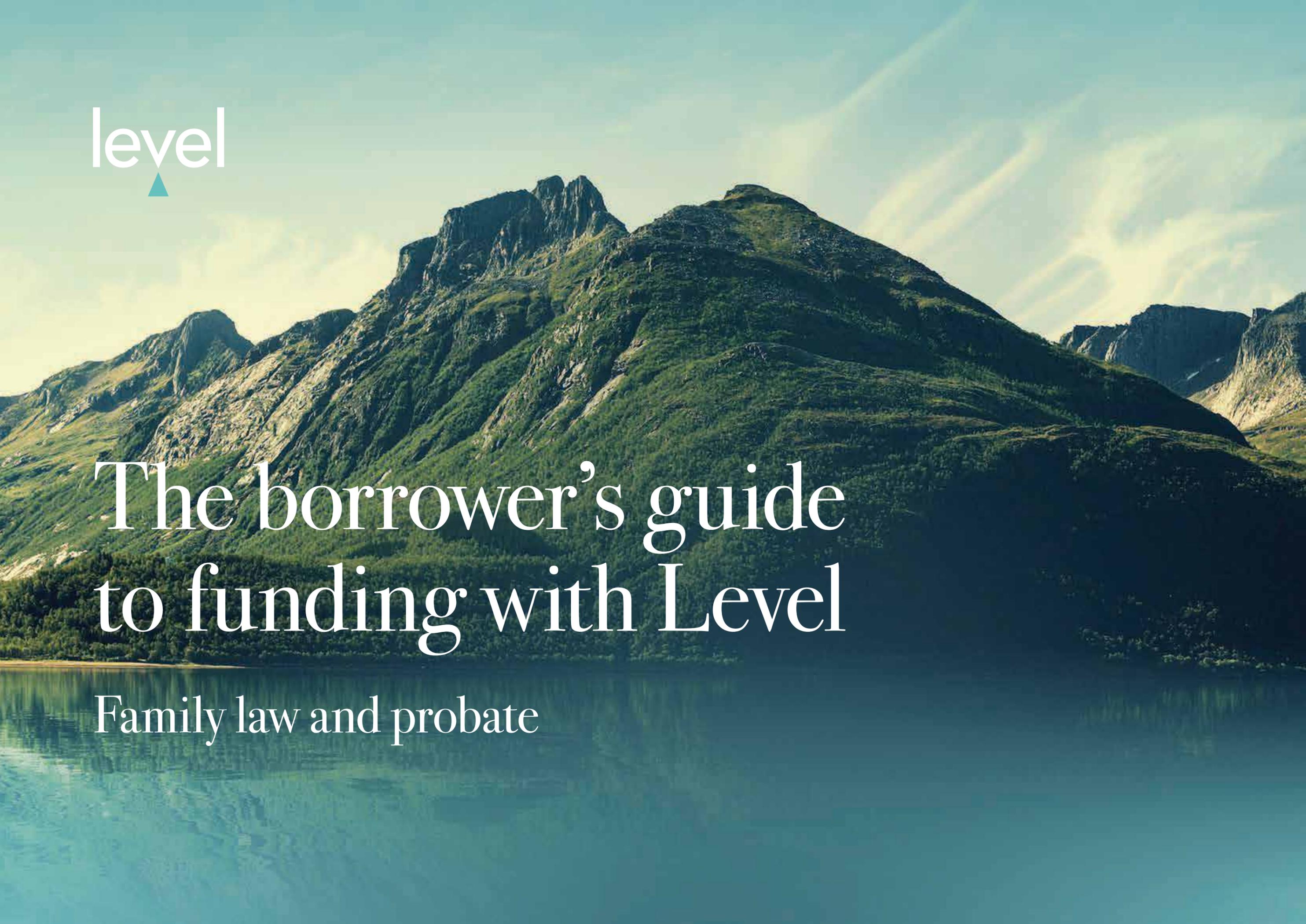


The logo for Level, featuring the word "level" in a white, lowercase, sans-serif font. A small teal triangle is positioned below the letter "l".

level

A scenic landscape featuring a range of rugged, green mountains under a clear blue sky. The mountains are reflected in a calm body of water in the foreground.

The borrower's guide to funding with Level

Family law and probate

Level is a boutique firm offering a **personal service** and bespoke lending decisions. We work closely with many of the UK's leading family and private client law practices and pride ourselves on the **strong relationships** we have within the industry. In family law, we are the UK's **top-ranked** litigation lender.

For further clarification or information, please get in touch using the details below.

Telephone: +44 (0) 20 7205 2870

Email: info@thelevelgroup.co.uk

Why Level?



Top-ranked

Level is the UK's top-ranked matrimonial litigation funder, according to Chambers & Partners - the world's leading provider of legal research and analysis.



In-house legal expertise

Our legal and financial know-how allows us to understand the complexities of your case and quickly provide bespoke and competitive funding solutions.



Flexible

By taking a more creative approach and assessing each case on its individual merits, we have built a successful track record of funding unusual cases.



Fast

As an independent lender, we make fast decisions and are highly responsive. We can usually provide you with an in-principle offer within 48 hours of receiving an application and get the facility set up and monies paid down in as little as one week.



Streamlined

Our application process is swift and straightforward. We have simplified the process wherever possible to save you time.



Personal

We are a small and dedicated team that prides itself on being empathetic, efficient and easy to deal with. We will support you through the process and are always on hand to speak with you or your solicitor.

How does it work?

1.

Solicitor completes application form and client signs it off



2.

Level reviews application and provides **provisional approval**



3.

Level has **introductory call** with client



4.

Client obtains **independent legal advice**



5.

Client returns **signed documentation** to Level



6.

Level executes documentation and **forwards relevant documentation** to solicitors



7.

Solicitor returns **signed undertaking**



8.

With client approval, **Level processes payment** directly into solicitor firm's client account



We understand that entering into a loan agreement can be daunting, so we aim to make things as transparent and easy as possible.

You are in control of the process, and the loan facility, and we are on hand to assist you or answer your questions at any point.

Level is one potential funding option and you should explore other options to ensure you choose the most suitable solution for you.

1. Loan features

What can loans be used for?

Legal fees loan: Our loans can be used to pay your legal fees and reasonable disbursements, including barristers' fees. You can draw down funds to settle outstanding and future invoices, or the funds can be held in your solicitor's client account.

Living expenses loan: We can also provide a separate loan facility to cover your living expenses during proceedings or for other reasonable costs (details available on request).

How can I apply for a loan?

In the first instance, please either contact us directly or ask your solicitor to enquire on your behalf. You must have already appointed a solicitor before you apply.

As part of the application process we will ask your solicitor to provide us with some information about your case, such as the stage you are at in the process, the likely value of your financial settlement and other significant facts. Your solicitor will also calculate the loan amount you will need in order to reach the conclusion of your case.

Once we have received the application form, we will speak to your solicitor and aim to provide an in-principle decision within 2 working days.

Before proceeding with the loan you must obtain independent legal advice so that you are aware of your rights and obligations.

How much can I borrow?

Because we review each application on a case-by-case basis, there's no limit to how much we can lend. Your solicitor will give us a cost projection, along with the likely value of your financial settlement. Level is able to lend a proportion of the projected settlement.

Once we have received the completed application form and any supporting information required, we will tell you your maximum facility limit and your solicitor can manage their strategy accordingly.

How does the loan facility work?

Once the loan documentation has been executed and we have received your solicitor's undertaking, the loan facility will be live. You are in full control of the facility and Level needs your written approval for any drawdown of funds. Following your approval, your solicitor will be able to draw down funds to their client account as and when required.

Does security need to be provided for a loan?

We can provide lending on both a secured and unsecured basis, depending on the details of your case. We will usually reward borrowers who can provide greater security with lower interest rates.

All loans are secured by a deed of assignment, which assigns your settlement proceeds to your solicitor. They will undertake to ensure that these funds are used to repay all sums owed to Level under the loan agreement before any funds are released to you.

Is my home at risk?

If the loan is secured over your home, as with any mortgage, the property may be at risk if you fail to repay Level.

2. Qualifying for a loan

What are Level's lending criteria?

Applications are assessed on a case-by-case basis. As part of this process, we will ask your solicitor their opinion on the likely outcome of your case. There will need to be a path to repayment and sufficient headroom in your settlement, meaning that the loan is covered by the settlement by a ratio of at least 1:3.

We will usually require there to be sufficient UK-based assets in at least one of your or your spouse's names for us to consider an application.

For unsecured lending, you must be a UK resident. We may consider lending to a non-UK resident if security can be granted in the form of a charge over property or other assets.

We will also complete a credit reference check (with your permission) as part of the application. This will not affect your credit rating.

Do I have to take independent legal or financial advice?

Yes. This is a requirement of anyone who enters into an agreement with us to make sure they understand their rights and obligations under that agreement.

This advice cannot be given by your solicitor, so you must seek independent advice elsewhere. We can give you the details of a number of solicitors who can provide this advice, should you require it. If we are providing a secured facility, you must also obtain independent mortgage advice from a regulated mortgage broker.

Fees for independent legal or financial advice cannot be included in our loan facility and must be paid by you upfront.

3. Cost and repayments

How much will a loan cost me?

Our costs are designed to be as transparent as possible. The table below explains them in detail.

Administration fee We usually charge an administration fee of £500 or 1 - 2% of the facility.

Interest rate Usual interest rate from 1.5% - 2% per month (18% - 24% per year). The interest rate and any fees are set according to the risk and complexity of the case and will be agreed and clearly communicated during the application process.

Interest only accrues on drawn down funds, and is only payable when the loan is settled at the end of the agreement.

Interest is charged at a flat rate and does not compound.

Redemption We do not charge a redemption fee and there are no penalties for paying the loan early, either in a single payment or by instalments.

Independent legal advice fee This is a cost you will need to pay for directly, and it is separate from us. This will usually cost between £275 and £350, plus VAT.

*Representative example: amount of credit £100,000 for 12 months. Interest rate 22.8% per annum. Administration fee of £1,250 (1.25% of the facility) added to the loan. Interest £23,085. Total repayable £124,335. Representative 24.30% APR.

Worked example: Interest only accrues on drawn down funds and the costs of legal proceedings tend to be spread over a 12-month period. Therefore, assuming a £100,000 facility is drawn in three equal instalments in month 3, 6 and 9 with the loan being repaid in a single payment after 12 months – then the total amount repayable would be £114,835 (being capital of £100,000, administration fee of £1,250 and interest of £13,585). In this example, the total cost of the credit is £14,835 and the effective rate is 14.8%.

Do I have to pay interest monthly?

No. Interest is rolled up, only becoming due when the loan is repaid as a lump sum in accordance with the terms of the loan agreement.

When do I have to repay the loan?

The loan is repayable once your proceedings have concluded, and the settlement has been paid into your solicitor's client account. Loan terms are decided on an individual basis depending on certain factors, such as the status of proceedings and whether repayment is linked to the sale of a property or asset, or receipt of a lump sum.

The loan is also repayable at the expiry of the loan term. If a case has not been settled or proceeds of sale are not yet received, loan terms may be extended, subject to further credit checks and approval.

For loans secured over property, the maximum term is 12 months. Unsecured loans are not subject to a maximum term.

You can repay the loan whenever you want and there are no early repayment penalties.

How does a loan get repaid?

The deed of assignment requires that all settlement proceeds are paid into your solicitor's client account. All sums due to Level under your loan agreement will be paid to us first and then your solicitor will pay the remaining funds to you.

4. Solicitor involvement

What is my solicitor's role in my Level loan?

The loan agreement is between you and Level, but your solicitor does play an important role in the process.

You must have already appointed a solicitor when you apply for a loan with us. Your solicitor can either provide you with our details or you may inform your solicitor that you wish to take out a loan with us.

Your solicitor will complete a simple application form which gives us information about your case, such as your likely settlement sum and the amount you wish to borrow.

Your solicitor undertakes to keep us informed of any significant changes in circumstances that may affect the settlement you are likely to receive.

Each time your solicitor raises an invoice, or funds are required to be held on account, your solicitor will ask for your written approval before funds can be drawn down from the facility.

Your solicitor provides an undertaking to pay all sums due to Level, upon receipt of your settlement into their client account, before being used for any other purpose.

Does my solicitor benefit from, or recommend, the loan?

Your solicitor receives no financial incentive from Level, nor do they recommend Level to you.

However, you and your solicitor will benefit from the loan in the sense that all legal costs and disbursements are paid without delay, meaning the strategy of the case won't be hindered by lack of access to funds.

5. Other frequently asked questions

How will the court view the Level loan?

Level cannot provide legal advice on how the loan will be viewed by the court in your case. However, a litigation loan will likely be taken into account by a judge as a liability on your side of the balance sheet as it is a 'hard debt', whereas a loan from friends or family might be considered a 'soft debt', and not given the same weight.

We suggest you discuss this in further detail with your solicitor.

What credit checks will you perform?

We will undertake a credit check as part of our due diligence. We will require your permission prior to doing this.

Level will need to review any County Court Judgements (CCJs) or Individual Voluntary Agreements (IVAs) to pay off existing debt before making an offer of funding.

Can the loan be used to pay the other side's fees?

Unless specifically pre-agreed, the legal fee loan can only be used to pay legal costs and reasonable expenses incurred by you. Level may be able to offer you a separate unrestricted use loan facility in addition to your legal fee loan, which could be used to pay the other side's fees.

Does my spouse need to know about the loan?

Your solicitor will issue your spouse with a Form of Notice notifying them about the loan and the terms of the Deed of Assignment once the facility is in place.

Will you provide me with statements?

Level is legally obliged to provide you with an annual statement. In addition to this, we can also provide statements on request to assist with any upcoming hearings or disclosure. Please email team@thelevelgroup.co.uk to request a statement.

Can Level stop funding during the case?

If you breach the terms of your loan agreement this may result in Level ceasing to lend.

What if my proceedings are delayed?

If an increase to the loan term is required, Level will re-assess the case and, provided there is no material change to the expected outcome of the case, we may be able to offer an extension to allow sufficient time for the loan to be repaid.

What if I reconcile with my spouse?

You are obliged to repay the loan under the terms of the agreement, even if the legal proceedings cease.

What if I want to change solicitor or decide to act in person?

The loan is linked to the law firm you are represented by at the point of the application to Level. Only approved family law firms can use our service for their clients. Should you wish to move solicitor, you will need approval from Level, otherwise the loan would need to be repaid in accordance with the terms of the loan agreement.

Similarly, if you decide to act in person this would constitute a breach of the loan agreement and the loan would need to be repaid in accordance with the terms of the loan agreement.

What if I require further borrowing?

Your solicitors will be asked to provide an update on the case. Provided there is sufficient headroom in your anticipated settlement, Level may be able to offer an increase to your facility.

Contact us

+44 (0) 20 7205 2870

info@thelevelgroup.co.uk
thelevelgroup.co.uk

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