

MARKETFINANCE

Recovery Loan Scheme FAQs

EXISTING FINANCE FACILITIES + RLS

Can a client have both an RLS loan and a CBILS facility?

Yes, they can have both as long as they are within the RLS borrowing limits. These are 25% of annual turnover, twice the annual wage bill limit or self-certification of the total funding the client will need over the next 18 months.

Can a client have an RLS facility with another lender and with MarketFinance?

If they have an RLS facility with another lender, they can apply for an RLS loan from MarketFinance as long as it's within the borrowing limits set out above. Approval will also be subject to case-by-case underwriting considerations.

Can an RLS loan be used to refinance a bounce back loan?

Yes, the client would simply have to let us know how much there was left to refinance and show proof of settlement after draw down.

Can existing MarketFinance customers apply for an RLS loan from MarketFinance? If so, what are the restrictions on this?

We can look at refinancing a proportion of existing loan customers onto RLS. We can also top up existing loans with new RLS facilities. We can support customers with an invoice finance facility alongside an RLS loan if required.

Can clients use any business banking account to apply to MarketFinance for an RLS loan?

Yes they can.

If a client has an existing non-RLS loan, can MarketFinance offer an RLS loan?

Yes, as long as they're within the RLS borrowing limits.

ELIGIBILITY

Are partnerships and sole trader businesses eligible for RLS loans through MarketFinance?

No, we can only support limited companies, LLPs and PLCs.

Are loss-making businesses eligible for RLS loans through MarketFinance?

No, we can't support loss-making businesses.

Can MarketFinance support group structures?

Yes, as long as the ultimate beneficiary owner is a UK national.

GET IN TOUCH

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Are there any sectors that MarketFinance is excluding from RLS applications?

There's a list of sectors already excluded by the British Business Bank in their RLS eligibility criteria. In addition to these sectors, we currently can't support real estate, or international travel with an RLS loan.

Can Northern Irish businesses be supported?

Yes.

APPLICATION PROCESS

Will you still require directors/shareholders to be homeowners?

Yes, we'll need an individual with significant control to be a homeowner. This is to help reduce fraud attempts. No attempts will be made to gain control of their property in the case of a default.

Does MarketFinance need all shareholders' details or just ones over a certain %?

We need details for applying directors as well as all PSCs (some directors don't have to have shares but do have a significant influence/control of the business) and shareholders with 25% and more.

How many sets of filed accounts does MarketFinance need from clients to apply?

The client will need to have filed two sets of accounts. However, we can accept just the latest set as long as it shows the last two years' figures.

Will MarketFinance request management accounts?

Typically we only ask for management accounts if the last filed accounts are more than 12 months old. We may also ask for management accounts if there are other aspects of the application that we're concerned about.

What KYC documentation will be required?

We currently run our KYC checks through Equifax. If this isn't sufficient, we'll ask for ID and proof of address.

What happens if there has been a change of ownership within the business?

The new owners need to have been in place for at least 12 months.

Will MarketFinance take a debenture?

No.

If a client is loss-making in their last set of filed accounts but profitable in management accounts, will MarketFinance accept the management accounts?

We can only take this into consideration if there are 12 months in the management accounts. We'll have to revert to filed accounts for anything less than 12 months.

Is the maximum loan size 25% of turnover on the last set of filed accounts or will MarketFinance look at recent management information?

The maximum borrowing limits under RLS are based on 2019 figures.

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DECISION

If approved, how long is the client's offer valid for?

Up to 10 days as long as they haven't taken out any other RLS facilities during that time period.

If an application has been declined, will clients be able to make a new application further down the line?

Yes, a client who has been declined can reapply after 3 months.

Will you be offering clients additional rationale of decline reasons?

No, we'll be offering clients and introducers standard decline reasons.

Can clients settle their loans early?

Yes, clients can settle their loans early if they want to. There are no fees to doing this.

COMMISSION

What commission will introducers be paid and when?

Introducers will receive a flat commission of 2.5% in arrears in the first full week of the following month.

If clients settle their loans early, will this affect the introducer commission?

No, this won't affect introducer commission.

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MARKET
FINANCE



Working with

British
Business
Bank



Recovery Loan Scheme

AN INTRODUCER GUIDE

The Recovery Loan Scheme is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy & Industrial Strategy. British Business Bank plc is a development bank wholly owned by HM Government. It is not authorised or regulated by the PRA or the FCA. Visit <http://www.british-business-bank.co.uk/recovery-loan-scheme>

About us

At MarketFinance, our vision is for entrepreneurs to have the time to build the world we all want to live in.

That's why we're making it quick and easy to get funding through our seamless funding solutions. So entrepreneurs can get on with growing their business, instead of having to worry about cash flow. We're here to unlock the endless possibilities that arise when entrepreneurs have time to focus on what they love.

We've funded over £2.6bn worth of invoices and business loans since inception, using a marketplace model. This means we have businesses that want a loan or funding against outstanding invoices on one side, and investors who advance those funds on the other. Our smart online platform connects these two communities.

Our platform investors include Barclays UK, the British Business Bank, institutional investors, family offices and high net worth individuals.

OUR PARTNERS INCLUDE



The Recovery Loan Scheme (RLS) is a new funding opportunity for businesses looking to fuel recovery and growth as we make our way out of the pandemic.



MarketFinance RLS loans

In 2020, your clients made it through the height of pandemic disruptions. Now that they've weathered that storm, they're looking to new horizons and thinking about how to fuel the next phase for their business. That's where the Recovery Loan Scheme (RLS) comes in.

RLS loans are designed to accelerate your clients' post-pandemic recovery. Clients can borrow between £50,000 and £350,000 to boost business and focus on the future. With MarketFinance, arrangement fees are capped at 4% and repayments are interest-only for the first six months.

OVERVIEW

FUNDING LIMIT

£50,000 to £350,000

PRICING

- 4% arrangement fee
- Interest from 7.99% to 10.18%
- No charge for early repayment

REPAYMENT

Interest-only payments for the first 6 months, interest and principal repaid thereafter

TERM

A choice of 4, 5 or 6 years

INFORMATION REQUIRED

- Last 6 months bank statements (dated to within 2 weeks)
- Director's details
- Latest statutory accounts

SECURITY

Unsecured, with loans above £250,000 subject to a personal guarantee in line with the RLS scheme

HOW IT WORKS

APPLICATION

It takes just a few minutes online

DECISION

Get approved within 72 hours

FUNDING

Within 48 hours of signing docs

INTEREST PAYMENTS

For the first 6 months

FULL REPAYMENTS

Pay interest and principal from month 7

WHAT TYPES OF BUSINESSES CAN APPLY?







- UK registered limited company
- Turnover of at least £200,000
- Trading for 3 years or more
- Currently trading and profit-making
- Director is a homeowner

BEST FOR BUSINESSES THAT...

- Have an established trading history and customer base
- Pivoted during the pandemic and want to fund new business models
- Are looking to invest in post-pandemic growth
- Need to bridge a temporary cash shortfall
- Operate in any sector except for banks, building societies, insurers and reinsurers, public sector bodies and state funded schools

Process for introducers

Interested in submitting an application for a client? We've outlined the process from start to finish below. Once you've submitted, we'll get back to you with our decision within 72 hours.

-  **APPLICATION RECEIVED**
Submit an application on behalf of your client using your portal
-  **RISK PRE-SCREEN**
Our team reviews and rejects applications that don't meet our eligibility criteria
-  **RISK REVIEW**
The application is labelled as *Approve*, *Reject* or *More information required*.
If we need more information, we'll send you a request for the required documents
-  **RISK APPROVAL**
Offer details will be emailed to you to send to your client
-  **OFFER ACCEPTED**
Client accepts offer and will electronically sign a direct debit mandate and the MarketFinance Loan Documents
-  **FUNDS ADVANCED**
Receive funds within 48 hours of signing docs



What good looks like

PLACING RLS LOANS WITH MARKETFINANCE

//1 Loan amount as a proportion of turnover

What good looks like: $\frac{\text{Loan amount (requested)}}{\text{Turnover}} \leq 0.2$ or less (20% or less)

//2 Loan amount as a percentage of EBITDA

What good looks like: $\frac{\text{EBITDA}}{\text{Loan amount (requested) / Term amount (requested)}} \geq 0.5$

OR EBIT (Operating profit) is at least half the annual loan repayment

//3 Experian scores

Delphi minimum: 20
What good looks like: Delphi > 50

//4 Affordability from bank statements

Bank statements must show an average of at least 1x coverage ratio for any new debt incurred (including any new and potential MarketFinance loan). Existing outstanding debt is fine, as long as signs of servicing is evident.

OR Average headroom in bank statements covers roughly $\frac{\text{Loan amount}}{\text{Term in months}}$

//5 Balance sheet

Solvent balance sheet: Positive equity
Liquid balance sheet: Current ratio > 1

//6 Other qualitative features

Some features from the sample of rejections (negative signs):

- 3 or more loans have been taken out in the last 6 months
- Multiple bounced payments
- Business spends time in excess of overdraft or credit limits
- Loss making business in the last 2 years
- No director has been serving the business for more than 12 months
- Business has had CCJs in the last 12 months
- Director has been involved in or is in any insolvency/ bankruptcy proceedings
- Heavy use of overdraft (utilising up-to and close to limits)
- Business is extremely behind on paying its creditors

RESTRICTED SECTORS

Loans for the following sectors will be capped at £150,000:

- Construction
- Retail and leisure
- Travel, hospitality and events

Common decline reasons and next review points

Here are some of the most common reasons why we might decline a client's application. We've also included the corresponding point at which we're able to review this decision.

DECLINE REASON	NEXT REVIEW POINT
Lack of affordability <i>This can be due to losses or balance sheet concerns e.g. illiquid balance sheet and high debt/equity</i>	Next full set of financials covering 12 months
Lack of affordability within the bank statements	6 months of bank statements
Heavy use of overdraft <i>Utilising up to or close to limit</i>	6 months of bank statements from rejection date showing clear conduct
Consumer CAIS defaults <i>CAIS: Credit Account Information Sharing</i>	2 years from default date as long as default has been satisfied
Insufficient data on persons with significant control	3 months from decline date
Ineligible loan purpose	3 months from decline date

Recovery Loan Scheme FAQs

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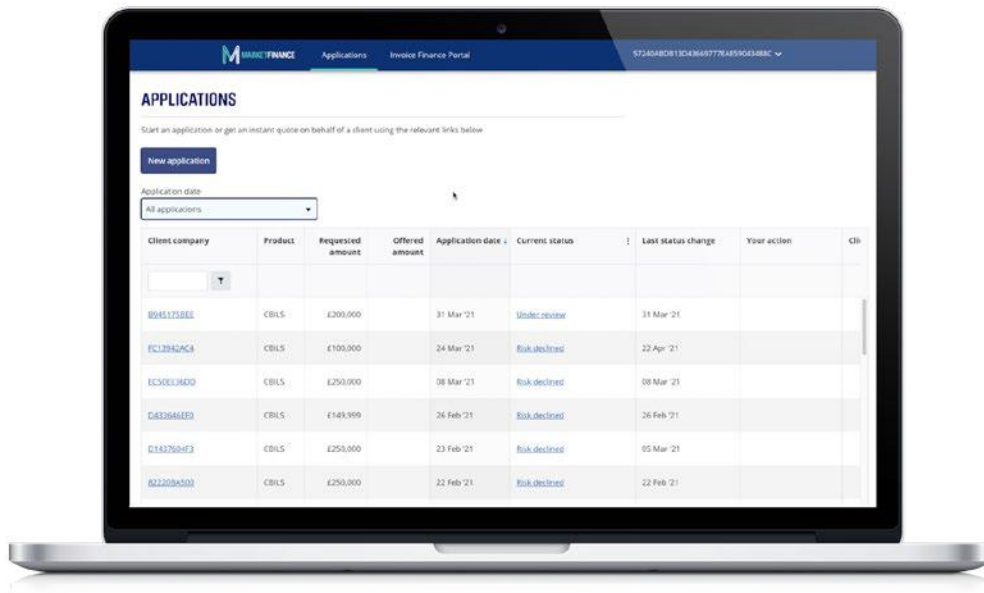
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How to refer



//1 Log in to the [introducer portal](#)

//2 Start a new application

//3 Continue through the application process, providing information on the client you're referring

If you have any questions feel free to reach out to partner@marketfinance.com and we'll be happy to help.

BEFORE YOU START, MAKE SURE YOU HAVE YOUR CLIENT'S:

- Company name and UK registration number for the applying company
- Date of birth and residential address for the applying director
- Last 6 months' bank statements
- Statutory Accounts
- Turnover for the calendar year 2019



Here's a video tutorial showing how it works!

WATCH VIDEO

Here to help



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RLS CHECKLIST– *A CHECKLIST MUST BE COMPLETE FOR EACH CUSTOMER AND INDEXED CORRECTLY

Sales Advisor/ Broker:

ELIBIGIBILITY FOR THE RECOVERY LOAN SCHEME:

<p>The relevant Applicant is not (and, where the Applicant forms part of a Group, no other member of its Group is):</p> <ul style="list-style-type: none">• a firm with a Part 4A Permission to carry on the regulated activity of accepting deposits and which is a credit institution; or• a building society; or• an EEA bank; or• a firm with permission to effect contracts of insurance or carry out contracts of insurance (other than a UK ISPV), <p><i>as each term is defined in the Prudential Regulation Authority Rulebook as at 1st April 2020.</i></p> <p>The relevant Applicant is not:</p> <ul style="list-style-type: none">• an individual other than a sole trader;• an individual other than a partner acting on behalf of a partnership;• classified to the public sector by the Office of National Statistics; or• a state funded primary or secondary school.	<p>The relevant Applicant or Applicant's Group is or will be engaged in Trading Activity (or, in respect of Applicants that are registered charities or further education colleges, activities) in the United Kingdom at the Initial Drawdown Date.</p> <p>The Applicant has confirmed to the Lender that it has been impacted by Coronavirus (COVID-19) and the Lender considers that the Applicant or the Applicant's Group has a viable business proposition determined according to its underwriting policies in place from time to time save that for the purposes of such determination the Lender may, but is not required to, disregard any concerns over the Applicant's or the Applicant's Group's short-to-medium term business performance due to the uncertainty and impact of Coronavirus (COVID-19).</p> <p>Where the Lender, having made Due Enquiry, is aware that such Applicant, together with its Group, receives or will receive income from sources other than its Trading Activity as at the Date of Application, more than 50% of the income of that Applicant, together with its Group, is or will be at the Initial Drawdown Date derived from its Trading Activity. This Eligibility Criterion shall not apply where the Applicant is a registered charity or further education college.</p>
<p>The Broker must ensure that the customer is aware that they are applying for the RLS and that Customer due diligence checks will be performed on the individuals including credit checks on entities and where applicable (Guarantors) credit checks on individuals.</p>	<p>The relevant Applicant or Applicant's Group has a business proposition that can reasonably be expected to enable it to meet its repayment obligations under such Proposed Scheme Facility, which may, but is not required to, be determined without regard to any concerns over its short-to-medium term business performance due to the uncertainty and impact of Coronavirus (COVID-19).</p>

RECOVERY LOAN SCHEME FEATURES TO BE CONVEYED TO RLS BORROWERS:

<p>Overview</p> <ul style="list-style-type: none">• The Recovery Loan Scheme (RLS) is a UK Government Guarantee Scheme established in April 2021 with the aim of assisting businesses to access finance during the Coronavirus (COVID-19) pandemic and recovery period.• The RLS Guarantee is provided by the UK Government to the Lender and not to the Borrower.• It enables the Lender to provide the Borrower with funding that we might otherwise have been unable to provide, due to the Coronavirus (COVID-19) pandemic.	<p>Liability</p> <ul style="list-style-type: none">• The provision of the RLS Guarantee does NOT remove any of the Borrowers liability for repaying the Borrower's RLS-Supported Facility (nor, if applicable, does it reduce the liability of any Personal Guarantor of the RLS-Supported Facility).• In the event of the Borrower defaulting on their loan repayments (for example, failing to make specific repayments as and when they fall due), the Lender is entitled to seek to recover the full amount outstanding from the Borrower.• Any monies received by the Lender under the RLS Guarantee does not reduce the Borrower's liability in any way.
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PLEASE COMPLETE

Date		
Broker		
Full business name		
Company registration Number		
Business type (Limited Company / LLC / PLC / Sole Trader / Partnership)		
Business sector (SIC codes)		
Employees (FTE equivalent)		
Annual turnover (2019) (Group turnover to be less than or equal to £45m)		
Product		
If Term Loan – What is the purpose of the Term Loan?		
Have you, the broker, transacted with the customer before? (If term loan photo ID must be provided of signatory)		
	<i>If no, please confirm how you were introduced to the customer:</i>	
Total CBILS/BBLS/RLS already taken (If yes – please state no of facilities and amounts (Include pending applications))	<i>Number of facilities:</i>	
	<i>Principal balance:</i>	
Term	Asset Finance (3-5years) Term Loan (3-6 years)	
Amount (Over £250,000 may require security) (Maximum of £2m per an individual lender)		

Criteria	<p>Is the Amount:</p> <ul style="list-style-type: none"> (a) Double the Borrower's annual wage bill for 2019 or the latest year available (the Lender has the option to use the 2020 accounts if available) or if the Borrower was established after 1 January 2019 the estimated annual wage bill for the first 2 years of operation, or (b) 25% of the Borrower's total turnover in 2019, or (c) Self-certification of the Borrower's liquidity needs for the next 18 months for SMEs. (A Borrower's liquidity plan may include both, working capital and investment costs) <p>in the case of (a) and (b) minus the aggregate outstanding principal and available undrawn commitment under any CBILS or CLBILS of the Borrower, or the Borrower's Extended Group, if applicable.</p> <p>From 1st January 2022, Under the RLS Government backed scheme, the following eligibility criteria will apply:</p> <ul style="list-style-type: none"> ● Scheme Facilities only available to borrowers with a Group turnover of less than or equal to £45,000,000 and ● The maximum amount each group can borrow is £6million (£2m for individual lenders) 	
	Was the SME an "Undertaking in Difficulty" on 31 December 2019?	
	Does the SME have a business proposition that can reasonably be expected to enable it to meet its repayment obligations under such Proposed Scheme Facility, which may, but is not required to, be determined without regard to any concerns over its short-to-medium term business performance due to the uncertainty and impact of Coronavirus (COVID-19) (evidence required)	
	Is and will the SME be trading in the UK at the initial drawdown date?	
	Is the Borrower (or Borrower Group if applicable) generating more than 50% of its turnover from trading activities?	



	COVID-19 contingencies (how else has the business reduced commercial costs) *holidays on leasing properties/payment holidays through other creditors/suppliers	
	Provide Bank statements for the previous 3 months OR Please click the unique customer link below to share your information using consents.online. You can do this from your desktop. https://conister.consents.online/	
	Does the company form part of a Group? (A parent guarantee may be required if Yes)	
	IF the LOAN is OVER £250k, security may be required as per the Banks normal practices	
CREDIT ASSESSMENT	Ensure criteria met <ul style="list-style-type: none">• Trading for 2 years• Latest full set of filed accounts• Up to date MI (to cover the period from filed accounts to date)• 3 months Bank statements provided OR Open banking platform used	
Refinance checks	Is this a refinance of a BBLS or CBILS/CLBILS?	
Any other comments		



Recovery Loan Scheme (RLS) Broker Guide

2021

RLS and our Accreditation

“The Recovery Loan Scheme is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy”

What is the Recovery Loan Scheme (RLS)?

Recovery Loan Scheme

RLS aims to help businesses of any size across the UK affected by Covid-19, providing support for businesses to recover and grow following the disruption of the pandemic. It is designed to appeal to businesses that can afford to take out additional debt finance and can be used for any legitimate business purpose, including managing cashflow, investment and growth.

Businesses can borrow up to a maximum of £10 million, for a wide range of products, available on repayment terms up to six years (for term loans and asset finance) and up to three years (for overdrafts and invoice finance facilities).

Overview

- The Recovery Loan Scheme (“RLS”, “RL Scheme” or the “Scheme”) will support access to finance for UK businesses as they recover and grow following the pandemic.
- The scheme will run in an initial phase from 6 April until 31 December 2021. Subject to review.
- Scheme facilities can be issued to borrowers who already have CBILS, CLBILS or BBLS facilities. However, the amount they have borrowed under an existing scheme may, in certain circumstances, limit the amount they may borrow under RLS.
- A key aim of the Recovery Loan Scheme is to improve the terms on offer to borrowers, but if a lender can offer a borrower the choice of a commercial loan on better terms, without requiring the guarantee provided by the RLS, they should do so.
- Partnership between HM Government and Lender to facilitate additional funding for viable businesses impacted by COVID-19.
- Provides the lender with an 80% guarantee (Lender retains 20% loss).
- Borrower remains 100% liable for debt.
- Lender pays scheme lender fee.
- Can be used for any business purpose, including working capital or investment.

Liability

- The provision of the RLS Guarantee does NOT remove any of the Borrower’s liability for repaying the Borrower’s RLS-Supported Facility (nor, if applicable, does it reduce the liability of any Personal Guarantor of the RLS-Supported Facility).
- In the event of the Borrower defaulting on the Borrower loan repayments (for example, failing to make specific repayments as and when they fall due), the Lender is entitled to seek to recover the full amount outstanding from the Borrower.

Recovery Loan Scheme

- Any monies received by the Lender under the RLS Guarantee does not reduce the Borrower liability in any way.

Major Scheme changes

- Minimum loan size for Asset Finance reduced to £25,000.
- Minimum loan size for Term is £50,000
- Maximum loan size for an individual Borrower (Group maximum of £30m)
- No longer providing Business Interruption Payments
- Scheme lender fee (1-2%) to be paid by the Lender to have access to RLS
- No turnover limit

Conister Products Applicable Under RLS



Recovery Loan Scheme

RLS key features



Up to £10m per business

Up to £10m facility per business: The maximum amount of a facility provided under the scheme is £10m per business (maximum £30m per group). Minimum facility sizes vary, starting at £25,000 for asset finance and £50,000 for term loans.



Interest and fees from outset

Interest and fees to be paid by the borrower from the outset: Businesses are required to meet the costs of interest payments and any fees associated with the RLS facility.



Terms from 3 years up to 6 years

Term length: Term loans and asset finance facilities are available from three years up to six years.



Access to multiple schemes

Access to multiple Covid-19 schemes: Businesses that have taken out a CBILS, CLBILS or BBLS facility are able to access the new scheme although the amount they have borrowed under a previous scheme may in certain circumstances limit the amount they may borrow under RLS.



No personal guarantees

Personal Guarantees: Personal guarantees are not permitted for facilities of £250,000 or less. Above £250,000 the maximum amount that can be covered under RLS is capped at a maximum of 20% of the outstanding balance of the RLS facility after the proceeds of business assets have been applied. No personal guarantees can be held over Principal Private Residences.

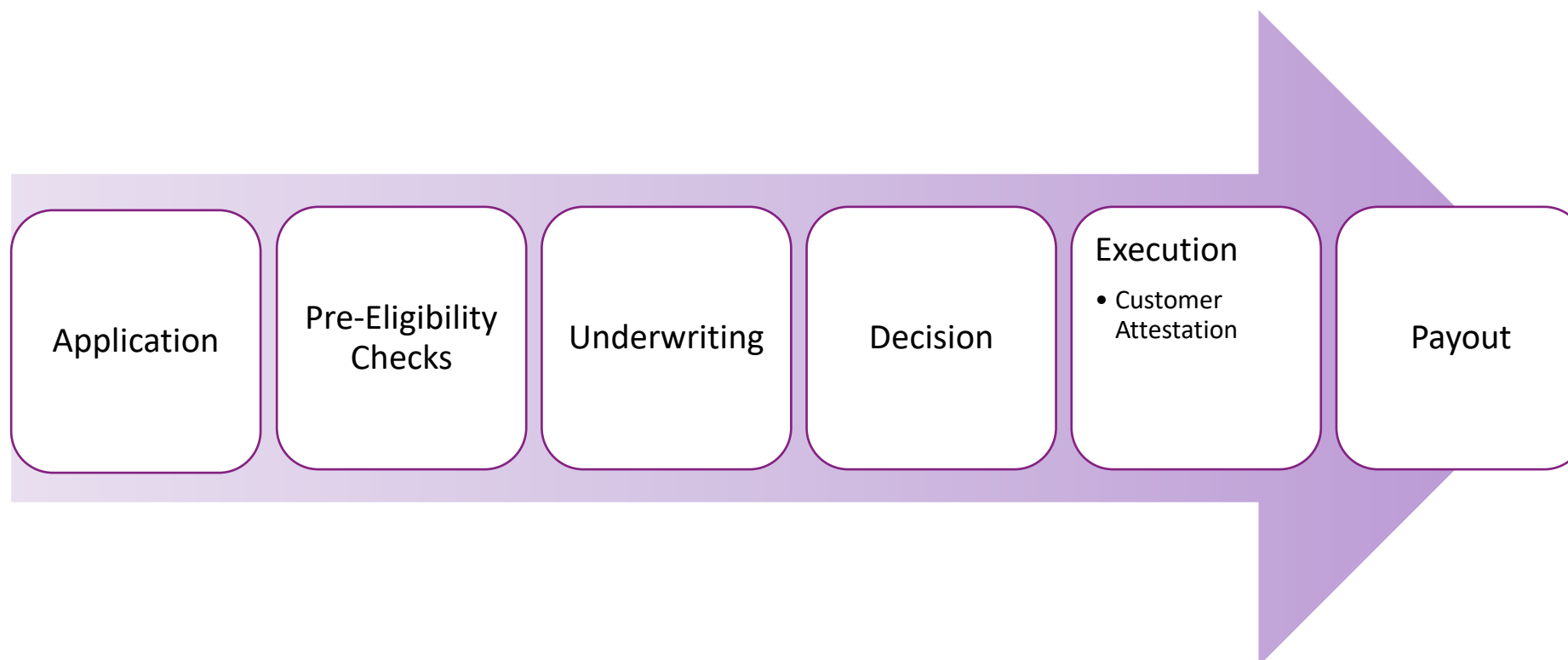


Guarantee to the Lender

The scheme provides the lender with a government-backed guarantee against the outstanding balance of the facility. The borrower always remains 100% liable for the debt.

Recovery Loan Scheme

The Conister Bank RLS Application Journey



Recovery Loan Scheme

Application

The Broker must ensure that the customer is aware that they are applying for a RLS product and complete all necessary proposal requirements.

Pre- Eligibility Checks & viability

The Broker must complete the application form attached separately to this pack which includes the criteria to ensure it meets the RLS eligibility (this should then be uploaded onto the Broker portal). In summary these are:

- The borrower must be a Micro, Small, Medium or Large Enterprise.
- Where the Borrower is an individual they must be either a sole trader, be a partnership, a trust or an unincorporated association and then only for business purposes.
- The Borrower (or Borrower Group, if applicable) must be or will be generating more than 50% of its turnover from trading activity.
- The Borrower must trade in the UK and the RLS Facility must be used to support trading or commercial activity in the UK.
- The Borrower cannot be an 'undertaking in difficulty'.
- The RLS Facility must not be used in an excluded sector or for RLS Facilities of under £30,000 to finance a specific Export Order. The excluded sectors and activities are:
 - Deposit taking Banks and EEA Banks
 - Building Societies
 - Insurers (other than insurance brokers)
 - Public sector organisations
 - State funded primary or secondary schools
 - An RLS Facility of under £30,000 must not be used in support of export related activities.

Recovery Loan Scheme

- The RLS Facility must be used to provide either new/increased borrowing for working capital or investment or refinancing existing debt/debt consolidation.

A Borrower will be able to apply for a Recovery loan if their business is trading in the UK and will need to show that their business:

- Is viable or would ordinarily be viable were it not for COVID- 19 (the Borrower will need to provide evidence such as management accounts, business plan, historic accounts and details of assets)
- Has been impacted by COVID-19
- Is not in collective insolvency proceedings

Northern Ireland Protocol

RLS requires that borrowers self-certify if they are in scope of the Northern Ireland Protocol and requires the identification and reporting of subsidies that affect trade in goods and electricity between NI and the EU.

- Does the business participate in wholesale electricity markets in Northern Ireland ?
- Is the business based in Northern Ireland ?
- Does the business have operations in Northern Ireland.

If the answer is yes please contact us to discuss further.

Underwriting & operations

The relevant checks will be complete on a customer including KYC/CDD on Directors/Shareholders as normal business practice.

In addition to the customer being eligible we will require the following information to underwrite the deal as per our RLS credit policy.

- Trading for 2 years
- Latest full set of filed accounts

Recovery Loan Scheme

- Up to date MI (to cover the period from filed accounts to date)
- 3 months Bank statements provided OR Open banking platform used (faster decision provided through our open banking portal at <https://conister.consentsonline/>). For more information, please speak to your relationship manager at Conister for a demo/overview.

Decision

Offer letter and supporting documentation will be sent to the Broker with acceptance. This will include the following documents:

- RLS Data Protection and Disclosure Declaration Form (signed by Borrower and Personal Guarantor if applicable)
- Evidence that the Borrower has answered the Location Questions
- Evidence of commencement of trading date and turnover (as recorded on Guarantees Portal)
- Evidence of Undertaking in Difficulty (“UiD”) assessments

Execution

Documentation is accepted and approved by the Borrower and returned to Conister Finance & Leasing Ltd with all supporting information. This supporting information includes the Borrower attestation to the RLS criteria and fully understanding the facility.

Payout

The deal will be made live and the Borrower will be paid out directly by Conister Finance & Leasing Ltd. Brokers will receive a maximum commission of 3% for Term loans and upto 4% for Asset Finance.

Recovery Loan Scheme

RLS Criteria

Term Loans

- Between £50,000 and £500,000
- 3 to 6 years only
- 1% fee
- 3% commission
- Maximum amount of facility based on:
 - Double annual wage bill of the SME for 2019
 - 25% of total turnover of the SME in 2019 or
 - Self – certification by the SME of its liquidity needs for the next 18 months and 12 months for large enterprises

Asset Finance

- Between £25,000 and £500,000
- 3 to 5 years only
- £200 doc fee
- 4% commission
- Maximum amount of facility based on:
 - Double annual wage bill of the SME for 2019
 - 25% of total turnover of the SME in 2019 or
- Self – certification by the SME of its liquidity needs for the next 18 months and 12 months for large enterprises

Additionally:

Neither the UK Government nor BBB have any role in the Eligibility Assessment or facility management processes (at the level of the individual transaction) and are not party to the facility agreement between the Borrower and the Lender.

Recovery Loan Scheme

Information for Customers

If the borrower is not captured by the Northern Ireland Protocol, and the Proposed RLS Facility is £30,000 or more, the Borrower must not, at the date of application, be subject to Relevant Insolvency Proceedings.

If the borrower is in scope of the Northern Ireland Protocol, the Undertaking in Difficulty test as defined by EU still applies – as does the simplified EU UiD test for micro and small enterprises, for RLS Facilities of £30,000 or more.

Excluded Sectors and Activities

- No Personal guarantee for CBILs scheme under £250,000
- UK based in its business activity.

Very few sectors are excluded – these are:

- State-funded primary and secondary schools;
- Entities providing insurance (other than insurance brokers);
- Deposit taking banks and Building Societies; and
- Public sector organisations

For RLS Facilities of under £30,000, restrictions apply in certain circumstances where export-related activities are to be financed.

Recovery Loan Scheme

FAQS

We will send through a borrower FAQ pack which you can use to answer questions from the borrowers.

Please also follow the link below directly to the BBB website or of course give Conister a call/email with any questions.

[Recovery Loan Scheme - FAQs - British Business Bank \(british-business-bank.co.uk\)](#)

References

[Recovery Loan Scheme - British Business Bank \(british-business-bank.co.uk\)](#)

www.conisterfinance.co.uk

Conister Recovery Loan Scheme Rate Chart

**Conister**

SOFT ASSET	TIER 2 NET YIELDS			
Term	£25,001 - £50,000	£50,001 - £75,000	£75,001 - £100,000	£100,000+
3 - 5 Years	7.25%	7.00%	6.75%	6.50%

Max commission 4% not included in above rate - Lease & HP only - £200 doc fee.

SOFT ASSET	TIER 3 NET YIELDS		
Term	£25,001+		
3 - 5 Years	7.99%		

Max commission 4% not included in above rate - Lease & HP only - £200 doc fee.

HARD ASSET	TIER 2 NET YIELDS	
Term	£25,000 +	
3 - 5 Years (0+)	6.25%	

Max commission 4% not included in above rate - Qualifying hard assets only - Lease & HP only - £200 doc fee.

HARD ASSET	TIER 3 NET YIELDS	
Term	£25,000 +	
3 - 5 Years (0+)	7.25%	

Max commission 4% not included in above rate - Qualifying hard assets only - Lease & HP only - £200 doc fee.

TERM LOAN	TIER 2 NET YIELDS	
Term	£50,000 +	
3 - 6 Years	9.99%	

3% commission included - 1% facility fee.

TERM LOAN	TIER 3 NET YIELDS	
Term	£50,000 +	
3 - 6 Years	10.99%	

3% commission included - 1% facility fee.



To find out more:

Call us on **+44 (0)1635 890000** or visit us at **conister.co.uk**

Conister Finance & Leasing Ltd. Incorporated and registered in the Isle of Man. Company number 077828C. Registered and Head Office: Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN. Registered as an Overseas company in England and Wales. Company number: FC024114. Establishment number: BR007991. UK establishment office: Attwood House, Unit 10B, Mansfield Business Park, Lymington Bottom Road, Medstead, Alton, Hampshire, GU34 5PZ. Conister Finance & Leasing Ltd is authorised and regulated by the Financial Conduct Authority, firm registration number 723544, and is a wholly owned subsidiary of Conister Bank Limited.

Loan Amount Borrowed	Arrangement Fee (5%)	Amount Advanced to Client	Broker Comission (2.50%)	Interest Rate	IO Term (Months)	Amortising period (months)	Interest Only instalments	Amortising Instalments post IO period	Total Amount Payable
£50,000	£2,380.95	£47,619.05	£1,190.48	12.01%	12	60	£500.42	£1,112.48	£72,753.50
£75,000	£3,571.43	£71,428.57	£1,785.71	12.01%	12	60	£750.63	£1,668.71	£109,130.26
£100,000	£4,761.90	£95,238.10	£2,380.95	12.01%	12	60	£1,000.83	£2,224.95	£145,507.01
£125,000	£5,952.38	£119,047.62	£2,976.19	12.01%	12	60	£1,251.04	£2,781.19	£181,883.76
£150,000	£7,142.86	£142,857.14	£3,571.43	12.01%	12	60	£1,501.25	£3,337.43	£218,260.51
£175,000	£8,333.33	£166,666.67	£4,166.67	12.01%	12	60	£1,751.46	£3,893.66	£254,637.27
£200,000	£9,523.81	£190,476.19	£4,761.90	12.01%	12	60	£2,001.67	£4,449.90	£291,014.02
£225,000	£10,714.29	£214,285.71	£5,357.14	12.01%	12	60	£2,251.88	£5,006.14	£327,390.77
£250,000	£11,904.76	£238,095.24	£5,952.38	12.01%	12	60	£2,502.08	£5,562.38	£363,767.52
£275,000	£13,095.24	£261,904.76	£6,547.62	12.01%	12	60	£2,752.29	£6,118.61	£400,144.28
£300,000	£14,285.71	£285,714.29	£7,142.86	12.01%	12	60	£3,002.50	£6,674.85	£436,521.03
£325,000	£15,476.19	£309,523.81	£7,738.10	12.01%	12	60	£3,252.71	£7,231.09	£472,897.78
£350,000	£16,666.67	£333,333.33	£8,333.33	12.01%	12	60	£3,502.92	£7,787.33	£509,274.53
£375,000	£17,857.14	£357,142.86	£8,928.57	12.01%	12	60	£3,753.13	£8,343.56	£545,651.29
£400,000	£19,047.62	£380,952.38	£9,523.81	12.01%	12	60	£4,003.33	£8,899.80	£582,028.04
£425,000	£20,238.10	£404,761.90	£10,119.05	12.01%	12	60	£4,253.54	£9,456.04	£618,404.79
£450,000	£21,428.57	£428,571.43	£10,714.29	12.01%	12	60	£4,503.75	£10,012.28	£654,781.54
£475,000	£22,619.05	£452,380.95	£11,309.52	12.01%	12	60	£4,753.96	£10,568.51	£691,158.30
£500,000	£23,809.52	£476,190.48	£11,904.76	12.01%	12	60	£5,004.17	£11,124.75	£727,535.05
£525,000	£25,000.00	£500,000.00	£12,500.00	12.01%	12	60	£5,254.38	£11,680.99	£763,911.80
£550,000	£26,190.48	£523,809.52	£13,095.24	12.01%	12	60	£5,504.58	£12,237.23	£800,288.55
£575,000	£27,380.95	£547,619.05	£13,690.48	12.01%	12	60	£5,754.79	£12,793.46	£836,665.31
£600,000	£28,571.43	£571,428.57	£14,285.71	12.01%	12	60	£6,005.00	£13,349.70	£873,042.06
£625,000	£29,761.90	£595,238.10	£14,880.95	12.01%	12	60	£6,255.21	£13,905.94	£909,418.81
£650,000	£30,952.38	£619,047.62	£15,476.19	12.01%	12	60	£6,505.42	£14,462.18	£945,795.56
£675,000	£32,142.86	£642,857.14	£16,071.43	12.01%	12	60	£6,755.63	£15,018.41	£982,172.32
£700,000	£33,333.33	£666,666.67	£16,666.67	12.01%	12	60	£7,005.83	£15,574.65	£1,018,549.07
£725,000	£34,523.81	£690,476.19	£17,261.90	12.01%	12	60	£7,256.04	£16,130.89	£1,054,925.82
£750,000	£35,714.29	£714,285.71	£17,857.14	12.01%	12	60	£7,506.25	£16,687.13	£1,091,302.57
£775,000	£36,904.76	£738,095.24	£18,452.38	12.01%	12	60	£7,756.46	£17,243.36	£1,127,679.33
£800,000	£38,095.24	£761,904.76	£19,047.62	12.01%	12	60	£8,006.67	£17,799.60	£1,164,056.08
£825,000	£39,285.71	£785,714.29	£19,642.86	12.01%	12	60	£8,256.88	£18,355.84	£1,200,432.83
£850,000	£40,476.19	£809,523.81	£20,238.10	12.01%	12	60	£8,507.08	£18,912.08	£1,236,809.58
£875,000	£41,666.67	£833,333.33	£20,833.33	12.01%	12	60	£8,757.29	£19,468.31	£1,273,186.34
£900,000	£42,857.14	£857,142.86	£21,428.57	12.01%	12	60	£9,007.50	£20,024.55	£1,309,563.09
£925,000	£44,047.62	£880,952.38	£22,023.81	12.01%	12	60	£9,257.71	£20,580.79	£1,345,939.84
£950,000	£45,238.10	£904,761.90	£22,619.05	12.01%	12	60	£9,507.92	£21,137.03	£1,382,316.59
£975,000	£46,428.57	£928,571.43	£23,214.29	12.01%	12	60	£9,758.13	£21,693.26	£1,418,693.34
£1,000,000	£47,619.05	£952,380.95	£23,809.52	12.01%	12	60	£10,008.33	£22,249.50	£1,455,070.10

NUCLEUS RLS LOANS

CBILS & RLS offering comparison, with key differences highlighted.

Product	CBILS	RLS - Unsecured	RLS - Secured	RLS - ABL
Minimum Lend	£50,001	£30,001	£250,001	£250,001
Maximum Lend	£250,000	£250,000	£1M	£10M
Term (Months)	72	72	72	72
BIP Period (Months)	12	N/A	N/A	N/A
Interest Only Period (Months)	N/A	12	12	12
Loan Amortization (Months)	60	60	60	60
Personal Guarantees	No	No	Yes 20% of Loan Amount	Yes 20% of Loan Amount
All Asset Debenture	No	No	Yes	Yes

NUCLEUS RLS LOANS

CBILS & RLS – Documents Required

Documents Required	CBILS	RLS - Unsecured	RLS - Secured	RLS - ABL
Full Accounts (Applicant) <i>(Matching the date on Companies House)</i>	< 21 Months Old	< 21 Months Old	< 21 Months Old	< 21 Months Old
Draft/Management Accounts	Maybe	Maybe	Yes No more than 120 days older than the application date	Yes No more than 120 days older than the application date
Full Accounts (Group) <i>(Matching the date on Companies House)</i>	Maybe	Maybe	Maybe	Maybe
Bank Statements <i>(Preferred via Open Banking)</i>	12 Months	12 Months	12 Months	12 Months
Forecasts (samples will be available on myNucleus)	No	No	Yes Minimum 12 Months Forecast	Yes Minimum 12 Months Forecast
Proof of Overdraft**	No	Yes	Yes	Yes

KEY INFORMATION

Below you will find details on the key information we require

Accounts:

Performance pre-COVID, Net worth of business, Business assets P&L, TNW, Dividends

Forecasts:

Compare projections against historical performance, Turnover Gross margin, Net profit, Cash Position going forward, after considering loan repayments

Bank statements:

Balances. Increase / Decrease in average monthly balance indicating cash pressure, Bounced payments in recent months, Turnover in last 3 months compared to historical numbers

Director Information:

Previous Business Failures - Major focus on the last 24 months, Previous Applications - All businesses associated with the Director(s), Personal Conduct, Other Searches

Recovery Loan Scheme fact sheet

Overview

- The Recovery Loan Scheme (RLS) is provided in partnership between HM Government and approved lenders to facilitate funding for viable businesses impacted by COVID-19
- The scheme provides the lender with an 80% guarantee with the lender responsible for the remaining 20%
- The borrower remains 100% liable for the debt
- The loan can be used for any business purpose, including working capital or investment

Features of United Trust Banks RLS

- Minimum Advance for UTB Asset Finance is £250,000
- Maximum Advance for UTB Asset Finance is £2m
- Up to 100% of the capital cost is covered via Hire Purchase or Lease Agreement.
- Refinance Agreements available
- Equipment funded includes but not limited to: trucks, cars, trailers, yellow plant, machinery, engineering equipment, media equipment, waste recycling equipment.

Eligibility

- UK Business users only
- The scheme will run until 31 December 2021. Subject to review.
- Scheme facilities can be issued to borrowers who already have CBILS, CLBILS or BBLS facilities. However, the amount they have borrowed under an existing scheme may, in certain circumstances, limit the amount they may borrow under RLS.
- Unregulated facilities for Sole Traders, Partnerships, Limited companies and PLCs
- Asset must be used for business purposes only
- The business must generate more than 50% of its turnover from trading activity

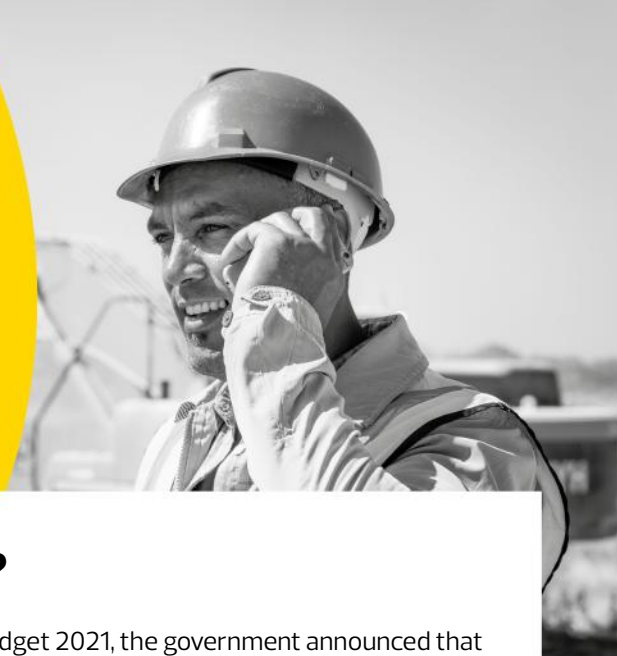
United Trust Bank Limited, One Ropemaker Street, London EC2Y 9AW
Telephone: 020 7031 5555 Fax: 020 7190 5550
www.utbank.co.uk

United Trust Bank Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. We are covered by the Financial Services Compensation Scheme and the Financial Ombudsman Service. We are members of UK Finance, the Finance & Leasing Association and the Association of Short Term Lenders, Patrons of the NACFB and Associates of the Financial Intermediary & Broker Association (FIBA).



Recovery Loan Scheme (RLS)

Broker guidance



What is the Recovery Loan Scheme (RLS)?

The Recovery Loan Scheme (RLS) launched on 6 April 2021 and supports access to finance for UK businesses as they recover and grow following the Covid-19 pandemic.

RLS aims to help businesses affected by Covid-19 and can be used for business purposes, including, managing cashflow, investment and growth. It is designed to support businesses that can afford to take out additional finance for these purposes. Businesses who have taken out a CBILS, CLBILS or BBLS facility are able to access the new scheme.

A key aim of the Recovery Loan Scheme is to improve the terms on offer to businesses, but if a lender can offer a business the choice of a commercial loan on better terms, without requiring the guarantee provided by the RLS, they should do so.

At Autumn Budget 2021, the government announced that the Recovery Loan Scheme will be extended by six months to 30 June 2022, with changes applying to all offers made from the 1 January 2022.

We are accredited for RLS via the British Business Bank.

We can support with Asset Finance for advances from £25k.

The Recovery Loan Scheme is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy & Industrial Strategy. British Business Bank plc is a development bank wholly owned by HM Government. It is not authorised or regulated by the PRA or the FCA.

Visit british-business-bank.co.uk/recovery-loan-scheme

What is the British Business Bank?

100% Government owned and independently managed, the British Business Bank (BBB) brings expertise and Government money to the smaller business finance markets. The BBB works with over 100 partners such as banks, leasing companies, venture capital funds and web-based platforms.

Businesses apply for finance through partners (like Aldermore) who, because they work with the BBB, can lend and invest more, especially to younger and faster growing companies.



Aldermore

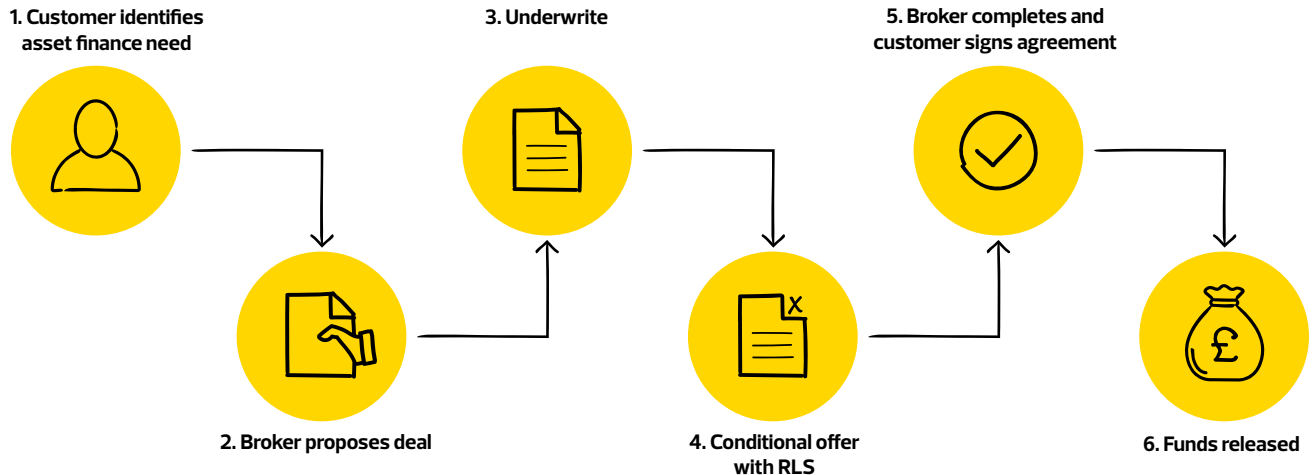
aldermore.co.uk

For intermediary use only

T&Cs will apply, subject to status and affordability. Any asset used as security may be at risk if you do not repay any debt secured on it.

Aldermore Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register number: 204503). Registered Office: Apex Plaza, Forbury Road, Reading, RG1 1AX. Registered in England. Company No. 947662. Invoice Finance, Commercial Mortgages, Property Development, Buy-To-Let Mortgages and Asset Finance lending to limited companies are not regulated by the Financial Conduct Authority or Prudential Regulation Authority. Asset Finance lending where an exemption within the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 applies, is exempt from regulation by the Financial Conduct Authority or Prudential Regulation Authority. AF 0801

The process



RLS criteria

- **Up to £2m facility per business.** The maximum amount of a facility provided under the scheme is £2m per business (maximum £6m per group).
- **Term length.** Term loans and asset finance facilities are available from three months, for up to six years
- **Interest and fees to be paid by the borrower from the outset.** Businesses are required to meet the costs of interest payments and any fees associated with the RLS facility.
- **Access to multiple COVID-19 schemes.** Businesses that have taken out a CBILS, CLBILS or BBLS facility are able to access the new scheme although the amount they have borrowed under a previous scheme may in certain circumstances limit the amount they may borrow under RLS.
- **Personal guarantees.** Personal guarantees are not permitted for facilities of £250,000 or less. Above £250,000 the maximum amount that can be covered under RLS is capped at a maximum of 20% of the outstanding balance of the RLS facility after the proceeds of business assets have been applied. No personal guarantees can be held over Principal Private Residences.
- **Guarantee to the lender.** The scheme provides the lender with a government-backed guarantee against the outstanding balance of the facility. The borrower always remains 100% liable for the debt.
- **Turnover limit.** Businesses with a turnover not exceeding £45m per annum.

Our criteria

- Advances from £25k
- Finance terms between 12 and 60 months
- Business not in financial difficulty prior to the COVID-19 outbreak
- Agreement types considered: hire purchase, finance lease, sale and HP/lease back only
- Refinance available, focussed on suitable existing unencumbered assets
- Please propose any RLS refinance deals directly to your business development manager in the first instance.
- Standard early settlement approach applies

Aldermore

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Ineligible purposes

- Hire purchase or leasing of cars or other vehicles subject to personal taxation
- Variable rate deals
- Direct financing of specific export activity
- Operating lease
- Ineligible sectors
 - Banks, Building Societies, Insurers and Reinsurers (excluding Insurance Brokers)
 - Public sector bodies.
 - State funded primary and secondary schools.

Pricing and fees

- **Pricing**
 - Standard cost of funds plus 2.85% Aldermore margin
 - Pricing to be agreed separately on deals above £1m
- **Commission** – 3% maximum
- **Documentation fee** – £200 for unregulated deals
- **Option to purchase fee** – £100 (+VAT)

The documents

Agreement	· Specific RLS Aldermore Finance Agreements which include some additional clauses relating to RLS support
------------------	---

Additional documents

Data Protection and Disclosure Declaration	· The Borrower needs to sign this document to provide their consent to both Aldermore and the Government to provide consent for their data to be shared between Aldermore and British Business Bank
Northern Ireland Protocol question set	<ul style="list-style-type: none">· RLS requires that borrowers self-certify if they are in scope of the Northern Ireland Protocol· The Northern Ireland Protocol requires the identification and reporting of subsidies that affect trade in goods and electricity between NI and the EU· We will provide a set of questions supplied from the BBB to your customers as part of the RLS deal process so they can do this

Aldermore

For intermediary use only

T&Cs will apply, subject to status and affordability. Any asset used as security may be at risk if you do not repay any debt secured on it.

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Recovery Loan Scheme (RLS)

Information for brokers



What is the Recovery Loan Scheme (RLS)?

The Recovery Loan Scheme (RLS) launched on 6 April 2021 and supports access to finance for UK businesses as they recover and grow following the Covid-19 pandemic. RLS aims to help businesses affected by Covid-19 and can be used for business purposes, including, managing cashflow, investment and growth. It is designed to support businesses that can afford to take out additional finance for these purposes. Businesses who have taken out a CBILS, CLBILS or BBLS facility are able to access the new scheme.

A key aim of the Recovery Loan Scheme is to improve the terms on offer to businesses, but if a lender can offer a business the choice of a commercial loan on better terms, without requiring the guarantee provided by the RLS, they should do so.

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We can support with Asset Finance for advances from £25k.

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Visit british-business-bank.co.uk/recovery-loan-scheme



RLS at Aldermore

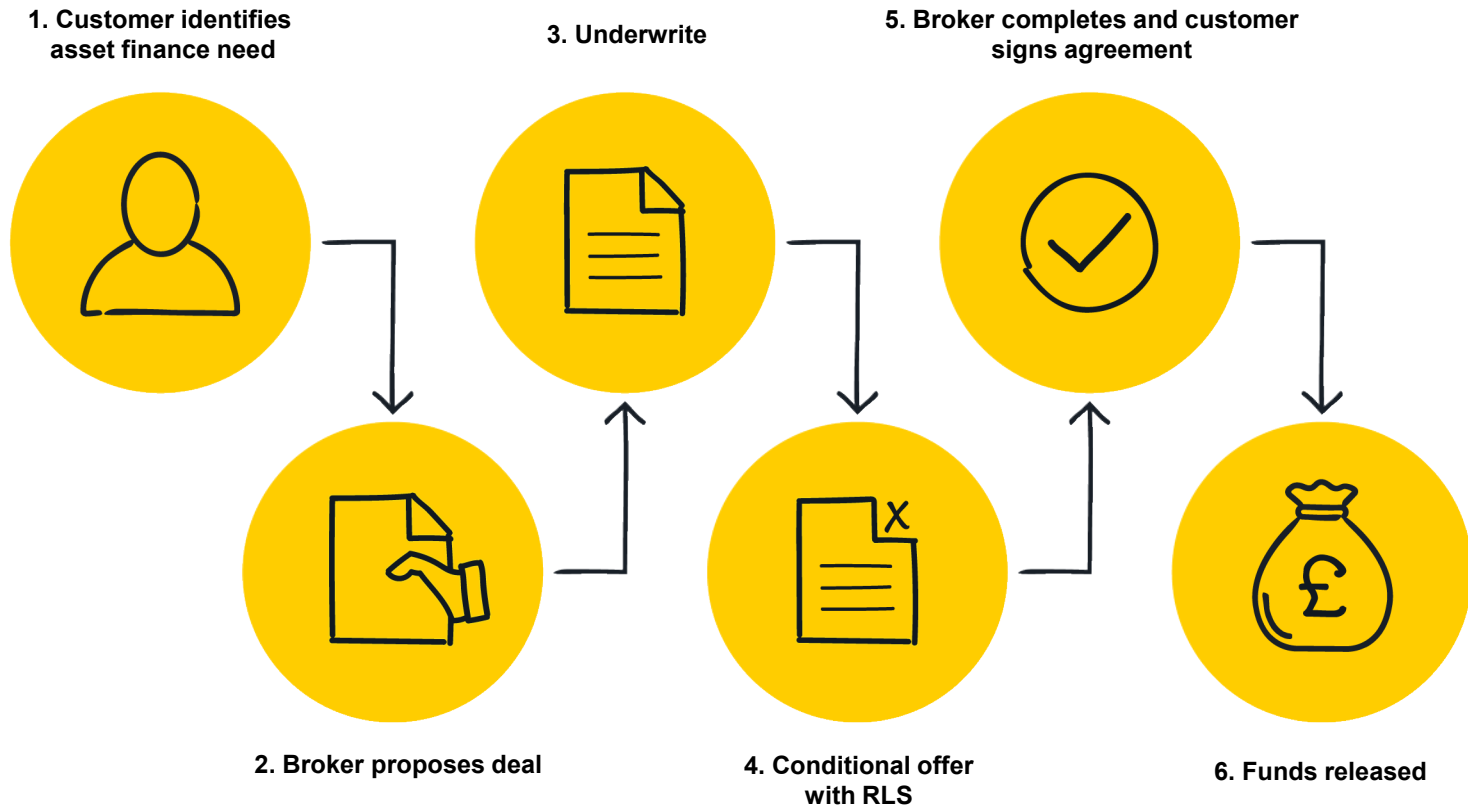
We assess the viability of each customer based on the impact that COVID-19 has had on their business in the short to medium term to ensure we can support their business with the Recovery Loan Scheme.

If we can, we'll make a conditional offer in the normal way with normal service levels.

If we accept a deal using RLS, we'll send you the conditional acceptance information document.



The process



RLS criteria

Scheme criteria

- **Up to £2m facility per business.** The maximum amount of a facility provided under the scheme is £2m per business (maximum £6m per group).
- **Term length.** Term loans and asset finance facilities are available from three months, for up to six years
- **Interest and fees to be paid by the borrower from the outset.** Businesses are required to meet the costs of interest payments and any fees associated with the RLS facility.
- **Access to multiple COVID-19 schemes.** Businesses that have taken out a CBILS, CLBILS or BBLS facility are able to access the new scheme although the amount they have borrowed under a previous scheme may in certain circumstances limit the amount they may borrow under RLS.
- **Personal guarantees.** Personal guarantees are not permitted for facilities of £250,000 or less. Above £250,000 the maximum amount that can be covered under RLS is capped at a maximum of 20% of the outstanding balance of the RLS facility after the proceeds of business assets have been applied. No personal guarantees can be held over Principal Private Residences.
- **Guarantee to the lender.** The scheme provides the lender with a government-backed guarantee against the outstanding balance of the facility. The borrower always remains 100% liable for the debt.

Eligibility criteria

- **COVID-19 impact.** The borrower must confirm to the lender that it has been impacted by COVID-19.
- **UK-based.** The borrower must be carrying out trading activity in the UK.
- **Viability test.** The lender will consider that the borrower has a viable business proposition but may disregard any concerns over its short-to-medium term business performance due to the uncertainty and impact of COVID-19.
- **Credit and fraud checks for all applicants.** Lenders will be required to undertake credit and fraud checks for all applicants. The checks and approach may vary between lenders.
- **Turnover limit.** Businesses with a turnover not exceeding £45m per annum.

Our criteria

Criteria

- Advances from £25k
- Finance terms between 12 and 60 months
- Business not in financial difficulty prior to the COVID-19 outbreak
- Agreement types considered: hire purchase, finance lease, sale and HP/lease back only
- Refinance available, focussed on suitable existing unencumbered assets
- Please propose any RLS refinance deals directly to your business development manager in the first instance.
- Standard early settlement approach applies

Pricing and fees

- **Pricing**
 - Standard cost of funds plus 2.85% Aldermore margin
 - Pricing to be agreed separately on deals above £1m
- **Commission** – 3% maximum
- **Documentation fee** - £200 for unregulated deals
- **Option to purchase fee** - £100 (+VAT)

Ineligible purposes

Unfortunately, we can't support...

- Hire purchase or leasing of cars or other vehicles subject to personal taxation
- Variable rate deals
- Direct financing of specific export activity
- Operating lease
- Ineligible sectors
 - Banks, Building Societies, Insurers and Reinsurers (excluding Insurance Brokers)
 - Public sector bodies.
 - State funded primary and secondary schools.

What do borrowers need to know?

Liability

- The borrower remains liable for 100% of the outstanding balance, regardless of the presence of the guarantee.
- The scheme does not reduce the liability of any personal guarantor related to the RLS-supported facility.
- If the borrower defaults on the facility, we are entitled to seek to recover the full amount outstanding from the borrower.

No Business Interruption Payment (BIP)

- Unlike the CBILS, there will be no Business Interruption Payment.
- Interest and fees are to be paid by the borrower from the outset.

Guarantee fee

- Previously the Enterprise Guarantee Scheme included a guarantee fee, however with RLS this is no longer the case and there is **no guarantee fee for the borrower**.

Northern Ireland Protocol

- RLS requires that borrowers self-certify if they are in scope of the Northern Ireland Protocol
- The Northern Ireland Protocol requires the identification and reporting of subsidies that affect trade in goods and electricity between NI and the EU
- We will provide a set of questions supplied from the BBB to your customers as part of the RLS deal process so they can do this

What is the British Business Bank?

What is the British Business Bank (BBB)?

- 100% Government owned and independently managed, the British Business Bank brings expertise and Government money to the smaller business finance markets. The BBB works with over 100 partners such as banks, leasing companies, venture capital funds and web-based platforms.
- Businesses apply for finance through partners (like Aldermore) who, because they work with the BBB, can lend and invest more, especially to younger and faster growing companies.

For intermediary use only

T&Cs will apply, subject to status and affordability. Any asset used as security may be at risk if you do not repay any debt secured on it.

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