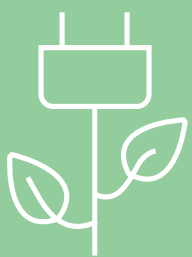




**FundingKnight**  
CROWDLENDING TO BUSINESSES



# Green Energy loan Guide



[www.fundingknight.com](http://www.fundingknight.com)



*You can borrow from  
£100,000 to £1 million...*

## 1 The basics

### What are the eligibility criteria?

Our Green Energy loans are available to:

- UK limited companies and LLPs– usually Special Purpose Vehicles.
- Green energy projects must have:
- Experienced developers and/or installers
- Planning consent
- A grid connection offer
- A confirmed Feed-in Tariff/ROC or other subsidy.
- Confirmed land rights e.g. freehold or agreed lease.

### Before lending, the following security must be in place.

- Legal charge
- Debenture
- Assignment of revenues

### How much can we borrow?

You can borrow from £100,000 to £1 million.





*If there's a lot of competition between investors, your rates could be lower than your agreed maximum rate...*

## How much interest will we have to pay?

The exact interest rate you pay will ultimately be determined by:

### **1. Our assessment of your project**

Before the loan auction (see below), our credit analysts will agree a maximum interest rate with you. Investors will not be able to bid above this rate in the auction. Our indicative interest rates for Green Energy loans are currently between 9% and 10%.

### **2. The loan auction**

During the loan auction (which can last up to seven days) our investors bid to fund your loan at the interest rate they're willing to offer. The bids with the lowest rates win. If there's a lot of competition between investors, your rates could be lower than your agreed maximum rate.





*During a loan auction, investors who bid with the lowest interest rates will win the opportunity to fund your loan...*

## Who will finance our loan?

**You will be borrowing directly from a number of individual and institutional investors. Our secure online platform allows them to bid for a stake in your loan.**

Our investors will spend a lot of time researching your and other businesses via the FundingKnight website. The people who invest in your loan will be placing their trust in you and your project – and expecting to get their money back.

During a loan auction, investors who bid with the lowest interest rates will win the opportunity to fund your loan. If the loan isn't completely filled by these bids, FundingKnight's partner GLIF will make up the remaining amount of the funds. This means that the availability of funds is guaranteed.

## What are the fees?

We arrange Green Energy loans in partnership with Central Union Partners.

Our arrangement fees are:

- FundingKnight – 2% (of the loan amount)
- Central Union Partners – 2% (of the loan amount) +VAT

We also charge a monitoring fee of 1% per annum. This is based on the capital outstanding since the last payment (or since the start of the loan, if it's the first payment). This monitoring fee is collected on each date you make a payment to lenders.

There will also be legal costs and a valuation fee. As a general guide these should not amount to more than 1% of the loan amount, but this will be dependant upon the circumstances of each application.





*You'll receive your money when the loan auction finishes – typically the funds will reach your account on the same day...*

## When will we get the money?

**Our average turnaround time, from initial application to money in your account, is 21 days. If you have all of your documents prepared and a strong application, it can be much faster.**

You'll receive your money when the loan auction finishes – typically the funds will reach your account on the same day. In cases where the loan is being used, in whole or part, to finance construction works, it may be released to you in stages as work progresses. You should be aware that interest will be charged on the entire loan amount from initial drawdown.

For more information on the process, please see '**How can we apply?**'

## What can we use the money for?

**Our Green Energy loans can be used to fund most green energy projects, including:**

- Tidal energy
- Solar energy
- Wind energy
- Biomass energy

Our partners Central Union Partners will be happy to discuss the eligibility of individual applications.

## How long will we have to pay the loan back?

**We will not normally lend for a term of more than 5 years. Most Green Energy loans are for 3 years but may be repaid earlier without penalty or early repayment fees.**

In the first year you can choose between paying only the interest or paying the interest roll-up. Subsequent years will then be part-amortised. The amount of amortisation will be agreed on a loan to loan basis.





*The more information you are able to give us when you apply, the more you will speed up your application and have faster access to funds...*

#### **How can we apply?**

Once you've submitted your application, one of our credit analysts or our partners Central Union Partners will call to discuss your needs and find out more about your project. They may ask for more detailed information if they have any questions about your application.

#### **What do you need from us and why?**

The more information you are able to give us when you apply, the more you will speed up your application and have faster access to funds. To help you prepare, here is the basic information we'll need.

- A brief description of the project including location, timing and your experience.
- A financial overview including total capital expenditure and breakdown of projected income.
- Loan requirement and suggested repayment method.
- Details of relevant consents e.g. planning, grid, lease etc.

#### **We're ready to accept our loan offer - what next?**

Once you've signed the loan offer, and we have received satisfactory reports from our lawyers and valuers, your loan is approved and ready to go to live auction.







*During the auction you'll be able to sign into your FundingKnight account and watch as investors live bid on your loan...*



## 3 Your money

### How do the auctions work?

An auction is where our community of individual and institutional investors bid via our secure online platform to fund parts of your loan.

If your loan isn't completely filled by these bids, we'll make up the remaining amount of the funds. In other words, you will always get your money.

The only factor not set in stone is the interest rate you'll pay. While you will have agreed on a maximum interest rate, competitive bidding from investors during the auction could push down your interest rate and get you a better deal.

During the auction you'll be able to sign into your FundingKnight account and watch as investors live bid on your loan. The investors who bid with the lowest interest rates will win.

Auctions typically last seven days, but they can be shorter if you choose. As soon as the auction ends, you will receive your funds via a bank transfer.

### How do we repay the loan?

You will begin to make repayments one month from draw-down.

For the majority of Green Energy loans you will only pay interest for the first 12 months, which in some cases may be rolled up and included in the agreed loan amount. For the remainder of the loan term you will pay interest plus an agreed proportion of the capital.

### Early repayment

You can make an early repayment of the full amount of the loan, at any time, providing you give us 14 days' notice. If the loan has been running for three months or more at the date of repayment, there will be no penalty.



*We feel that it is important that we keep closely in touch and work together to ensure a successful outcome of your project...*



#### Payment holidays

Under certain circumstances we can agree a payment holiday before you start repaying your loan, allowing you to wait a few months before starting to pay your loan back. This can be particularly helpful if the loan is for a project that won't be revenue generating in its early stages. Interest will start to accrue from the day the loan is drawn down, so you should be aware that a payment holiday will increase the overall cost of your loan.

#### What if we can't repay the money?

If a payment is late, we charge a fee of £5.05 per day. This fee is deducted when the overdue payment is received. At our sole discretion, we may waive this fee if the payment is received up to four days late, for example if the reason for delay is a bank error or similar and you have kept us informed of what's happening. Once the loan has been drawn down, our partners Central Union Partners will monitor progress. If you have problems in meeting your obligations to us, we will work with you and Central Union to resolve any issues. Should this prove to be impossible we may have to take steps to protect our position, which may involve the appointment of an Administrator or other action to enforce our security.

#### Do you offer any business support?

Our partners Central Union Partners are happy to discuss your loan requirement informally and help you to prepare the loan application.

Once the loan has been funded, Central Union will monitor progress and, in particular, approve any stage payments that form part of the loan terms. We feel that it is important that we keep closely in touch and work together to ensure a successful outcome of your project.

#### What if we need another loan?

Borrowers who return to FundingKnight for another loan often benefit from a lower risk rating, and therefore better interest rates. The application process is also much faster because we already have a lot of your information on file.

Simply sign in to your FundingKnight account and fill out an application. Alternatively, you can contact your dedicated credit analyst or a member of our team and we'll discuss how we can help.

#### We're here to help

Any questions? Please get in touch with our friendly, expert team.

Call us: **02392 985 267**

Email us: **[info@fundingknight.com](mailto:info@fundingknight.com)**



# Contact us

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