Members' Loan Fund:

Details & Criteria

We have started a small fund that we are making available to members in the form of “soft”, short-term, unsecured loans.

The fund is currently a modest £12,000, but we aim to increase this significantly over time. We will not pre-judge any application, but we want to support direct increases in the positive outcomes that we deliver; so more wood collected or reused (as wood or made into products) or a sustainable increase in the number of volunteers or staff engaged.

How the fund operates will doubtless evolve but we aim to keep everything as simple and straight forward as possible.

# Pre-requisites

## Applicants must:

* Be solvent
* Have some type of business plan (even bullet-points)
* Have a budget showing sustainability after the end of any grant-funded period or
* Complete and return a Members’ Financial Summary for the whole financial year

## Purpose

* The money should be used to increase capacity; it can be capital or revenue items.
* There should be a predictable increase in tonnes – either collected (so for a van/marketing) or reused (so for a carpenter/machines/marketing)
* There should be an increase in employment or volunteering

## Terms

* Loans will be from £1,000 to £5,000
* The maximum repayment time is 12 months from the date of the loan
* The cost of a loan will be repayable at 5% p.a. Interest is calculated daily
* The administration fee is 1% of the total loan (inc VAT) and will invoiced separately
* Repayments should start by the last day of the month following the date the loan is given
* Repayments should be monthly and must be by standing order
* The repayment schedule must be agreed before the loan is given

## The “small print”

* The loan can be to the enterprise, not to an individual
* Loans must be paid back within 1 calendar year
* If we don’t get repaid, we reserve our right to take legal action
* Decisions will be made as fast as possible, but might take up to 1 calendar month
* Loans (recipients/amounts/repayment terms etc.) are always at our absolute discretion

# Sample repayment schedules

## £3,000

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| #month | Balance | Interest | Principal | Payment |
| 1 | £3,000.00 | £12.50 | £244.32 | £256.82 |
| 2 | £2,755.68 | £11.48 | £245.34 | £256.82 |
| 3 | £2,510.34 | £10.46 | £246.36 | £256.82 |
| 4 | £2,263.96 | £9.43 | £247.39 | £256.82 |
| 5 | £2,016.59 | £8.40 | £248.42 | £256.82 |
| 6 | £1,768.17 | £7.36 | £249.46 | £256.82 |
| 7 | £1,518.71 | £6.33 | £250.49 | £256.82 |
| 8 | £1,268.22 | £5.28 | £251.54 | £256.82 |
| 9 | £1,016.68 | £4.23 | £252.59 | £256.82 |
| 10 | £764.09 | £3.18 | £253.64 | £256.82 |
| 11 | £510.45 | £2.12 | £254.70 | £256.82 |
| 12 | £255.76 | £1.06 | £255.76 | £256.82 |
| Total |  | £81.87 | £3,000.01 | £3,081.84 |

## £4,000

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| #month | Balance | Interest | Principal | Payment |
| 1 | £4,000.00 | £16.67 | £325.76 | £342.43 |
| 2 | £3,674.24 | £15.31 | £327.12 | £342.43 |
| 3 | £3,347.12 | £13.95 | £328.48 | £342.43 |
| 4 | £3,018.63 | £12.58 | £329.85 | £342.43 |
| 5 | £2,688.78 | £11.20 | £331.23 | £342.43 |
| 6 | £2,357.55 | £9.82 | £332.61 | £342.43 |
| 7 | £2,024.95 | £8.44 | £333.99 | £342.43 |
| 8 | £1,690.95 | £7.05 | £335.38 | £342.43 |
| 9 | £1,355.57 | £5.65 | £336.78 | £342.43 |
| 10 | £1,018.79 | £4.25 | £338.18 | £342.43 |
| 11 | £680.60 | £2.84 | £339.59 | £342.43 |
| 12 | £341.01 | £1.42 | £341.01 | £342.43 |
| Total |  | £109.17 | £3,999.98 | £4,109.16 |

To apply for a loan or for more information email Vanessa at vanessa@communitywoodrecycling.org.uk or call on **01273 20 30 40** / **07590 963 873**.