BORROWER GUIDE

Grow, develop or diversify with a secured business loan

FOLK 2 FOLK

Helping SMEs in regional Britain to grow,
develop and 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 loans for almost any business purpose
- Borrow from £100,000 to £10m+
- Interest-only loans
- Borrow from 6 months - 5 years
- Loans in weeks not months

Who we help

We believe in, and support a wide range of entrepreneurial businesses across Britain. From farmers and food producers, property developers and renovators, to owners of country house hotels, manufacturing businesses, yoga studios, cafes and everything in between.

Whether you're looking to start, grow or diversify a business, buy an asset or boost working capital, we want to help you seize those opportunities with confidence, if:

- You're looking to borrow from £100,000 to £10m+
- You have land or property (but not your home†) against which to secure the loan. We typically 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

Loans are funded by our Investors and as such are subject to our Investor customers' agreement to invest.

† '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 banks and can't get the finance they need from traditional sources. We can often fit the bill.

The business that wants to grow and develop

Some businesses just want to expand their premises, 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 banks. Projects may be large, small, simple or complex, 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.

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. Whether it be Farmers who want to develop farm buildings into holiday lets or land into 'glamping' sites or land owners who want to develop their land and build new homes for sale. We've facilitated small scale affordable housing projects and other, more unusual developments.

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 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.

	FOLK2FOLK Loans
Purpose	Loans for almost any business purpose.
Amount	£100,000 - £10m+
Term	6 months - 5 years
LTV%	Typically up to 60% (Open Market Value)
Interest Rate	Ask us about our latest rates
Partial drawdown and redemption	Yes
Initial Arrangement Fee	Loans from £100,000 to £250,000: 2.5%. Loans above £250,000: 2%.
Annual Arrangement Fee	1.75%
Early repayment (redemption)	The Borrower may exit before the term end date. If repaying early, the Borrower will be charged a Prepayment Fee which is 1% of the amount being repaid.

SMEs

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

WE'VE FUNDED

- New technology and equipment
- Recruitment of new staff
- Property development, refurbishments and upgrades
- Working capital
- Covid-19 adaptations

PROPERTY

When you spot a development opportunity, timing is often key. 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 perhaps we can provide the finance you need.

WE'VE FUNDED

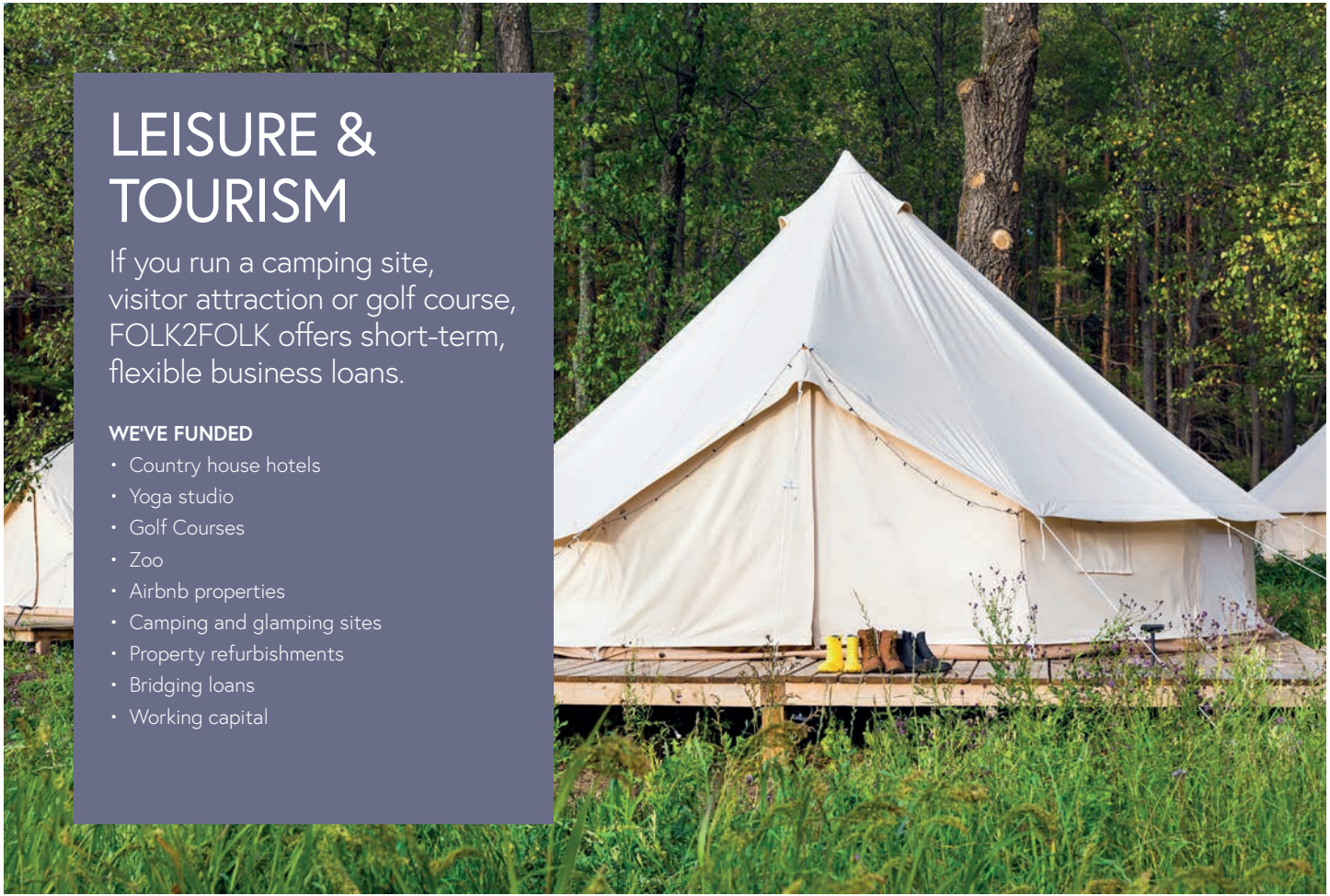
- Property development
- Property and land purchases
- Construction projects
- Bridging finance
- Property improvements and refurbishment
- Single plot purchases

FARMING & AGRICULTURE

We can help you stay on top of the challenges of uneven income and expenditure and make business decisions with confidence.

WE'VE FUNDED

- Diversification projects
- Conversion of outbuildings
- Renewable energy
- Property renovations
- Purchasing stock or equipment
- Land purchases
- Working capital
- Refinancing existing debts
- Farm shops and retail ventures



LEISURE & TOURISM

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

WE'VE FUNDED

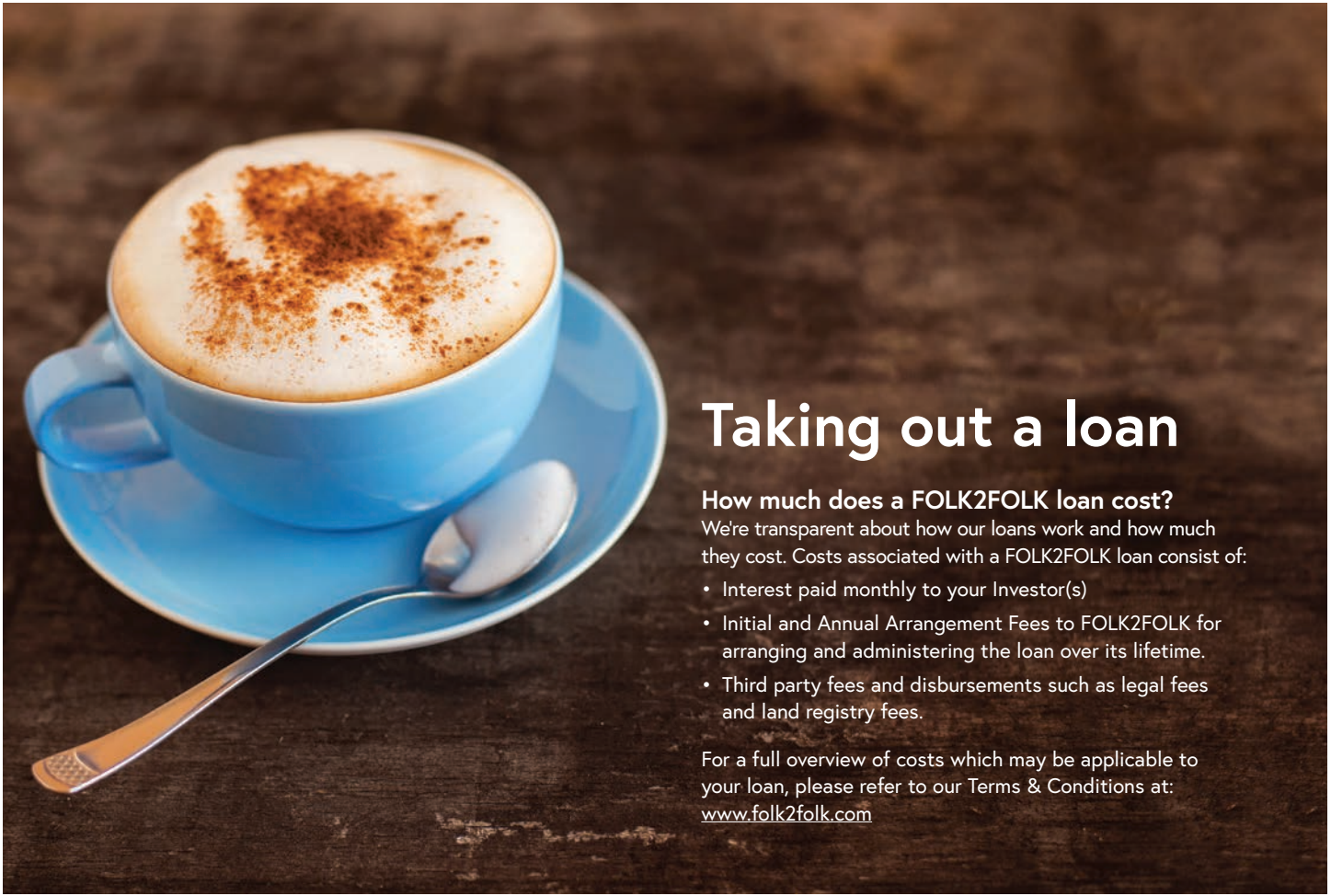
- Country house hotels
- Yoga studio
- Golf Courses
- Zoo
- Airbnb properties
- Camping and glamping sites
- Property refurbishments
- Bridging loans
- Working capital

HOSPITALITY

Are you looking to upgrade your hotel business, grow your Pub into a B&B business, or expand your restaurant business? Make your property assets work harder for you with a FOLK2FOLK loan.

WE'VE FUNDED

- New technology to improve customer experience
- Equipment purchases
- Airbnb properties
- Property development, refurbishments and upgrades
- Brand and marketing projects
- Working capital during periods of seasonality



Taking out a loan

How much does a FOLK2FOLK loan cost?

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

- Interest paid monthly to your Investor(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

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 FOLK2FOLK 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 Investor(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 Investor(s).

Loan extension

You may apply for a 12 month extension to your loan (up to a maximum of 5 years). FOLK2FOLK reserves the right to refuse an extension request at any time. We will ask your Investor(s) if they want to continue with their investment, if they do not, FOLK2FOLK will endeavour to find you a replacement Investor(s). However, if a replacement Investor(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

Visit
www.folk2folk.com

Indicative decision
and costs within
24 hrs

Funds in weeks
not months*

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

#FOLKONOMICS
#BackingBritishBusiness

If you have any questions, please get in touch:

01566 773296

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

enquiries@folk2folk.com

www.folk2folk.com

FOLK 2 FOLK

Follow us on

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.

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