

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.

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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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