

## Enterprise Finance Guarantee – Asset Finance

### Scheme Features to be Conveyed to EFG Borrowers by Deal Originators

Overview

- EFG is a UK Government Guarantee Scheme to assist SMEs to access finance that may not otherwise be available.
- The EFG Guarantee is provided by the UK Government to Us (the Lender) and not to You (the Borrower).
- It enables Us (the Lender) to provide You (the Borrower) with funding that We (the Lender) would otherwise be unable to provide, due to lack or inadequacy of security and/or track record.
- It enables You (the Borrower) to obtain finance which would not otherwise be available to You (the Borrower).

Liability

- The provision of the EFG Guarantee does NOT remove any of Your (the Borrower) liability for repaying Your (the Borrower) EFG-Supported Facility (nor, if applicable, does it reduce the liability of any Personal Guarantor of the EFG-Supported Facility).
- In the event of You (the Borrower) defaulting on Your (the Borrower) EFG Asset Finance Instalments (for example, failing to make specific repayments as and when they fall due), We (the Lender) are entitled to seek to recover the full amount outstanding from You (the Borrower).
- Any monies received by Us (the Lender) under the Government Guarantee does not reduce Your (the Borrower) liability in any way.

Guarantee Portion

- We (the Lender) can choose whether the EFG Guarantee covers all or part of the Outstanding Balance Financed of the EFG Facility. The Guaranteed Portion of Your (the Borrower) EFG Facility is selected by Us (the Lender) at the outset and will remain the same for the life of Your EFG Facility. The EFG Guarantee can cover between 10% and 100% of the Outstanding Balance Financed.

Guarantee Fee

- A Guarantee Fee is payable by You (the Borrower) to the UK Government, as a contribution towards the cost of providing the EFG Scheme.
- This fee is based upon the forecast Outstanding Balance of the Guaranteed Portion of Your (the Borrower) EFG-Supported Facility multiplied by an annual rate of 2%.
- This fee will be payable over the whole term of the EFG-Supported Facility and will be collected on a quarterly basis in advance from Your (the Borrower) business bank account by Direct Debit.
- The due date and amount of each Guarantee Fee payment will be specified to You (the Borrower) in an EFG Guarantee Fee Payment Schedule.
- If You (the Borrower) do not pay this Guarantee Fee as and when it falls due, the EFG Guarantee to Us (the Lender), to secure Your (the Borrower) EFG-Supported Facility, may fall away.
- Any queries you have in relation to your EFG-Supported Facility should be raised directly with Us (the Lender).
- Further information about EFG can be found on Our (the Lender) and/or BBB’s website.

*“The Enterprise Finance Guarantee programme is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy”*