

## **SME LENDING REGULATIONS**

Please note that should you request a meeting with us to discuss a possible loan, we will be happy to organise an appointment for you with one of our Credit Officers.

We will require you to provide us with certain information and documents in order to allow us to assess your repayment capacity and to underwrite the loan. The level of documents required will depend on the individual circumstances of each loan application and the value of the loan required and we will inform you of our initial information/documents requirements when you make a loan enquiry. We will normally require from you, some or all of the following information/documents; your passport/drivers licence, a proof of address dated within the last three months, proof of income, accounts/financial statements, income tax assessments or income tax returns/form 11's, information regarding your current tax position, bank statements and any other additional information/documentation deemed relevant. We may also require a business plan (see further information below).

Once we have received all the information/documentation from you that we requested, together with the completed loan application, we will write to you within 5 working days to acknowledge receipt of your completed loan application and advise you that your loan application is proceeding to the loan assessment stage. From time to time we may require further information and we will inform you of any further information required. We will endeavour to ensure that you receive a decision from us within 15 working days of the receipt by us of all the information and documentation required for us to fully assess your loan.

Once the loan assessment has been completed, we will write to you with confirmation of the outcome of your loan application.

### **Details of Government Support Schemes**

Information on government support schemes can be found at the following links:

- <https://www.enterprise-ireland.com/en/>
- <https://www.localenterprise.ie/>

### **Security Policies**

Security may be required. Types of security which may be required include the following:

- A pledge of your shares
- Guarantor
- A first legal charge over property.

The type and level of security required will be reasonable and will depend on the value of the loan being sought, the term of the loan and the overall level of risk which applies to the loan. The level of security sought will have regard to the nature, type and value of the security offered.

If security is required, we will provide you (and any potential guarantor) with a written explanation of why the security is required and the consequences for you (and the guarantor, if relevant) of providing such security.

### **Credit History Implications of a Refusal**

A refusal of a loan application by the credit union will not adversely affect your credit rating.

### **Business Plan**

Under Central Bank regulations, a business plan is required to be submitted for all commercial/business loan applications in excess of €25,000. We may require a business plan in other cases also and we will advise you if a business plan is required in the case of your loan application. The level of detail required in the business plan should be appropriate for the scale and complexity of the loan being sought. Your business plan should include the following at a minimum:

- an executive summary.
- a description of the business.
- market analysis.
- current sector/market position.
- staffing and operations; and
- financial projections including:
  - key assumptions.
  - profit and loss accounts.
  - balance sheets; and
  - cashflow projections for 3 years.

**SME Borrowers in Financial Difficulties**

If you are an SME borrower with this credit union who is in financial difficulties, at all times, it is in your interest to engage with the credit union about your arrears or financial difficulties so that a suitable arrangement can be found if possible.

A key objective of our approach “IS TO ASSIST SME BORROWERS TO RESOLVE THEIR FINANCIAL DIFFICULTIES” and by continuing to work together, we may be able to find an acceptable alternative way forward. If in financial difficulties, please review the following booklet.

- Information Booklet for SME Borrowers who are in Financial Difficulties