Lime Consultancy
MAKING BUSINESS FINANCE SIMPLE

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CASE STUDY - JULY 2020

CBILS UNSECURED LOAN

An IFA firm had taken out various loans over the course of several years as they acquired different competitor firms.

The borrowing they had was all personally guaranteed and, whilst business was good, they did not want the personal guarantees in place as it impacted on their personal lives.

RESTRUCTURE ONTO BETTER TERMS

BACKGROUND

This was a successful business that wanted to improve the structure and terms of their existing borrowing. The big issue for the client was not the cost of finance but that there were a number of personal guarantees in place which always caused disagreement during board meetings.

THE CHALLENGES

At a time of uncertainty it is usually the case that lenders increase their costs and demand more certainty of repayment from the borrower. It is also the case that simply wanting better terms on your borrowing is rarely attractive to a lender. Wanting to renegotiate borrowing usually raises the concerns of a lender and can lead to opening a can of worms best left closed.

WHAT WE DID

For some time we had worked with a couple of lenders on their CBILS proposals. Having this relationship was crucial in that it meant we could refer cases ahead of our peers and could structure borrowing in a way that other brokers couldn't. We used the CBILS scheme to raise a loan of £154k.

This repaid the current borrowing and gave the client 12 months without needing to make any payments. Because the borrowing was below £250k on CBILS there were no personal guarantees required.

WHO WE ARE