amount to draw down, subject to availability. This way you only pay fees and interest on the amount you actually draw down, when you draw it down. Note: We recommend you provide FOLK2FOLK with 4 weeks' notice to organise each tranche of funds. Because we will be matching Lenders as and when you require your additional funds, these funds will be subject to availability and are not guaranteed.

AT A GLANCE

Loan term

Minimum term 6 months - rolling up to 5 years maximum

Interest rate (payable monthly)

6.5% p.a. - Maximum. LTV 60%

Fees

2% Initial Arrangement Fee
1% Annual Arrangement Fee
Legal costs and disbursements

Loan extension

Not applicable

Redemption

Notice period 3 months
Redemption Admin Charge of £250 + VAT (legal charges)
No Early or Partial Repayment Admin Charge

Partial draw down

Available

Example loan purposes

Property development
Working capital



In more detail

FIXED TERM LOAN

Fixed loans of 1, 2, 3, 4 or 5 years.

Fixed Term Loan Features

Loan term

Choice of loan duration of 1, 2, 3, 4 or 5 years.

Interest rate

6.5%: You can borrow up to a maximum of 60% of the forced sale value of your security.

Repaying your loan

If you wish to exit the loan before the end of term you must

- give 3 months' notice
- pay to the Lenders an additional 3 months interest
- pay a Redemption Admin Charge

Where 3 months' notice is not provided, an Early Termination Fee (being 3 months' interest in lieu of notice) is also payable to your Lender(s).

See www.folk2folk.com for full costs.

Loan extension

You can extend the loan for 12 months up to a maximum combined loan duration of 5 years, subject to availability and review. This incurs an Extension Fee of 1% of the loan amount which is a reduction on the Initial Arrangement fee which would be applicable to a new loan, plus legal costs.

AT A GLANCE

Loan term

1, 2, 3, 4 or 5 years

Interest rate

(payable monthly)

6.5% p.a. - Maximum LTV 60%

Fees

Loans for 1 or 2 years

Initial Arrangement Fee 2%
Annual Arrangement Fee 1%

Loans for 3, 4 or 5 years

Initial Arrangement Fee 1.5%
Annual Arrangement Fee 1%
Legal costs and disbursements

Loan extension

Yes, for 12 months.

Maximum combined loan duration is 5 years

1% Extension Fee (subject to availability and review) + legal costs

Redemption loan

Notice period 3 months

Redemption Admin Charge of £250 + VAT (legal charge)

Plus additional 3 months' interest payable to Lenders

Early or Partial Repayment Admin Charge (if applicable) of £250 + VAT

Partial draw down

Not available on this product

Example loan purposes

Agriculture/diversification
Working capital
Leisure & tourism
Renewables

Taking out a loan

How much does a FOLK2FOLK loan cost?

We like to be transparent about how our loans work and how much they cost. Costs associated with a FOLK2FOLK loan consist of:

- Interest paid monthly to your Lender(s) – see also Interest rate payable section on p11.
- Initial and Annual Arrangement Fees to FOLK2FOLK for arranging the loan over its lifetime.
- Third party fees and disbursements such as legal fees and land registry fees.

For a full overview of costs which may be applicable to your loan, please refer to our Terms & Conditions at: www.folk2folk.com

Alternatively, you can call us on **0330 058 3153** to request a hard copy via the post. (calls charged at standard national rate)

Simple and straightforward application



Talk to us on
0330 058 3153



Decision within
24-72hrs



Funds in weeks
not months

Things you should know

Prior to entering into a FOLK2FOLK loan it is important that you read and understand our Terms & Conditions, but in advance of this we would like to draw your attention to the following risks associated with taking out a Peer-to-Peer loan secured on property.

Interest rate payable

Provided that you pay interest on time and meet your obligations, you will pay what we call the Reduced Interest Rate. If you don't, then the rate rises by 2% until you start paying on time and meeting your obligations again.

Your property is at risk

Your property against which the loan is secured is at risk if you don't meet your payments. If you default on your payment or go bankrupt, your property could be sold to repay your Lender(s).

Delayed payments

Delayed or missed monthly payments will result in late payment charges (full table of costs in our Terms & Conditions), your property could be sold to repay your Lender(s).

Loan extension

If you take out a Fixed loan you can apply for a 12 month extension to your loan (aggregate Loan and extensions up to a maximum of 5 years). FOLK2FOLK reserves the right to refuse an extension request at any time. We will ask your Lender(s) if they want to continue with their investment, if they do not,

FOLK2FOLK will endeavour to find you a replacement Lender(s). However, if a replacement Lender(s) cannot be found or the extension request is refused, you'll need to pay back your loan once it reaches full term.

Cancelling your application

You may cancel your loan application, but if we've received a signed loan offer letter from you and you subsequently decide to cancel your application we'll charge you a fee to cover these abortive costs (please refer to the full table of costs in our Terms & Conditions).



#JoinTheMovement

www.folk2folk.com

FOLK 2 FOLK

The Local Lending Movement

If you have any questions, please get in touch:



0330 058 3153

to speak to a member of our Borrowing Team

(Calls charged at standard national rate). Available between Mon-Fri, 9am-5pm (excluding Bank Holidays)



enquiries@folk2folk.com



www.folk2folk.com



Drop into a regional branch

(for a list of branches go to www.folk2folk.com)

Branch opening times: Mon-Fri, 9am-5pm

(excluding Bank Holidays)

Follow us on



#JoinTheMovement

The property against which the loan is secured is at risk if you do not meet payments. FOLK2FOLK Limited is authorised and regulated by the Financial Conduct Authority (FRN 720867). Our registered office address is NUMBER ONE Business Centre, Western Road, Launceston, Cornwall, PL15 7FJ. Company Registration No. 08178576.