

# **LOAN AGREEMENTS** **PERSONAL / BUSINESS**



**M** **MONARCH**  
**S** **SOLICITORS**

# LOAN AGREEMENTS

A loan is essentially money that an individual or company borrows from a lender with a promise to repay.

Both giving and taking a loan is a risky financial commitment that requires careful consideration to avoid disputes about the nature and terms of the sums borrowed, especially if the dispute needs to be settled in Court. It is also essential to document that the money was borrowed and not gifted.

## WHAT IS A LOAN AGREEMENT

A loan agreement is the contract between a borrower and lender that regulates the terms and conditions agreed for the lending activities between the parties. A loan for business purposes is known as a commercial loan. Although each contract is unique, the key terms include:

- Amount of the loan
- Term of the loan
- Interest rate (fixed or variable)
- Repayment frequency / plan
- The details of any security
- Details of any guarantor
- Penalties for late or non-repayment
- Default consequences
- Terms and conditions

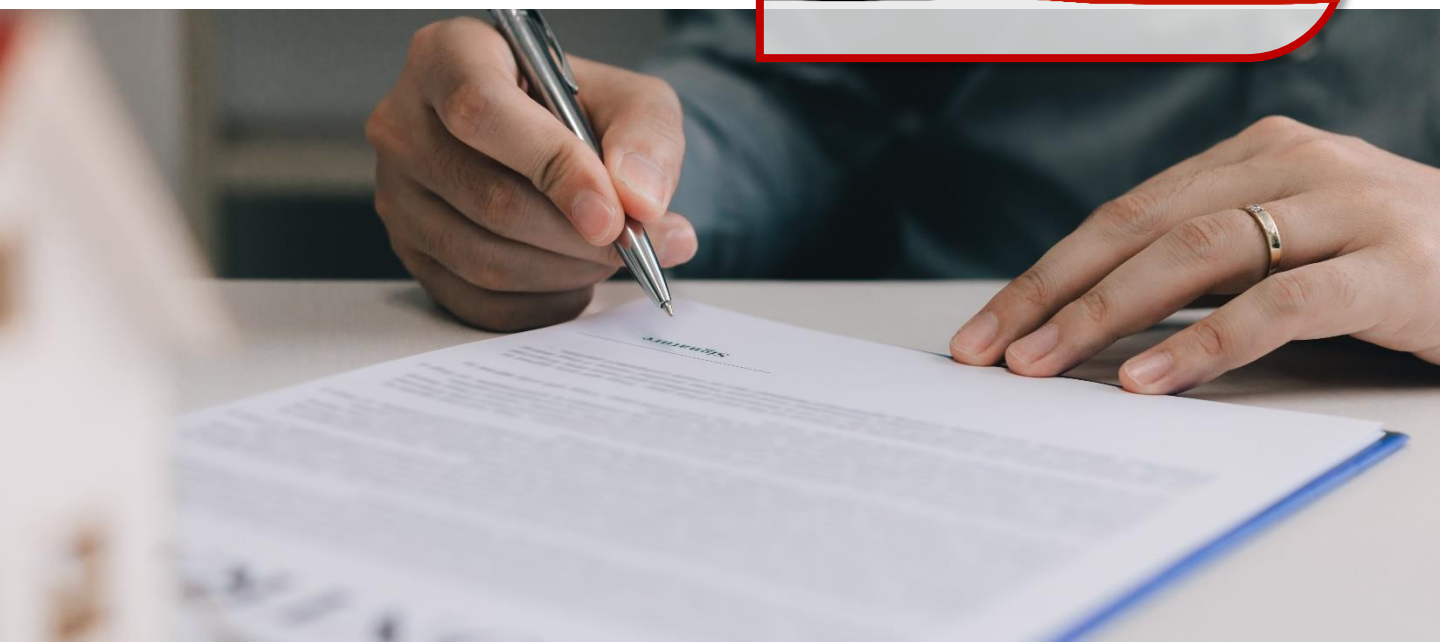
Loans can be granted for matters such as:

- Loans to purchase land or buildings
- Personal loans to family and friends
- Debt consolidation loans
- Home renovation loans
- Education loans
- Vehicle loans
- Start-up business loans
- Bridging finance
- Development finance
- Director loans
- Business working capital loans

### YOUR SECURITY ... ... IS OUR PRIORITY

Our experienced team will take detailed instructions from you to ensure your loan agreement is carefully drafted to set up the right balance of protections for your security.

We partner with our clients to anticipate potential challenges and create practical solutions to address their specific needs.



## TYPES OF LOANS

### ✓ SECURED LOAN

Whereby a borrower pledges an asset as security to the lender. If the loan is not repaid, the lender has collateral that can then be seized and or liquidated. Typically, a loan is secured against real property or other form of asset such as shares or intangible property. The term for repayment is typically longer and interest rates tend to be lower to reflect the reduced risk to the lender.

### ✓ UNSECURED LOAN

This is where a borrower does not provide any collateral or security for the loan. The term for such a loan is typically shorter and interest rates tend to be higher because of the risk the lender takes if the borrower fails to repay the money.

### ✓ GUARANTEED LOAN

A lender can require a guarantor with a good financial standing to guarantee both secured and unsecured loans. This provides a lender with additional security whereby if the borrower fails to repay the loan the lender can pursue the guarantor and the guarantors' assets to realise the debt.

### ✓ REVOLVING CREDIT FACILITIES

Where the lender agrees to lend up to an approved limit. The borrower can withdraw any amount up to that limit and repay as and when required. Interest is only payable on the amount withdrawn for the period withdrawn.

### ✓ LEGAL MORTGAGE/CHARGE

This secures a loan against a property at Land Registry and prevents the borrower dealing with the mortgaged asset while it is subject to the mortgage.

### ✓ DEBENTURE

This is a type of loan agreement used for corporate lending and can be registered at Companies House.



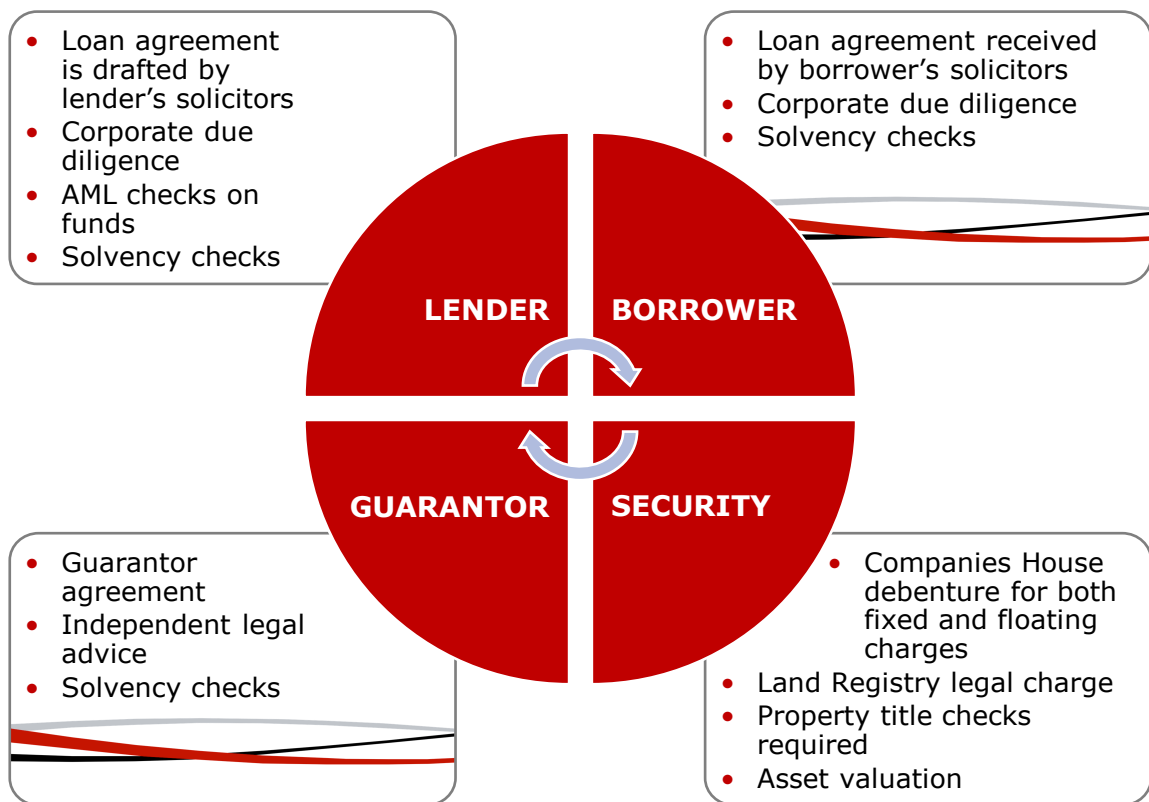
## COMMERCIAL LOANS

Lending to a company involves a multi layered approach. Our team guides lenders and borrowers through every aspect of the complexities involved in the lending process to accomplish their respective financing and business goals.

Our clients include commercial banks, institutional lenders, specialty finance companies, hedge funds, insurance companies and private lenders, along with corporate and noncorporate borrowers in a variety of industries.

Our team is experienced in both domestic and cross-border lending transactions.

### ✓ TRANSACTION CONSIDERATIONS



### ✓ REAL ESTATE TEAM

Our corporate team work closely with our property team to ensure the appropriate property due diligence is undertaken to identify issues early and attain enforceable security. Our lawyers can guide you through the complexities of commercial lending while anticipating the challenges and applying practical solutions to your specific needs throughout every phase of the process.

If the security property suffers from any title defects, restrictions or encumbrances, our team shall ensure that they are resolved prior to the loan agreement being finalised. For example, where a property has a prior legal charge or debenture, the existing lenders consent may be required for the borrower to take a second loan. On the other hand a subsequent lender may require first priority in which case this can be dealt with by way of a deed of subordination.



## FEE ESTIMATES

	BASIC DRAFTING £1,000 - £1,500	FULL SERVICE £3,000 - £5,000
Drafting Loan Agreement	✓	✓
1 <sup>st</sup> revision	✓	✓
Standard loan / facility / legal mortgage types	✓	✓
Up to £100k	✓	✓
Secured or unsecured	✓	✓
2 <sup>nd</sup> revision		✓
Negotiations with 3 <sup>rd</sup> party / solicitor		✓
Dealing with execution and completion		✓
<b>WHEN ACTING FOR LENDER:</b>		
Basic due diligence (bankruptcy search / insolvency search)		✓
Basic AML check on funds		✓
Transfer of funds via our bank account		✓

\* Subject to our Terms of Engagement and any disbursements payable.



## ADDITIONAL SERVICE ESTIMATES

DRAFTING SERVICE	FROM	INCLUDES
Secured charge	£500	Basic title check re ownership and restrictions Land charges bankruptcy search Drafting application for registration Submitting application
Lender consent	£500	Obtaining consent from secured lender (where we are on the panel) Obtaining second legal charge Limited to 2 hours work
Company debenture	£750 - £1,500	Drafting debenture 1 revision Execution and completion Registration at Companies House Does not include any changes required to company structure or documentation Up to £250k Basic company checks
Guarantee	£300 - £900	Basic guarantor due diligence (LR check and bankruptcy search) Drafting guarantor provisions only OR Separate guarantee agreement Dealing with execution and guarantors solicitors
Independent legal advice	£500	Consultation Letter confirming ILA given Limited to 2 hours
Discharge	£500	Removing legal charge from Land Registry or debenture form Companies House Limited to 2 hours work

\* Subject to our Terms of Engagement and any disbursements payable.



## ABOUT US

Monarch Solicitors are a highly accredited commercial law firm boasting offices in Manchester, London, Hong Kong, Turkey and Dubai to serve a diverse client base across both domestic and international clients, with proven success in several international markets.

As a multi-disciplined firm we offer expertise across all areas of law for your personal or business needs and provide a world class service and deliver the best possible results. We have established expertise in the legal disciplines of real estate, corporate, contract, mergers & acquisitions, investment & finance, regulatory and disciplinary, tax, commercial litigation, employment, private client, family law and immigration.

As recognised leaders in our field we hold numerous sector relevant accreditations and received praise for our enviable success record and excellent client services. We pride ourselves on fighting your corner with passion and drive whilst delivering pragmatic, strategic and timely advice, protecting your interests and investments.

With a wealth of experience our highly qualified multi-lingual team (Mandarin, Cantonese, Arabic, Turkish, Hindi, Punjabi and Urdu speaking) provide our clients with the best possible service and expert management of cross jurisdictional issues.

Our trusted team of legal advisors are aware of the commercial realities and provide bespoke advice to high net worth individuals (HNWI's), board level directors, multi-national corporations, local companies through to private clients.

We pride ourselves on ease of communication and apart from the traditional contact methods of telephone and email we also use instant messaging services such as WhatsApp, WeChat, Telegram and IMO so that our clients can contact us with ease.

Contact us to discuss your requirements today.

**Award  
Winning**

**Excellent  
Service**

**Regulated  
Solicitors**





## OUR TEAM



**Shazda Ahmed**  
C.E.O. & Solicitor



**Alan Lewis**  
Director & Solicitor



**Samantha Quinn**  
Director & Solicitor (Adv)



**Agnes Chan**  
Legal & Compliance  
Officer



**Ian Bowen**  
Solicitor



**Joseph Diver**  
Trainee Solicitor



**Saher Qarini**  
Trainee Solicitor



**Leah Whitehead**  
Paralegal



**Ellis Haworth-Bowyer**  
Paralegal



**Janice Cheung**  
Paralegal



**Claudia Carroll**  
Paralegal



**Joanne Lau**  
Legal Assistant



**Bethany Hawkins**  
Legal Assistant



**Andrew Truong**  
Office Manager



**Josh Omri**  
Technical Support



## ADDITIONAL SERVICES

### PERSONAL SERVICES



#### Employment

Bullying & Harassment, Constructive Dismissals, Discrimination, Employee Grievance



#### Property

Residential Conveyancing, Right to Manage, Equity Release, Compulsory Purchase Orders



#### Lease Extensions

Houses, Flats, Right to Manage, Missing Freeholders, Tribunal, Disputes



#### Wills, Trusts & Probates

Will Writing Service, Court of Protection, Inheritance Disputes, Power of Attorney



#### Litigation

Debt Recovery, Bankruptcy & Insolvency, Education Disputes, Injunctions, Landlord & Tenant Disputes



#### Immigration

Appeal & Judicial Review, British Citizenship & Naturalisation, BNO Passport Holders



#### Family Law

Divorce, Pre / Post Nuptial Agreements, Cohabitation Agreements

### BUSINESS SERVICES



#### Employment Law

Defending Tribunal Claims, Employment Contracts, Redundancy Procedures



#### Commercial Property

Commercial Conveyancing, Commercial Lease, Freeholder Duties, Construction, Compulsory Purchase Orders



#### Corporate

Mergers & Acquisitions, Business Sales & Purchases, Corporate Governance, Commercial Contracts



#### Commercial Litigation

Contract Disputes, Commercial Debt Recovery, Director & Shareholder Disputes, Defamation



#### Business Immigration

Business Visas, Long / Short Term Work Visas, Global Business Mobility Visas, Sponsor Licence



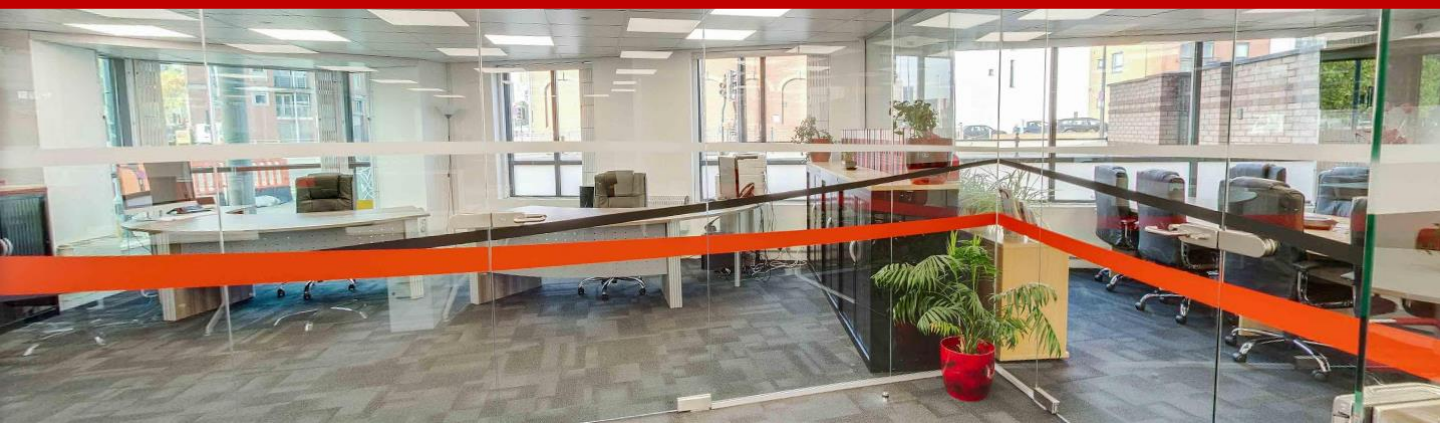
#### Finance

Corporate Finance, Bridging Finance, FCA Licensing, Insolvency



#### Regulatory & Disciplinary

Director Disqualification, Trading Standards Investigations, GDPR



### **Manchester Office**

City Point  
156 Chapel Street  
Manchester  
M3 6BF  
**+44 (0) 161 820 8888**

### **London Office**

5 Chancery Lane  
Holborn  
London  
WC2A 1LG  
**+44 (0) 208 889 8888**

### **Hong Kong Office**

Crawford House  
70 Queens Road  
Central  
Hong Kong

### **Dubai Office**

OBK Business Centre  
LLC Level 20  
48 Burj Gate Tower  
Dubai, UAE

### **Turkey Office**

World Trade Centre Istanbul  
Yeşilköy Mah., Atatürk Cad. İDTM İş Blokları  
A3 Blok 10/2 D:307-314, 34149 Bakırköy  
İstanbul, Turkey



**+44 (0) 330 127 8888**



**+44 (0) 7938 204049**



**enquiries@monarchsolicitors.com**



**www.monarchsolicitors.com**



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