

## **HBV ENTERPRISE – LOAN FUND APPLICATIONS**

### **FREQUENTLY ASKED QUESTIONS**

#### ***Can I discuss my business idea before putting an application forward?***

Yes. We are able to give general guidance and advice and, in certain circumstances, training to help you develop your business idea.

#### ***How do I get more information on how to apply for a loan?***

Simply telephone HBV Enterprise (HBV) on the number shown and ask to speak to any member of the Funds Team. They will be happy to discuss with you your financial requirements and if appropriate provide you with all the information necessary to progress your Business Plan.

#### ***Is a business plan necessary?***

Yes. Without a business plan it is impossible to assess whether your business is viable and can be supported.

#### ***Can you provide me with any help in putting together a business plan?***

Yes. Our Business Advisers are available to help you through the business planning process. Support is given through advice and feedback. If the business is in what is known as a key regeneration area we may be able to support you with the business plan. Please check with us to see if you are eligible in one of these areas.

#### ***How much can I borrow?***

You can borrow from as little as £3,000 up to a maximum of £25,000. The amount of assistance will also depend on how much you have to go towards your financial requirement. Your total borrowing should not be more than three times the amount of your own investment. We will consider the inclusion of Personal and Business assets already owned as part of your investment.

#### ***How many years can I repay the loan over?***

Loan repayments can be spread between 1 and 5 years. The term of the loan should not exceed the life of the asset acquired.

#### ***Where does my business have to be located?***

In the London Boroughs of Barnet, Brent, Camden, City of London, Enfield, Hackney, Haringey, Harrow, Islington and Waltham Forest.

#### ***What if I have a virtual office in the above borough?***

Unfortunately, we cannot support applications from enterprises who only have virtual offices in the London Boroughs where we lend. This is because they do not add value to the local economy.

#### ***Who can apply for loan support?***

Applications can be made from Sole Traders, Partnerships, Co-operatives or Limited Companies and all business sectors will be considered i.e. retail, wholesale, manufacturing, service etc. However, certain types of businesses may be excluded if in the opinion of the independent Loan Fund Panel they would impact adversely on the local community or on the reputation of the funding organisation.

#### ***Do I need to secure my loan?***

This will depend on your personal circumstances. Applicants who own their own property or have other assets of value will have to demonstrate that they are unable to obtain financial support from commercial providers. In such instances the Funds may seek collateral to support your application. All lending to Limited Companies will require a personal guarantee from the Directors. A debenture (a legal charge over the Company's fixed and floating assets) will also be taken for Limited Companies.

#### ***How will my application be dealt with?***

All applications are initially assessed by a Business Adviser. Send your Business Plan and a completed and signed application form to our Funds Team and we will endeavour to respond within 5 working days. Please refer to the Business Plan check list (available on our website) before submitting the application.

***What happens next?***

Feedback will be provided – normally in writing. It may be that additional work is required on certain parts of the business plan e.g. market research or financial information. How quickly you are able to respond to the points raised is very much down to you but once complete you are invited to return to the Business Adviser.

***How long or detailed does my plan have to be?***

HBV are looking for a comprehensive business plan that can adequately describe how your business will operate and how you will fulfil your loan commitment from income generated. Every business is unique and it is the quality of the plan rather than the quantity of pages that is all-important.

***Who decides whether I will get support?***

When your Business Adviser agrees that your business plan is complete a report will be made to the independent Loan Fund Panel who make the funding decision.

***Am I able to discuss my application with the Loan Fund Panel?***

Yes, you will be able to attend the panel meeting to answer questions.

***Who is on the Loan Fund Panel?***

The individuals who make up the panel are subject to change from time to time and are currently made up of representatives from Business Link 4 London, the local Chamber of Commerce, High Street Banks and the Chief Executive of HBV.

***Why have a Loan Fund Panel?***

The Funds under management by HBV originate from the Public Sector i.e. tax payers money either from the UK or via Europe. The panel's function is to ensure that these funds are used efficiently and effectively and distributed in a responsible manner.

***How quickly will I get a decision?***

The panel members meet once a month.

***If the Loan Fund Panel supports my application how quickly will I get the money?***

The panel may in certain circumstances ask that conditions be met prior to the release of the funding i.e. securing premises within a particular catchment area. However, if no such conditions apply, funds can generally be released within just a few working days of the panel's decision.

***What if the Loan Fund Panel declines my application?***

The panel's decision is final.

***How much does the loan cost?***

Interest is charged at 12% fixed for the duration of the loan. An administration fee of 2% of the loan approved (minimum£100) is deducted.

***What is the cost of HBV Enterprise support?***

All business advice, guidance and training is provided free of charge. Only on draw down of your loan will an administration fee of 2% of the loan approved (minimum £100) is deducted.

***Do I get additional support after the loan is granted?***

Yes. It is in everybody's interest to help you fulfil your loan commitment and HBV will endeavour to provide you with ongoing business advice, mentoring and training. All of this support will be provided free of charge or at discounted cost. A condition of the loan will be that you provide regular information on the progress of the business.

**If you wish to receive an Information Pack or discuss your circumstances in further detail please contact: -**

**Funds Team, HBV Enterprise Centre, 34 – 38 Dalston Lane, London E8 3AZ.**

**Telephone No. 020 7254 9595, Fax 020 7254 8686 or e-mail [mail@hbv.org.uk](mailto:mail@hbv.org.uk).**

**Alternatively, download the information and a Loan Fund application from our website [www.hbv.org.uk](http://www.hbv.org.uk).**