



# The solicitor'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](mailto:info@thelevelgroup.co.uk)

## Why Level?



### In-house legal expertise

Our legal and financial know-how allows us to understand the complexities of a 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 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 your client through the process and are always on hand to speak with you or your client.

# How does it work?

1.

Solicitor completes application form and client signs it off



3.

Level has introductory call with client



2.

Level reviews application and provides provisional approval



4.

Client obtains independent legal advice



5.

Client returns signed documentation to Level



7.

Solicitor returns signed undertaking



6.

Level executes documentation and forwards relevant documentation to solicitors



8.

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



# 1. Working with Level

## How do we enter into an agreement with Level?

If you are a family or private client law firm interested in working with us, please get in touch, so we can talk you through the process of becoming a partner. We can also discuss specific cases you might have. Your firm will need to sign up to our terms of business.

## What undertakings would we need to provide?

Your firm won't need to provide any financial undertakings. However, you would be required to sign up to our terms of business\*, which include the following undertakings:

- You must provide Level with regular updates on legal proceedings, including settlement offers and any changes to your client's case that might affect their ability to repay their loan.
- You must serve the client's spouse or executor with a completed 'Form of notice' from the deed of assignment. This instructs them to pay any settlement proceeds directly into your client account.
- You must use all reasonable endeavours to make sure repayment of the litigation loan is provided for within the terms of any court order made relating to your client's legal proceedings.
- You will receive the proceeds of your client's settlement into your client account and ensure that Level is repaid all sums due under the loan agreement before the balance is transferred to the client.

- You must liaise with all relevant third parties (e.g. a conveyancing solicitor) to make sure any payments your client is entitled to are paid directly into your client account.

**\*Please request a copy of our terms of business for more information.**

# 2. Loan features

## What can loans be used for?

**Legal fees loan:** Our loans are usually provided to meet legal costs associated with arbitration, mediation, collaborative law and traditional court-based litigation, in the following areas:

- Family law – financial remedy proceedings, Children Act proceedings, ToLATA 1996, Schedule 1 Children Act 1989, Part III MFPA 1984, enforcement proceedings and living expenses.
- Private client disputes – contested probate, Inheritance Act 1975, will validity claims, trust disputes, enforcement proceedings and living expenses.

Loans can be used to pay legal fees and reasonable disbursements, including Counsel's fees. You can draw down funds to settle outstanding and future invoices, and/or for funds to be held on account.

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



## How can a client apply for a loan?

You must complete a loan application form, which your client will need to approve. Once we have received the application form, we aim to provide an in-principle decision within 2 working days.

Once your client's loan application has been approved, they will enter into a loan agreement with us which sets out the terms and conditions of the loan and any covenants, obligations or representations that must be met or satisfied before an application is granted and any loan monies drawn down. They will also enter into a deed of assignment.

Independent legal advice must be obtained by your client, so they are aware of their rights and obligations before entering into a loan agreement.

## How much can a client borrow?

There is no limit to the amount we can lend. Each application will be reviewed on a case-by-case basis. We will discuss with you how much your client will need to conclude their proceedings, and the anticipated outcome of their case by way of 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 if there is a maximum facility limit and you can manage your strategy accordingly.

## How does the loan facility work?

Once the loan documentation has been executed and we have received your undertaking, the loan facility will be live. You will then be able to draw down funds to your client account as and when required. We must have the client's written approval for any drawdown of funds.

## 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 the 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 the settlement proceeds to your firm's client account. Meanwhile, you 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 the client, or to any other third party.

## 3. Qualifying for a loan

### What are the lending criteria for a client?

Applications are assessed on a case-by-case basis. As part of this process, we will ask your opinion on the likely outcome of your client's case. There will need to be a path to repayment and sufficient headroom in the 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 the parties' names for us to consider an application.

For unsecured lending, your client 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 client's permission) as part of the application. This will not affect their credit rating.

## Does my client have to take independent legal or financial advice?

Yes. This is a requirement of any client 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 firm, so they must seek independent advice elsewhere. We can provide your client with the details of a number of solicitors who can provide this advice, should they require it. If your client has a secured facility approved, they 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 the client upfront.

## 4. Cost and repayments

### How much will a loan cost my client?

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

<b>Administration fee</b>	We usually charge an administration fee of £500 or 1 - 1.5% of the facility.
<b>Interest rate</b>	Usual interest rate from 1.25 - 2.25% per month (15 - 27% per annum). 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 the client 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 19.20% per annum. Administration fee of £1,250 (1.25% of the facility) added to the loan. Interest £19,440. Total repayable £120,690. Representative 20.70% APR.

Worked example: Interest only accrues on drawn down funds and the cost 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 months 3, 6 and 9 with the loan being repaid in a single payment after 12 months – then the total amount repayable would be £112,690 (being capital of £100,000, administration fee of £1,250 and interest of £11,440). In this example, the total cost of the credit is £12,690 and the effective rate is 12.7%.

### When does my client have to repay the loan?

The loan is repayable once proceedings have concluded, and the settlement has been paid into your 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.



## How does a loan get repaid?

The deed of assignment requires that all settlement proceeds are paid into your firm's client account.

## 5. What happens if...

### ... we require a statement?

We are legally obliged to supply the client with an annual statement of account. If you require a statement for upcoming hearings or disclosure, please send your request to: [accounts@thelevelgroup.co.uk](mailto:accounts@thelevelgroup.co.uk)

### ... the client requires further borrowing?

We will ask you to provide us with appropriate case updates, and assuming there is sufficient headroom in the case, a formal application has been made by you and your client and it is responsible to do so, we may be able to offer the client an increase to their loan facility.

### ... the legal proceedings or the receipt of settlement is delayed?

We will review the situation and, providing that there are no material adverse changes to the expected settlement proceeds or the ability to repay the loan and it is responsible to do so, we may be able to offer your client an extension to the term of their loan.

### ... in the case of family proceedings, the client reconciles with their spouse?

Your client will be obliged to repay the loan under the terms of the agreement, even if legal proceedings cease.

### ... the client changes solicitor or decides to act in person?

Any new law firm would need to already be approved by us before proceeding, and will require our written consent, otherwise the loan will have to be repaid in accordance with the agreement.

**If a client decides to act in person, they will have to repay the loan, as this would constitute a breach of the terms and conditions of the agreement.**

## Contact us

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