

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

- Secured business loans from £50,000
- Interest-only loans
- Borrow from 6 months - 5 years
- Rates from 0.38% p.m.*
- Loans in weeks not months

Who we help

We believe in, and support a wide range of local, rural and entrepreneurial British businesses across the UK, from farmers and food producers, property renovators and developers, to owners of country hotels, manufacturing businesses, yoga studios and cafés.

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 market 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

* This is equivalent to 4.5% p.a. Loans are funded by our individual Lenders so are always subject to our Lender customers' agreement to lend.

[†] 'Home' as defined in our General Terms & Conditions

10 ways we can help

Providing access to finance for real people in real situations.

Our Borrowers are sole traders, partnerships and limited companies all wanting to access debt finance to grow, develop or diversify their businesses as quickly as possible. They've got the appropriate security but, for whatever reason, they don't quite 'fit' the requirements of mainstream funders and can't get the finance they need from traditional sources.

This is where we fit the bill.



The business that wants to grow and develop

Some businesses just want to grow and develop. They want to grow their facilities, automate, purchase property and machinery, accelerate their growth and invest in the future. We enable our Borrowers to build the profitable, sustainable and successful business they want.

The business that wants to diversify

Some businesses realise they need to look beyond their usual income streams and do 'something different', and while able to afford the finance they need, may not have sufficient trading evidence for traditional finance providers. That's where we step in, providing the finance they need to diversify and thrive.

2

Borrowers that need to bridge a gap

It may be that money is due to a customer but is locked up for some reason. Perhaps they're waiting for a sale to go through or waiting for an inheritance. We can help provide a capital injection until the hold-up is resolved, at significantly lower rates than traditional bridging finance in the market.

3

Borrowers with unusual and diverse income streams

Not everyone earns their money in the same way and for those with diverse and unusual income streams, we're able to sit, look, listen and help put together the solution they need. Our holistic, common sense approach helps us better ascertain whether a customer can repay their loans and that works well for all parties.

4

The business owner looking to release equity for business purposes

Sometimes it's necessary to boost and improve cashflow and we recognise that. We're able to help our customers release equity from the property assets they own to give their businesses the boost they need.

5

Age restrictions

Age restriction is a common sticking point for traditional lenders. We don't discriminate on age and, in fact, many of our Borrowers are over 60. We've helped many Borrowers who've been declined by other companies because of their age.

6

Finance for those who don't meet standard lending criteria

Whatever the reason, whether it be sector, experience or even 'business structure', many of our Borrowers just don't meet the templates set by traditional lenders. Projects may be large, small, simple or complicated, but as long as the security is there, the ability to service can be evidenced, and a repayment plan is in place for the end of the loan term, we can often provide a solution. We facilitate lending into agriculture, alternative energy projects, leisure, tourism and many other areas that others simply don't touch.

7

For property development, purchase and small scale construction projects

While traditional lenders may not support property development, our pragmatic approach enables us to do just that. Much of our business sits around the development of property for business purposes: Farmers who want to develop farm buildings into holiday lets or land into 'glamping' sites; land owners that want to build new homes for sale. We've facilitated small scale affordable housing projects and other, more unusual developments and purchases that traditional lenders will not touch.

8

To facilitate partnership break-ups

In the event of a partnership break-up, there is likely to be a settlement of some sort, and sometimes with a required timescale. Professional or personal, partnership break-ups are never easy, and we can offer finance for buy out or settlement, often assisting the continuing partner to hold on to their business assets rather than sell them and to get themselves on to a stable footing.

9

The existing business borrower that needs to refinance

Sometimes businesses need a bit of breathing space; to take stock, simplify their position and reduce their outgoings. Our interest-only, secured loans enable our Borrowers to refinance and start again.

10

AT A GLANCE

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



	Commercial Loan	Development & Construction Loan
Purpose	A loan for any business purpose where no planning permission or change of use is required.	For property developments and construction projects where planning permission or change of use is required.
Amount	£50,000-£5m +	
Term	6 months-5 years	
LTV% (market value)	Up to 60%	Up to 60%
Rate (per month)	From 0.38% p.m. (4.5% p.a.)	From 0.42% p.m. (5% p.a.)
Partial drawdown and redemption	Yes	
Initial Arrangement Fee	2%	
Annual Arrangement Fee	1.25%	1.5%
How to exit your loan (redemption)	<ul style="list-style-type: none"> • 3 months' notice (or 3 months' interest payment in lieu of notice) 	<ul style="list-style-type: none"> • No notice • 1% of the repaid amount

FARMING & AGRICULTURE

We specialise in enabling farm and rural businesses to access finance to grow, diversify or refinance.



With our Commercial Loan, we enable you to stay on top of the challenges of uneven income and expenditure and make business decisions with confidence.

We've provided finance for:

- Diversification projects
- Converting outbuildings into holiday lets*
- Renewable energy
- Property renovations*
- Purchasing new stock or farm equipment
- Land Purchases
- Working Capital Finance
- Refinancing existing debts
- Farm shop finance and other retail ventures

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LEISURE & TOURISM

If you run a camping site, visitor attraction or golf course, FOLK2FOLK offers short-term, flexible business loans.



We offer a solution to British businesses when access to funding from traditional sources is blocked. Whether you run a camping site, holiday park, visitor attraction or golf course, our Commercial Loan can help you grow, develop and diversify your business.

We've provided finance for:

- Country House Hotels
- Yoga Studio
- Golf Courses
- Zoo
- Airbnb properties
- Camping and Glamping sites
- Property refurbishments*
- Bridging loans including bridging for Airbnb properties
- Working capital

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HOSPITALITY

Use your property assets to grow your hospitality or hotel business.



Are you looking to upgrade your hotel business, grow your Pub into a B&B business, or expand your restaurant business but struggling to get the finance you need? Make your property assets work harder for you with our Commercial Loan.

We've provided finance for:

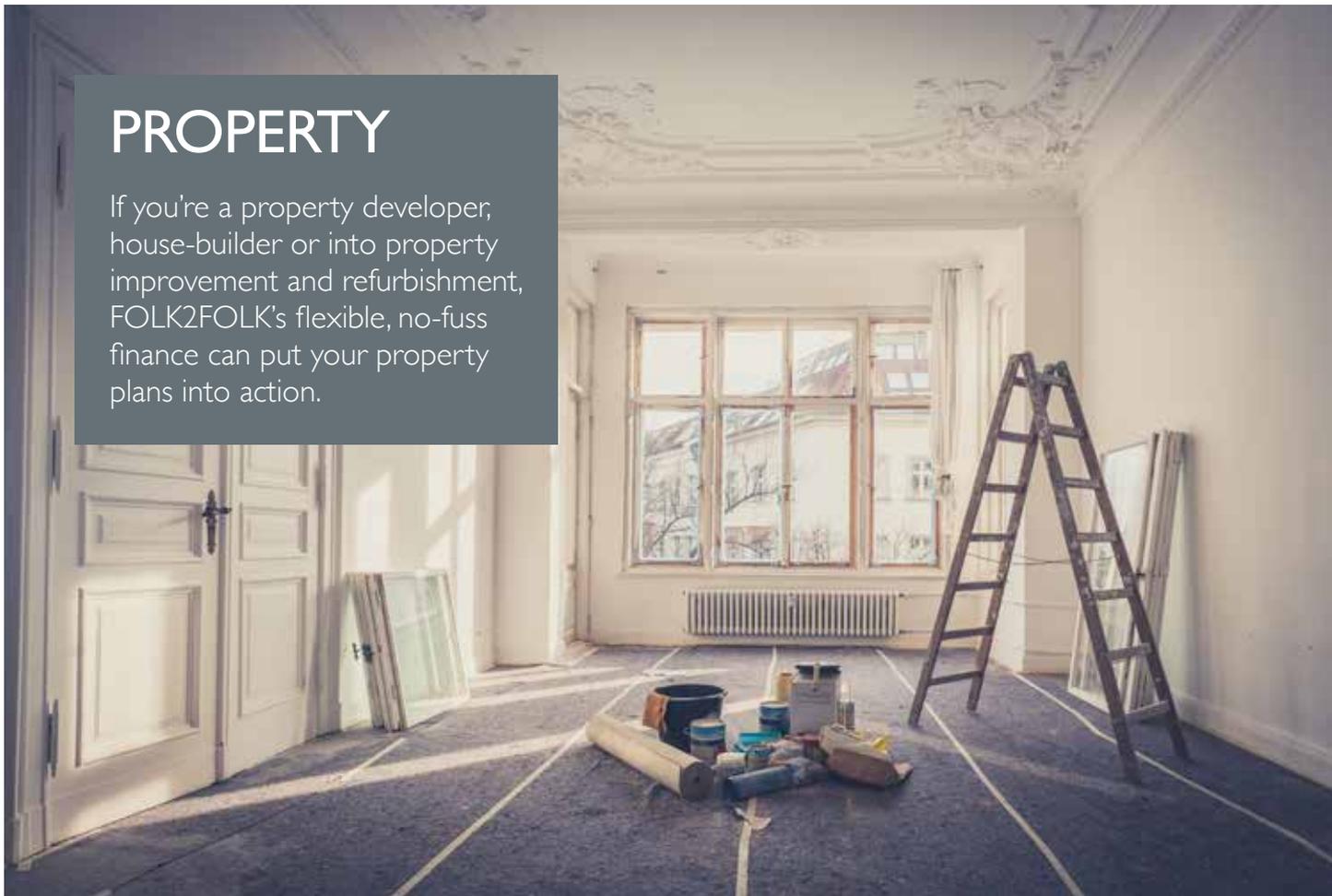
- Investments in new technology to improve the customer experience
- Equipment purchases
- Airbnb properties
- Property development, refurbishment and upgrades*
- Hotel, restaurant and B&B brand and marketing projects
- Working capital to help manage finances during periods of seasonality

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PROPERTY

If you're a property developer, house-builder or into property improvement and refurbishment, FOLK2FOLK's flexible, no-fuss finance can put your property plans into action.



When you spot a development opportunity, timing is often key. FOLK2FOLK can help you get the finance you need - whether you're looking to finance a multi-million pound development project, require bridging finance, or need a development loan to renovate and refurbish properties.

	Commercial Loan	Development & Construction Loan
	Looking to revamp a property or undertake a full-scale renovation? All it takes is a bit of vision and a FOLK2FOLK Commercial Loan to bring your ambitions to life.	Whether it's a multi-million pound development, large housebuilding or construction project or a more modest renovation or self-build, our Development & Construction Loan can help make your plans a reality
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SMEs

Whether you're a manufacturer, wholesaler, retailer or offer professional services, a secured business loan with FOLK2FOLK can help entrepreneurs of all types take that next step.



We help small and medium-sized enterprises (SMEs) accelerate their growth, development and diversification when access to lending from traditional sources is blocked. Whether you run a bricks and mortar business, or you're based online, a Commercial Loan with FOLK2FOLK can help you get a new venture off the ground or invest in your premises, technology or staff.

We've provided finance for:

- New technology or equipment
- Recruitment of new staff
- Property development, refurbishment and upgrades*
- Working capital

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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)
- Initial and Annual Arrangement Fees to FOLK2FOLK for arranging and administering 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 **0333 455 1902** to request a hard copy via the post.

(calls charged at standard national rate)

Things you should know

Prior to entering into a FOLK2FOLK loan it's 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

You may apply for a 12 month extension to your loan (Loan 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).

How to apply

Simple and straightforward application



Talk to us on
0333 455 1902



Decision within
24-72hrs*



Funds in weeks
not months*

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

#JoinTheMovement

FOLK 2 FOLK

The Local Lending Movement

If you have any questions, please get in touch:



0333 455 1902

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

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.