

# FAQs for solicitors

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## Funding

### How does RateSetter's Family Finance funding work?

- ▶ You will need to apply for a credit limit on behalf of your client. The credit limit is the total amount required to fund your client's case to final hearing. Once approved in principle for a credit limit, your client will receive documentation to sign and return. Once these have been returned, you will be able to request funds on behalf of your client from RateSetter to cover your invoices.
- ▶ Funds will be transferred under separate loan agreements. Your client will need to sign each loan agreement electronically, which will be identical in content, except for the amount borrowed and amount owed. The signing process is easy and is completed online. The aggregate value of the separate loans cannot exceed the total credit limit

### Do you take security?

Yes, we take security over your client's settlement proceeds using a Deed of Assignment which covers the whole series of loans.

## Applying for a credit limit

### How do clients apply for a credit limit?

Once you've determined the cost of your client's case, you will need to complete an Application Form requesting a credit limit for the full amount on behalf of your client. The Application Form should be sent to RateSetter at **familyfinance@ratesetter.com**.

### At what stage in the proceedings can clients apply for a credit limit?

Following a divorce petition, we welcome credit limit applications at any stage prior to settlement.

### How long does it take to get approval for a credit limit?

We will respond within 3 working days with a credit limit decision. This may take a little longer in the event of a complex case.

## Applying for a loan

### Following approval for a credit limit, how do we request funds?

You can make loan requests by sending an email with your client copied in to us at **familyfinance@ratesetter.com**, setting out (a) the amount required, (b) an explanation of what the amount relates to, and (c) evidence of the amount, such as the relevant invoice. RateSetter will then send an electronic loan agreement to your client for signature. Upon receipt of your client's electronic signature, RateSetter will send the funds to the account you have designated the next working day.

## Loan amount

### What is the minimum and maximum you will lend?

The minimum credit limit we offer is £10,000, and the maximum is £500,000 although, we will review larger borrowing requests on a case by case basis. The minimum drawdown we offer is £2,500.

## Loan charges

### How much do the loan(s) cost?

The APR of the loan(s) is 14.9%.

### Do you have a representative example?

A £10,000 drawdown will be repayable by one payment deferred for 12 months at an APR of 14.9% fixed. Total amount payable after one year will be £11,494.

## Lending criteria

### What is your lending criteria?

Clients must be 21 years of age or over with a good credit history. Clients must be a resident in the UK and be planning to stay in the UK for the duration of the divorce. The assets in the case must include a UK property and need to be sufficient to repay the loan(s).

### Do you run credit checks on clients?

We will run a credit check when a loan application is made. For the initial credit limit assessment we will only perform a soft check to protect your client's credit rating.

### Do you run ID checks?

Yes, we run ID checks online using the information provided by your client. If we are unable to validate their identity we will require a driving licence and/or passport and proof of address, e.g. a utility bill or bank statement, dated within the last 3 months.

### Do you fund other types of family cases?

We do not currently accept TOLATA, cross-jurisdictions or Schedule 1 cases for funding.

## Repayment of the loans

### How do loan(s) get repaid?

Under the Client Instruction Letter your client has instructed you as their solicitor to repay the loan(s) out of settlement monies received. If for whatever reason you do not receive the settlement monies then the client will be required to repay the loan(s) directly to us.

### Can the client repay the loan(s) in instalments?

No, the loan(s) needs to be settled in full and in one payment at the end of the term.

### Can the client repay the loan(s) early?

Yes, the loan(s) can be repaid early at any time at no extra cost.

### Can the client change solicitor?

Yes, however, they would be required to repay the loans in full.

### What happens if my client and their spouse reconcile?

Your client will remain liable to repay the full amount borrowed together with accrued interest.

## Communicating with RateSetter

### Can clients call RateSetter to discuss their loan?

We ask you to be the point of contact throughout the process, including the application; the loan requests; any requests for extension; requests for statements of account or redemption; and facilitating repayment. However, if your client wants to withdraw from the loan, repay early or make a complaint about the loan, they should contact us directly.

**Does the client need to tell their spouse about the loan(s)?**

Yes, the spouse does need to be notified, this is done through the Notice of Assignment provided by RateSetter which you will then need to send to the spouse or their solicitor. This is to ensure they are on notice to transfer settlement monies to you so that you can repay the loan on your client's behalf.

**How will clients know how much they have borrowed during the course of the loan(s)?**

Loan statements are available upon request.

## Independent Legal Advice

**Does the client need to take Independent Legal Advice?**

Yes, your client needs to take Independent Legal Advice.

## Undertakings

**What undertakings do you require from solicitors?**

We do not require any undertaking from solicitors to stand behind the loan(s). We simply request that you undertake to transfer a lump sum repayment to us from settlement monies you receive as part of the settlement process, before you send them onto your client.

In the event that you are not acting as conveyancer in relation to the sale of your client's property, you will need to notify the conveyancing solicitors of the loan and request that they send the sale proceeds to you in order for you to discharge the loan in accordance with the Deed of Assignment. In addition, we ask that you undertake to keep RateSetter informed of any material changes in your client's case which would impact your client's ability to repay the loan(s).