



# Funding Circle

An introducer's guide:

# From application to pay-out.

**Find out more**

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# Welcome to Funding Circle

Business finance should be straight-forward, so you can close deals quickly for your clients. That's why we've cut out the complexity and hassle, creating a range of highly flexible loans to suit your clients' needs. Whether it's for cashflow, asset purchase, expansion plans or a wide range of other reasons, we can help with loans from £5k - £1 million (and up to £3 million for property finance).

## We help businesses that have:

- **Minimum 2 years' trading history**  
With at least 2 full years of filed (if limited company) or formal accounts if a sole trader/partnership
- **Minimum £50k turnover**  
Profitable with stable or upward financial trends (the last filed accounts or most recent P&L should show profits)
- **A healthy credit history**
- **UK based**  
Where the majority of directors are UK residents with good credit history
- **No outstanding CCJs**

## In this guide, learn all about:

1. **Our range of loans: which one suits your client best?**
2. **How to complete your client's loan application**
3. **The marketplace: funding your client's loan**
4. **The cost of a loan at Funding Circle**
5. **Completing a loan: the acceptance process**
6. **Pay-out, your commission and repayments**



## Did you know...

...that the government-backed British Business Bank\* is lending £60 million to businesses through Funding Circle? For all eligible Funding Circle loans, up to 10% is funded by government. They join thousands of people already lending through the marketplace, meaning we can help even more businesses with a loan.

\* Funding Circle is supported by the British Business Bank, a development bank wholly owned by the UK Government. The British Business Bank and its subsidiaries do not offer bank accounts, take deposits or provide regulated banking services. The British Business Bank provides its financial support to smaller businesses through its delivery partners. Any decisions to provide finance to smaller businesses are made by Funding Circle not by the British Business Bank.

# 1. Which loan suits your client?

Loans up to £1 million (or £3 million for property finance) are available for almost any purpose. The amount required and type of security available will determine which loan product is most suitable. We offer the following loans:

<p>£5,000 - £250,000+ Unsecured loans</p>	<p>These are highly flexible loans that can be used for a wide range of purposes, including working capital, expansion capital, asset purchase and more. In all cases we require a personal guarantee (PG). Loans should be for the benefit of the business; unfortunately we cannot fund management buyouts or share purchase by individuals.</p>
<p>£100,000 - £1 million Secured loans</p>	<p>These loans can also be used for a wide range of purposes, including working capital, expansion capital, asset purchase and more. Typically we take a charge over the business' assets in the form of a debenture. We can also consider a charge over an off-balance sheet portfolio of properties on a first or second ranking basis. A PG will also be required.</p>
<p>£20,000 - £1 million Asset finance / hire purchase</p>	<p>These loans can be used to purchase new or second-hand assets or in some cases, refinance an existing one. They take the form of a hire purchase agreement and the title to the asset is held as security by Funding Circle (or alternatively, we can take charge over it) until the loan is repaid. We can also fund the VAT if required.</p>
<p>£250,000 - £3 million Property development finance</p>	<p>From £250,000 up to £3 million total financing requirement over a 6 - 24 month term for experienced developers with a strong track record. Up to 80% of project costs, with funding staged according to the cash flow needs of the project and interest only payable on the amount of funding used. No exit or early repayment fees if the project finishes ahead of time.</p>
<p>£1 million Property investment loans and commercial mortgages</p>	<p>Up to £1 million, typically with a 3-5 year fixed commitment term, where any outstanding capital balance at the end of the 5 year term would need to be refinanced on to a new facility. Loan repayments can be calculated using an amortisation profile of up to 20 years.</p>
<p>£2 million Bridging finance</p>	<p>Up to £2 million for experienced property professionals, with a maximum term of 12 months. Up to 80% loan to value, with no early repayment fees or exit fees.</p>

## Minimum requirements for a loan at Funding Circle

Your client must have:

- A minimum of 2 years' trading history (2 years' filed or formal accounts)
- A minimum turnover of £50k (we typically will lend up to 25% of annual turnover)
- Personal guarantees from directors with a clean credit history (we can consider directors of a limited company who do not own homes up to £50k)

Clients must typically be profitable in their latest accounts and the company must be UK owned. A one off CCJ or significant adverse event which is now satisfied may be considered with explanation on a case by case basis.

**Download our factsheet from your summary page for more information.**

## Credit assessment: what do we look at?

Our credit assessment team will assess each business application individually. We help businesses that are:

- Able to demonstrate the loan repayments are affordable; typically we will lend up to 25% of annual turnover
- Creditworthy; looking at both the business and its director/s' credit history

Businesses that we can't help include:

- Distressed businesses, or those making sustained losses
- Businesses that are moneylenders such as pawnbrokers

### Quick tip:

Not sure if your client is suitable? Our business development team can help.  
Get in touch at [introducer@fundingcircle.com](mailto:introducer@fundingcircle.com)

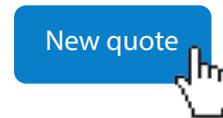
## 2. Completing your client's loan application

Your account allows you to prepare, submit and monitor loan applications for your clients.

You can check your clients' eligibility without leaving a credit footprint in just 30 seconds. The full application takes just 10 minutes from start to finish.

### a. How to check eligibility

Once logged into your account, click **new quote** to check your client's eligibility.



Simply enter your client's details (including business name, company type, amount required, and primary loan purpose) and you'll receive an immediate indication as to whether they pass our minimum criteria. For clients that pass, we will show estimated rates and fees, as well as monthly repayments. Don't worry, you can always change the amount, term and loan purpose later on.

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① QUOTE 1 min
② YOUR CLIENT
③ DETAILS
④ DOCUMENTS

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## Get a quote

We will do a soft check on on your client's business and give you an indication of the risk profile, rate and fee structure.

Company type \*

Limited Company
▼

Primary loan purpose \*

Working capital
▼

Loan amount ⓘ (Minimum £5,000, multiples of £20 only) \*

£100,000

Loan term \*

6 months
▼

Your commission ⓘ \*

1%
▼

Business name \*

MANCHESTER UNITED LIMITED

This quick check will not affect the business' credit rating.

Generate quote

We have just launched a new application. If you have any questions please contact your business development manager directly, email us at [introducer@fundingcircle.com](mailto:introducer@fundingcircle.com) or phone us at 0203 667 2208.

**Business quote**

You requested **£100,000** for **48 months** with a **3%** of commission. [Update quote](#)

**Estimated risk band**

A+ A B C D E

This quote contains indicative rates based on public information available about the business on file. The quote is purely indicative, and is subject to full credit approval and submission of additional documentation.

<b>Payout for borrower</b>	<b>£100,000 - £120,000</b>
<b>Total fee</b>	<b>(3%) £6,000</b>
Your commission	(3%) £3,000
Funding Circle	(3%) £3,000
<b>Loan amount</b>	<b>£106,000</b>
<b>Interest rate</b>	<b>8% - 12%</b>
<b>Monthly repayment</b>	<b>£2,500 - £3,000</b>
Total cost of finance	£22,500 - £33,000

Feel free to share these figures directly with your client, but please note that the risk band, and therefore the interest rate is indicative, and the rate may go up or down once the application has gone through full credit assessment.

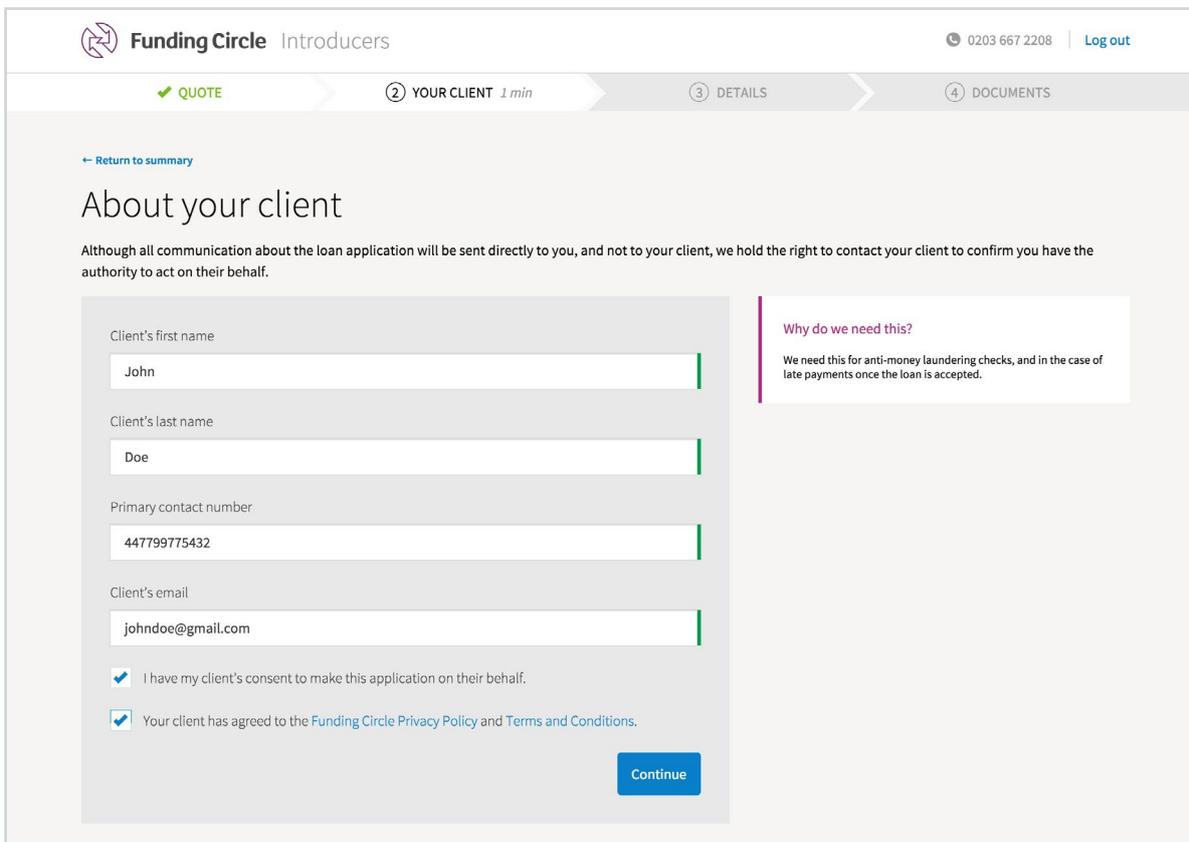
Please also note that the data used for the eligibility check is limited, so it is always worth checking for yourself to see if your client fits our basic criteria.

## b. Submitting client contact information

Once you know a client is eligible, you can progress to the full application by clicking **continue application**.

We will need some more information about your client, including contact details.

**You will remain the primary contact**, but this information is required by us so that we can contact the client in the event of late payment. The e-mail address is also used for correspondence regarding the client's direct debit, including confirmation of payment dates for the loan.



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✓ QUOTE ② YOUR CLIENT 1 min ③ DETAILS ④ DOCUMENTS

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### About your client

Although all communication about the loan application will be sent directly to you, and not to your client, we hold the right to contact your client to confirm you have the authority to act on their behalf.

Client's first name  
John

Client's last name  
Doe

Primary contact number  
447799775432

Client's email  
johndoe@gmail.com

I have my client's consent to make this application on their behalf.

Your client has agreed to the [Funding Circle Privacy Policy and Terms and Conditions](#).

[Continue](#)

**Why do we need this?**  
We need this for anti-money laundering checks, and in the case of late payments once the loan is accepted.

You will also need to confirm that you have your client's consent to submit the loan request on their behalf, and they have accepted our terms and conditions.

### Quick tip:

We have created a user friendly form which you can download from your summary page and provide to your clients if you would prefer to do this offline.

## c. Completing application details

On the third and last part of the application, you will need to provide:

- Number of full time employees
- Sector
- Whether the business for whom you are applying:
  - has an overdraft
  - has taken on more than £25k of new debt in the last 12 months


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✔ QUOTE
✔ YOUR CLIENT
③ DETAILS 5 min
④ DOCUMENTS

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## Loan application details

### About the loan

Loan amount (Minimum £5,000, multiples of £20 only) \*

Loan term \*

Your commission \*

What does the business do, and what is the loan for?  
Please provide a link to the company website if available. \*

Our family-run bakery in Manchester is looking to expand. Since opening in 2010 we have grown the business year on year and our revenues are up 50%. We now need a larger premises to work from and want to hire one more person with increased demand.

503 left  
Saved

This will be shown to investors on our marketplace to provide them with a personalised understanding of the business. You may email [supporting information for use in the credit assessment to credit@fundingcircle.com](mailto:supporting@fundingcircle.com).

### About **MANCHESTER UNITED LIMITED** 02570509,

[Add trading details](#) if different from registered details.

Number of full-time employees (excluding directors) \*

Business sector \*

Does the business bank account have an overdraft? \*

Yes  No

Has the business taken on more than £25,000 new debt in the last year? ? \*

Yes  No

Saved

Finally, we will need details (including full name, date of birth and 3 year personal address history) of each significant business owner, where they are either a shareholder or proprietor owning at least 20%. We will do a personal credit check, and a director check on the named individuals in this section during the credit assessment.

Number of full-time employees (excluding directors) \*

1-5

Business sector \*

Retail

Does the business bank account have an overdraft? \*

Yes  No

Has the business taken on more than £25,000 new debt in the last year? ⓘ \*

Yes  No

Saved

### Significant business owners

Please complete for all shareholders or proprietors (at least 20% shareholding) of the business.

**Owner 1** Edit Remove

**David Price**

Date of birth: 06-01-1978

Personal address: Tower Block, Piccadilly Station, Manchester, Greater Manchester, M60 7RA

Have you added all the significant owners of the business?

[Add owner](#)

[Continue to document upload](#)

**Why do we need this?**

To verify the identity of and carry out credit checks on all shareholders or proprietors who are "significant owners". This is explained in the Funding Circle Privacy Policy, which you have agreed to on behalf of your client and which you can read [here](#).

## Quick tip:

The application autosaves as you progress so you won't lose your work if you need to step away from your desk for a minute.

## All complete?

Click on **continue to documents upload** to send the online application directly to our credit assessment team.

### c. Send us your client's financials

To assess your client's application we will need the following, which you can either upload after submitting the application, or email directly to the credit assessment team at [credit@fundingcircle.com](mailto:credit@fundingcircle.com)

- Latest full filed accounts
- Last 3+ months of bank statements
- If filed accounts are more than 16 months old we need a full year P&L and balance sheet (management accounts, spreadsheets, accounting software reports are acceptable)
- Statement of personal assets and liabilities - if loan amount is £150k or larger
- Please provide any additional supporting documentation here such as proposal report form, or additional write up via email.

*The more recent the last filed accounts are, the less we normally need to see. Our credit assessment team may request additional information but we will try to keep this to a minimum. If you have any queries, please contact your account manager.*

### Checklist: have you completed the following?

- Completed the online application and clicked continue to document upload?
- Emailed or uploaded all requested documentation?

That's it - you'll have an answer from our credit assessment team typically within two working days.

## 3. The marketplace: funding your client's loan

We have a wide variety of investors ready to lend to your clients on the Funding Circle marketplace, including 40,000 people, the government-backed British Business Bank\*, local councils, universities and financial institutions.

Each loan is funded either by a group of people or one single investor.

**We have financial institutions who have committed to lend hundreds of millions of pounds to businesses like your clients over the next period.**

### How it works

The process is simple.

When you request that the loan is listed on the marketplace it will be randomly allocated to either the partial loan marketplace (individual investors, the government, councils) or the whole loan marketplace (financial institutions).

<b>Partial loan marketplace</b>	All investors have the opportunity to offer to lend by placing a bid on your client's loan auction. Those investors offering money at the most competitive rates become part of the loan. Typically, each loan is funded by several hundred investors. The auction usually runs for 7 days, up to a maximum of 14 days. If your client needs the funds sooner, you can end the auction and accept the loan as soon as it's 100% funded.
<b>Whole loan marketplace</b>	The loan is funded by one investor, and in most cases, it will be ready to drawdown within one day. Institutional investors lend at the current average rate for each risk band, so the cost to the client will reflect that on the partial loan marketplace.

*Please note: the client must have signed the loan contract and any other required documents to you within 5 working days of the auction closing so that funds can be released - read more about this in [section 5](#).*

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## Answering questions from investors

If your client is randomly allocated to the partial loan marketplace, a key part of the auction process is the question & answer section where investors may ask questions to help inform their lending. When this happens, you'll receive an email alert and it's important to answer these questions quickly and in the voice of your client.

This leads to more investor participation in the loan, which results in a more competitive rate.

## 4. What is the cost of the loan?

The cost of your client's loan is determined by a number of factors:

- The interest rate: rates are determined on the marketplace and are between 6 and 15% depending on the risk band your client is allocated
- Your commission: we offer a flexi fee issue where you choose the commission you would like to earn, which in turn has an impact on the total fee your client pays

Once you have decided how much commission to take for the loan application, the Funding Circle fee will be calculated. Your client will pay one single fee, and only if they decide to accept the loan. The combined fee and commission must not be more than 10% for each loan.

For more information about commission and fees, please get in contact with your Business Development Manager or the team on [introducer@fundingcircle.com](mailto:introducer@fundingcircle.com) or **020 3667 2208** (Monday - Friday, 9am - 6pm).

### No early repayment charges

All Funding Circle loans can be repaid early at no charge. If your client does repay their loan early, the total interest charges they pay will also be lower.

## 5. Completing the loan: the acceptance process

As soon as your client's loan is 100% funded you can close the auction and accept the rate. You have up to 5 working days after the auction ends to accept. Complete this process in a few short steps.

### a. Begin the acceptance process online

Log into your account and click on **begin acceptance process** at the right hand side of your client's loan application. This will take you through to your loan contract.

### b. Download the loan contract

You will see your client's loan contract displayed on screen. Use the button that says **view as PDF** to open the contract as a separate file. From here, you can download a copy.

### c. Email scanned copies of signed documents

Your client must sign and return the loan contract to you, together with the direct debit, personal guarantee and any other security documents required for the loan. Once you have received these, send a scanned copy to [credit@fundingcircle.com](mailto:credit@fundingcircle.com)

### d. Accept terms and conditions online

Once you have received the signed documents from your client, you must then accept the contract terms on their behalf **online**. Please note: this should only be done when you have the physical, original signed documents from the client as accepting the terms beforehand can make you liable for the loan.

### e. Post the documents to us

Send the full original, signed loan contract together with a direct debit mandate, signed personal guarantee and any other required documentation to us within 14 days. Our address is:

**Funding Circle, 71 Queen Victoria Street, London, EC4V 4AY.**

*Please note: if the original documents are not received and we cannot enforce the loan agreement in the event of default, you may be liable.*

To agree to the contract, including terms and conditions, put a tick in the checkboxes below the contract then click on **accept terms**.

## Completed these steps?

We will arrange payout of your client's loan and your commission on the same day by BACS transfer. Your commission will be deposited in your Funding Circle account as soon as the loan is accepted and you can then log in and withdraw it. The funds will take up to three working days to reach your client.

# 6. Pay-out, repayments and commission

## Pay-out of the loan

Funds are transferred as soon as you have completed the loan acceptance process and we have received the signed contract, direct debit mandate and security documents. We typically payout on scanned copies, but remember that we always need the original signed copies returned to us. **Failing to return these documents means you may be liable for the loan as the introducer.** Funds take up to three working days to reach your client's bank account.

## One simple monthly repayment

Loans are repaid via direct debit in equal, monthly instalments over the chosen loan term.

*Your client's monthly repayment to investors will fall on the same day of the month that the loan auction ended, not the date the funds are received. Typically, the direct debit is taken 5 working days before this date, to ensure funds are received from your client in advance of the payment to investors. It's important to advise your client of this.*

## Early loan repayment? No problem

Your client can repay the full amount early at any time with no penalties.

## Does your client need a second loan?

Your client can also take out a second loan before they've finished repaying the first, provided they meet the credit assessment criteria at the time of applying. Typically 3 months of repayments are required on the client's first loan before applying for their next one.

*Please note: this excludes asset finance loans, where second loans can be applied for immediately after the first.*

## Commission

You earn commission with every loan you place through Funding Circle. We offer a flexi fee option where you can choose the commission you would like to earn, which in turn has an impact on the total fee your client pays. The combined fee and commission must not be more than 10% for each loan.

Your commission is paid directly into your Funding Circle account the same day as your client's loan is paid out. Withdraw your commission by clicking on the **commission transfers tab** in your account.

*We hope this guide has been useful. If you have any questions, please contact our business development team on [introducer@fundingcircle.com](mailto:introducer@fundingcircle.com) or **020 3667 2208** (Monday - Friday, 9am - 6pm).*