

# Small Loans for Business

## South West Loans Fund - supporting business growth within environmental limits

Small Loans for Business is designed to support viable growth businesses in South West England that have been unable to secure all of their funding from the usual commercial sources, particularly those from disadvantaged communities. Successful applicants will receive loans on commercial terms.

Eligible applicants will need to meet a number of criteria and have viable business plans. Certain market sectors are excluded e.g. financial services, forestry and property. For more information speak to your professional advisors or submit the on-line enquiry form (details overleaf).

### Small Loans for Business - Main terms

<b>Commercial Standing</b>	Solvent, growth orientated businesses with viable propositions but unable to secure all their funding needs from the usual commercial sources Particular focus upon disadvantaged and hard to reach groups
<b>Maximum Amount</b>	£50,000
<b>Term</b>	Maximum 5 years
<b>Interest Charge</b>	Commercial rates of interest will be charged in line with EU guidelines
<b>Security</b>	Security may be required
<b>Security Fee</b>	Valuation and legal fees if applicable will be payable on draw down
<b>Arrangement Fee</b>	1% of loan amount (min. £75) payable on draw down
<b>Monitoring Fee</b>	1% of original loan amount (min. £75) per annum
<b>Management Support</b>	Taking up business mentoring and/or other management support services will be required as appropriate
<b>Multiple Applications</b>	Permitted providing that the business is in compliance with terms of prior borrowing and that the amount outstanding at any time to any business or its group of companies does not exceed £50,000

The scheme, which is part of the South West Loans Fund, is controlled by South West Investment Group (Capital) Limited and managed by a Fund Manager. All repayments, fees and interest charges, after meeting administrative costs, will be re-lent to other businesses in the region.

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### Evaluation criteria / process

Stages	Action
1. Business makes enquiry of eligibility through Business Link	Complete enquiry form accessible on line at <a href="http://www.businesslink.gov.uk/southwest/loansfund">www.businesslink.gov.uk/southwest/loansfund</a> or <a href="http://www.swloansfund.co.uk">www.swloansfund.co.uk</a>
2. Eligibility confirmed and application form provided for business to complete and submit.	Application forms completed together with a detailed business proposal. It is recommended that support of a business adviser is sought at this stage but proposal must be applicant's own
3. South West Investment Group Services Limited assess proposition on written information provided	Further information may be sought by the fund manager and if the proposal appears satisfactory and suitable for the South West Loans fund at this stage a visit to the client will be arranged
4. Visit to applicant's premises	An opportunity for the fund manager to perform additional verification work and for both applicant and the fund manager to assess whether the commercial relationship will work. Review of the social and environmental impacts of proposal to evidence the contribution towards an environmentally sustainable economy in the South West of England
5. Credit Committee	The Fund Manager will submit an appraisal and recommendation to its credit committee which will approve or decline the proposal or seek additional information. Applicants will be sent written notification of the outcome on the following business day
6. Offer letter provided	If the proposal is approved, applicants will receive an offer letter setting out the conditions of the loan and will have 30 days to accept the terms before the offer lapses
7. Completion	Once the offer is formally accepted, its conditions are met, within an agreed period, the loan will be drawn down
8. Reporting	Following completion, the client will be required to fulfil certain reporting and information requirements



For further information or advice visit

**[www.businesslink.gov.uk/southwest](http://www.businesslink.gov.uk/southwest)**

**or call 0845 600 99 66**

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