

HELPING INTRODUCERS SUCCEED

PRODUCT GUIDE

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	UNSECURED BUSINESS LOAN	SECURED BUSINESS LOAN
 Loan Amount	£50,000 - £500,000	£50,000 - £1.5m
 Loan Term	6 - 84 months	6 - 84 months
 Security	Not required	1st or 2nd charge basis
 Personal Guarantee	Yes	Yes
 Interest Rate	Variable starting at SONIA+3% p.a.	Variable starting at SONIA+3% p.a.

ELIGIBILITY REQUIREMENTS

- The company must be registered in the UK and generate more than 50% of its income from trading activity.
- Ltd company, LLP, (one partner of the LLP to be a LTD).
- Must be using the facility to support trading primarily in the UK and for business purposes only (working capital, expansion or debt refinance).
- Minimum turnover of £350k per annum evincible through latest filed accounts.
- At least one PSC must be a homeowner for loan amounts up to £350k and two homeowners required for £350-500k.
- Any CCJs must be settled or in the process of being settled.
- The business must have a minimum of 2 years trading.

SECURITY REQUIREMENTS

-  The security can be on 1st or 2nd charge basis.
-  Residential/mixed use properties (LTV up to 75%) or commercial properties (LTV up to 65%) are acceptable.
-  A primary residence cannot be taken as security.
-  RICS valuation for the property to be taken as security.


LOAN PURPOSE

Our loans can support your clients with:

- Refinance to more favourable terms or consolidate debts from other providers
- Fuel business growth and expansion
- Manage working capital
- Acquire property or land
- Purchase assets or machinery
- Cover deposits
- Fund staffing and training
- Invest in marketing efforts
- And fulfil many other business requirements

REQUIRED DOCUMENTS

- Completed application via our introducer portal.
- Latest full filed accounts for the past year.
- Bank statements for all business accounts from the last 3 months. Open banking available.

 Speak to your dedicated BDM today about our exclusive interest-only period of up to 12 months! Designed to meet your clients unique financial requirements.



GROWTH GUARANTEE SCHEME (GGS)

MOMENTA FINANCE IS ACCREDITED BY THE BRITISH BUSINESS BANK TO PROVIDE LOANS UNDER THE GROWTH GUARANTEE SCHEME (GGS).



The Growth Guarantee Scheme (GGS) is designed to support access to finance for UK small businesses as they look to invest and grow. The scheme aims to improve the terms on offer to borrowers, subject to scheme criteria. If we can offer a Momenta Finance business loan on better terms, we will do so. Businesses that took out a CBILS, BBLs or RLS facility before 30 June 2022 are not prevented from accessing government-backed facilities, although in some cases it may reduce the amount a business can borrow. Such facilities are provided at our discretion and we are required to undertake our standard credit and fraud checks for all applicants.

GGS AT A GLANCE

	Unsecured Loan Amount	£50,000 to £350,000*
	Secured Loan Amount	£50,000 to £1.5m
	Loan Term	6 - 72 months
	Personal Guarantee	Yes
	Interest Rate	Fixed starting from 15% p.a.**
	Geography	England, Wales, Scotland & Northern Ireland

LOAN PURPOSE

- Refinance to more favourable terms or consolidate debts from other providers
- Fuel business growth and expansion
- Increase inventory, fulfil contracts, and manage working capital
- Acquire property or land
- Purchase assets or machinery
- Cover deposits
- Fund staffing and training
- Invest in marketing efforts
- And many other business requirements

*The maximum amount of a facility, or facilities, provided across all lenders is £2m per business group for borrowers outside the scope of the Northern Ireland Protocol, and up to £1m per business group for Northern Ireland Protocol borrowers.

**Interest rates and fees charged by lenders will vary and will depend on the specific lending proposal. The lender's pricing will take into account the benefit of the Government guarantee and a fee that is charged to the lender for the guarantee.

REQUIRED DOCUMENTS

- Completed application via our online introducer portal or signed PDF form.
- Latest full filed accounts for the past year.
- Bank statements for all business accounts from the last 3 months. Open banking available.
- Completed GGS location set questions.



HOW DOES THE GOVERNMENT SUBSIDY WORK?

The assistance provided through GGS, like many Government-backed business support activities, is regarded as a subsidy and is deemed to benefit the borrower. There is a limit to the amount of subsidy that may be received by a borrower, and its wider group, over any rolling three-year period. Any previous subsidy may reduce the amount a business can borrow.

All borrowers in receipt of a subsidy from a publicly-funded programme should be provided with a written statement, confirming the level and type of aid received.

Borrowers will need to provide written confirmation that receipt of the GGS facility will not mean that the business exceeds the maximum amount of subsidy they are allowed to receive.

All borrowers will need to answer some questions to determine whether they are inside or outside the scope of the Northern Ireland Protocol, to determine the relevant subsidy limit and hence the potential maximum amount they can borrow under GGS.

A borrower in scope of the Northern Ireland Protocol may borrow up to £1 million per business group (across multiple lender facilities), unless such borrower operates in a sector where aid limits are reduced, in which case the maximum that can be borrowed is subject to a lower cap.

These include agriculture and fisheries / aquaculture.



ELIGIBILITY REQUIREMENTS

- ✔ Turnover limit: The scheme is open to smaller businesses with a turnover of up to £45m (on a group basis, where part of a group).
- ✔ UK-based: The borrower must be carrying out trading activity in the UK.
- ✔ Viability test: Momenta will establish that the borrower has a viable business proposition assessed according to its commercial lending criteria in place.
- ✔ Business in difficulty: The borrower must not be a business in difficulty, including not being in relevant insolvency proceedings.
- ✔ Purpose: the facility must be used to support trading in the UK and cannot be used to support certain export related activities. There are certain restrictions on the use of proceeds of facilities in the agriculture, fisheries and aquaculture sectors for borrowers impacted by the Northern Ireland Protocol.
- ✔ Guarantee is to the lender: The scheme provides Momenta Finance with a 70% government-backed guarantee against the outstanding balance of the facility after it has completed its normal recovery process. The borrower always remains 100% liable for the debt.



The British Business Bank has a range of guidance and resources available to all businesses, including content on managing your cashflow and a list of independent advice services. The Growth Guarantee Scheme is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business and Trade. British Business Bank plc is a development bank wholly owned by HM Government. It is not authorised or regulated by the PRA or the FCA. Visit <http://www.british-business-bank.co.uk/growth-guarantee-scheme>



Navigating Our Business Loan Rates

Momenta Finance business lending is streamlined into a multi-tier structure which allows you to service the entire spectrum of SME needs through a single finance partner. From the institutional rates of **Tier 1**, to the agile standard offering of **Tier 2**, and the government-backed security of the **Growth Guarantee Scheme (GGS)**, we ensure you have a solution for every client profile.

	TIER 1	TIER 2	Growth Guarantee Scheme
 Loan Term	6 - 84 months	6 - 72 months	6 - 72 months
 Interest Rate	Variable (From 3% + SONIA)	Variable (From 7.5% + SONIA)	Fixed (From 15%)
 Interest Only?	-	Yes (Max. 12 months)	Yes (Max. 12 months)
 Trading Period	5+ Years	2+ Years	2+ Years
 Min. Turnover	£500k	£350k	£350k

Benefits Of Working With Us

- No fees for early or over repayments.
- Interest-only period of up to 12 months if applicable.
- We fund borrowers across the United Kingdom, including England, Wales, Scotland and Northern Ireland.
- A dedicated Business Development Manager to discuss your clients loan applications.
- Track the status of all your applications through our online introducer portal.

Loan Purpose

Our loans can support your clients with:

- Refinance to more favourable terms or consolidate debts from other providers
- Fuel business growth and expansion
- Increase inventory, fulfil contracts, and manage working capital
- Acquire property or land
- Purchase assets or machinery
- Cover deposits
- Fund staffing and training
- Invest in marketing efforts

And fulfil many other business requirements

 Speak to your dedicated BDM today about our exclusive interest-only period of up to 12 months if applicable! We also have secured loans available up to £1.5 million. Designed to meet your clients unique requirements.





	BRIDGING LOANS	DEVELOPMENT FINANCE
Loan Amount	£200,000 up to £5 million	£200,000 up to £4 million
Loan Term	3 - 24 months	3 - 24 months
Security	1st & 2nd charge basis	1st charge basis
Leverage	Up to 75% gross LTV/LTGDV	Up to 70% LTV and 85%
Interest Rate	Starting from 0.80% p.m. (fixed or variable)	1.15% per month (fixed for the term of the loan)
Geography	England, Wales, Scotland, and Northern Ireland.	

REQUIRED DOCUMENTS

- Completed and signed application form.
- A summary of the applicant's track record in the UK property market.
- A detailed description of the property or properties being offered as security.
- Breakdown of any refurbishment costs or remaining construction costs (where applicable).
- The planning reference number (for refurbishment loans if applicable). This allows Momena Finance to verify the planning permission status and details of the project.
- RICS certified full valuation for the property to be taken as security. The valuation must be instructed by and addressed to Momena Finance.
- Monitoring Surveyor appointment where relevant.

WORKING WITH MOMENTA FINANCE

- We can provide a preliminary decision within 24 hours and a credit-backed offer within 72 hours.
- Dedicated and specialised property finance team with deep experience in the UK market.
- We have a panel of seasoned valuers, monitoring surveyors and legal firms that support us on transactions.
- Our execution on deals (speed and accuracy) sets us apart from our competitors.

LOAN PURPOSE

- Purchase of properties
- Equity release against existing properties
- Light refurbishment projects
- Development exit funding
- Ground up development where planning is in place.

ELIGIBILITY GUIDELINES

- We require a clear view on exit (repayment of the loan) via either sale of the funded properties or a re-finance onto longer term debt.
- The borrower can be a limited company, a partnership, an LLP or sole proprietor.
- Borrower must have a proven track record in similar type property transactions.
- The borrower must be domiciled in the UK.

GOOD TO KNOW

- Interest can be rolled up for the full term of the loan (subject to LTV limits) alternatively it can be serviced monthly if the property generates rental income.
- Typical fees are 2% up-front and 1% on exit.
- A primary residence cannot be used as collateral.





COMMERCIAL MORTGAGE FOR OWNER OCCUPIED PROPERTIES

SECURED LOANS FOR INCOME PRODUCING PROPERTIES

Loan Amount	Up to £1.5 million	£150,000 up to £2 million
Loan Features	Interest-only up to 24 months	Up to 72 months
Security	1st charge basis only	1st charge basis only
LTV	Up to 65%	75% residential and 65% commercial
Interest Rate	Starting at SONIA + 7% P.A.	Starting at SONIA + 7% P.A.

HIGHLIGHTS

- Exit Strategy: Repay the loan by way of re-finance at the end of the loan term.
- Repayment Structure: Interest only – no capital repayments required.
- No exit fees upon repayment.

REQUIRED DOCUMENTS

- Completed application via our introducer portal.
- Borrowers must be a limited company.
- RICS valuation for the property to be funded is required.
- Latest filed financial statements.



ELIGIBILITY REQUIREMENTS

- The company must be a Limited Company registered in the UK and generate more than 50% of its income from trading activity.
- Must be using the facility to obtaining new properties, enhancing their business premises through renovations, confidently expanding to multiple locations, releasing capital for business requirements.
- Minimum turnover of £350k per annum evincible through latest filed accounts or management information.
- At least one Person of Significant Control (PSC) must be a homeowner.
- Any CCJs must be settled or in the process of being settled.
- The business must have a minimum of 2 years trading.



Assessing Affordability

We aim to maintain transparency in our affordability assessment process, and thus, we have crafted this guide that outlines our criteria for decision-making. We consider the following when making our affordability assessment:

- Adjusted EBITDA to calculate free-cash flow.
- Bank data (Open Banking/CATO) to assess liquidity in the bank accounts to service additional debt.
- Company projections, forecasted revenues or future contracts to justify future growth or predicted cashflows.

ADJUSTED EBITDA	BANK DATA	PROJECTIONS
<p>Post EBITDA calculation considerations:</p> <ul style="list-style-type: none"> • Changes in Working Capital • Debt • Capital Expenditure • Exceptional items • Financial trends • HMRC arrangements 	<p>Post calculation considerations:</p> <ul style="list-style-type: none"> • Debt • Director / intercompany / interbank transactions • Non-GBP cash balances • HMRC arrangements • Cash trends 	<p>Qualitative/Quantitative data:</p> <ul style="list-style-type: none"> • P&L forecasts • Cash-flow forecasts • New contracts • Sales ledger / Order books

Working Example: Adjusted EBITDA

We use the following calculation EBITDA – post-balance sheet debt EBITDA - post balance sheet debt = Adjusted EBITDA (or amount available to service debt). We require the last filed, formally prepared, and management accounts.

	FY25
Net Profit	£60,000
+	
Interest	£10,000
Tax	£15,000
Depreciation	£5,000
Amortisation	£10,000
EBITDA	£100,000
Post EBITDA consideration	£20,000 litigation cost
Adjusted EBITDA Free-Cash Flow	£120,000

Your Client's Story Matters

When preparing your client's application and supporting affordability documents, remember that our decisions are made by people - the Underwriters.

This can benefit your application as Underwriters view it from various angles, making it ideal for complex cases that require a human touch. Share your client's story and provide any necessary supporting documents.

Only with a complete understanding can we make a final decision.





Working Example: Bank Balances

We use Open Banking and Experian current account turnover (CATO) data to give a 12 month view of average cash surpluses in the business bank accounts to determine if there is sufficient capacity to service new debt.

What we need: Permission to access bank data via Open Banking.

MONTH	CATO/ BANK AVG.	LOAN/MISC.	FCF
October	£20,000	£5,000	£15,000
September	£20,000	£5,000	£15,000
August	£20,000	£5,000	£15,000
July	£10,000	£5,000	£5,000
June	£10,000	£5,000	£5,000
May	£10,000	£5,000	£5,000
Average	£15,000	£5,000	£10,000

Working Example: Company projections

We assess a number of different sources (listed below) to determine anticipated revenues, costs and profitability and how these may influence the borrowers ability to service the debt.

What we need: A copy of one or more of the below documents which outlines terms plus any financial forecasts to illustrate profitability.

- Projected Profit and Loss Statements
- Bank Statements
- Detailed Financial Memo
- Cash Flow Forecasts
- New Contracts
- Order Book
- Projected EBITDA



Credit Review: Application Form

If your client's application includes any of the below requests, we kindly request that you provide the corresponding supporting documents.

Generic loan purpose and instances where the borrower has requested a maximum or minimum unsecured amount?	If there is a wider capital need, provide details and how the balance will be funded. Include an itemised breakdown of the loan purpose.
Funds required for debt consolidation?	Debt schedule inclusive of the lender, initial loan amount, current outstanding amount, repayment, term and date when the loan was taken.
Funds required for cash flow or working capital?	Explanation as to what is causing the gap between getting paid and paying suppliers.
Funds required to service new contracts?	Order book, schedule of work in progress and significant contracts related to the new projects.
Funds required for a specific purchase or acquisition?	Invoices, purchase orders and valuations associated with the specific purchase or acquisition for which the funds are needed.

Credit Review: Bank Statements

If your client's bank statements include any of the below items, we kindly request that you provide the corresponding supporting documents.

Transfers between the provided bank statements and linked bank accounts?	The latest 3-months statements for all the business banks in the companies name.
Recurring or round payments made to HMRC with the reference 'HMRC NDDS'?	TTP HMRC arrangement details.
Outstanding or lack of tax payments (VAT, Corporation Tax, PAYE, CIS)?	Screenshots from the relevant portal displaying any outstanding amounts for VAT, Corporation Tax, PAYE, or CIS payments.
Bank statements show credits sourced from a limited number of customers?	Contracts and/or heads of terms related to these specific debtors.
Balance sheet in the filed accounts or MI shows 'Other Debtors' and/or 'Other Creditors'?	A breakdown detailing the components included in these specific line items.

Credit Review: Financial Accounts and Directors

If your the financial accounts or directors information includes the below items, we kindly request that you provide the corresponding supporting documents.

Inter-company loans or bank transfers between the applicant entity and other entities?	Explain the relationship between these entities and provide the most recent filed accounts.
Properties are listed on the balance sheet?	The addresses of all properties owned by the entity.
Multiple property ownership or Unencumbered property?	Statement of Personal Assets and Liabilities.





Introducer Checklist

We really want to fast track your application to credit, you can help us by following this handy checklist:

Application form and portal submissions

- Is there a detailed loan purpose?
- Have you provided details for all persons with significant control (PSCs) listed on Companies House?
- Have you confirmed UK homeowner status for the PSC? (Individual to be listed on the title deed). And will the address provided on the application form evidence this?
- Do you have consent to run credit searches from all appropriate parties of the legal entity?
- Is the application form signed?
- The business is registered at Companies House as either a Limited company or Limited liability partnership (LLP).

Accounts information

- Latest filed accounts reflecting on Companies House for Ltd/LLPs:
 - Is the EBITDA positive?
 - Is the balance sheet solvent?
 - Do the accounts match what has been filed on Companies House?
- Loss making and insolvent filed accounts will lead to a credit decline.

Bank statements and open banking

- Permission to access the data via open banking (see <https://connect.consentsonline/merchantmoney>) or latest Three (3) months' statements for all business bank accounts
- Check that they are within 4 weeks of the application date.
- Three or more failed payments in the bank statements within the last 6 months, will lead to a credit decline.

Reach out to us at **0800 848 8480** or broker@momentafinance.co.uk to register as an Introducer, or request a quote to see how we can help your clients access the funds they need.

