

# *Detach Lending*



## *FAQ - For Clients in England and Wales*

Detach Lending Limited UK are authorised and regulated by the Financial Conduct Authority FRN: 806314  
Registered in England No. 11019030  
Registered Office: Unit B, Great Hollenden Business Centre, Mill Lane, Underriver, Sevenoaks, Kent, United Kingdom, TN15 0SQ



# Detach Lending

Detach Lending provides loans for a range of uses to assist clients with the cost associated with divorce. This document provides the key points and factors in relation to the process of arranging a divorce litigation with Detach Lending. Please contact our team directly on 0207 030 4920 or 07946 467484 should you have any questions.

## Key features:

- Quick & Professional service – our team is highly qualified both in the lending and private client market and we seek to provide you with an indicative offer within 48 hours.
- Flexible – loans can be drawn down at any point during the proceedings, and interest is only charge on the amount of the loan you use.
- Interest and fees are rolled into the loan and only settled at loan redemption.
- Fixed Rates – our interest rate is fixed for the duration of the loan.
- No early redemption penalties.

## Does my solicitor recommend the loan?

Your solicitor does not recommend the loan or receive any financial incentive from Detach Lending. Detach Lending is one potential funding option and you should explore your funding options.

## What can a Detach Loan be used for?

We principally lend to enable you to pay your solicitors' fees and any disbursements in relation to financial proceedings. However, we also understand that in the divorce process your costs are not limited to this area, as such we offer the following:

- Payment of acting solicitors' fees and any disbursements, including Counsel's fees in relation to financial proceedings.
- Payment of acting solicitors' fees and any disbursements, including Counsel's fees in relation to Children Act proceedings.
- Part III MFPA 1984 application
- Family Act
- Living Expenses within a reasonable level.

Children Act, Family Act and Living expense loan facilities must be accompanied by a loan facility in relation to the financial settlement. We clearly indicate the level of the loan facility and define the amount attributed to each use within the loan documentation.

## How to I apply for a loan?

You can contact us directly or ask your solicitor to contact us on your behalf. We will request information from your solicitor in relation to your case in order to make our lending decision. Your solicitor will be able to provide guidance as to the expected legal fees for your case and the size of the loan you will require. We will require you to complete an application form.

## How is a Detach Lending loan viewed by the court?

A loan from Detach Lending will be taken into account by a court as a liability. A soft loan (friends and family) may not be considered a liability by the court.

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## What is my solicitors' involvement?

The loan facility is between yourself and Detach Lending. Your solicitor does not have any obligations under the loan. Your solicitor will be required to update us with any material changes that may affect the repayment of the loan and to pay off the loan from settlement proceeds before passing the remainder to you.

## What happens if I change solicitor?

The loan is linked to your current solicitor as they are an approved law firm. Any new solicitor you appoint will need to be approved by Detach Lending, otherwise this would be a breach of the loan agreement and the loan will need to be repaid under the terms of the agreement.

## Do I need a solicitor, or can I act for myself?

The loan is linked to your current solicitor. If you choose to act for yourself, you will be in breach of the agreement and the loan will need to be repaid under the terms of the agreement.

## How long will the loan process take?

Subject to Detach Lending receiving the documents and information required to complete its lending procedures, we will issue you with the lending pack. You will have 14 day cooling off period (loans under the consumer credit act), during which you can cancel the loan with no cost incurred. If you then wish to proceed we will require the signed documentation along with confirmation that you have taken independent legal advice.

## Where do you pay the loan?

The loan is paid directly into your solicitors' client account. They can only draw money against invoices you have approved. Living expenses are also paid into your solicitors' client account on a pre-agreed monthly amount. The overall loan facility is pre-approved, and you draw only the funds required to settle invoices and drawing of funds requires your signed approval.

## Do I need to pay monthly interest on the loan?

The interest on the loan is rolled up and so is only payable at the end of the loan term or settlement. As the interest is fixed for the term of the loan then you are not affected by interest rate changes.

## Can I repay the loan early?

Yes; there are no early redemption penalties, and the loan can be repaid in a single payment or by instalments. Interest is calculated daily.

## When does the loan need to be repaid?

We agree a time period for each individual loan based on your case specifics. Repayment is normally in a single payment; however, we can agree part payments as proceeds from the financial settlement are received into your solicitors' account.

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## What loan security is required?

Detach Lending will always take security via a Deed of Assignment over the proceeds of your divorce. This means that your solicitor will need to repay Detach Lending first from any proceeds they receive as part of your divorce settlement.

## Will you perform credit checks?

Detach Lending will undertake a credit check as part of the loan approval process.

## Do I need to take independent legal advice?

Yes; you will need to seek independent legal advice before entering into the loan agreement. This ensures that you understand the loan and the implications should you not repay it. You will need to pay for this advice yourself and your solicitor or Detach Lending can recommend an independent solicitor should you require.

## Is there a minimum loan size?

Yes; we have a minimum loan size of £30,001 with no maximum. The maximum amount of the loan size is solely dependent on the matrimonial assets and the expected settlement.

## Do I require a life insurance policy?

We do not require assigned life insurance policies on most loans. We will advise you at the outset if we will require an assigned policy. We will require you to have a up to date Will in place, and your solicitor can advise you on this matter.

## Does my spouse know about the loan?

Yes; when the loan is in place, we provide you with a letter to be signed and sent to your spouse which informs them that you have assigned the proceeds of the divorce to Detach Lending. Once the loan is repaid then all other proceeds are returned to you. Should you reconcile with your spouse then under the terms of the loan agreement then loan will need to be repaid.

## How much will the loan cost?

Detach Lending offers highly competitive lending rates, which are designed to be simple and transparent.

- Detach Lending charges an administration fee of £500 or up to 2% of the facility if higher. This is added to the loan or you can elect to pay this upfront.
- Our standard rate of interest is 1% per month or 12% per annum fixed
- Rate of interest is fixed, and interest is only paid on money drawn down and sent to your solicitors' client account. Interest is only payable when the loan is settled.
- Independent legal advice usually costs around £300+VAT. This cost cannot be added to the loan.
- Interest is calculated on a simple rate, and so we do not charge compounded interest, this keeps the cost of borrowing down.

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- Detach Lending charge a fixed 1% redemption fee on only the amount drawdown, with no early repayment penalties.

## How is the loan interest calculated?

The loan interest is calculated on a simple basis, there is no compounding of interest. The annual rate is 12% (1% per month) and is calculated on a daily rate only on money draw down. We will provide you with monthly statements.

Representative example:

Total Facility amount: £60,000. Set-up fee £1,200, CHAPS Fee £25.00. Total amount of credit: £61,225 for 24 months. Interest: £14,694. Interest rate: 12% per annum (fixed). Full facility drawdown month 1 of £61,225. Total amount payable: £76,531.25 (includes £612.25 redemption fee). Representative APR: 13.78%

## Are there instances where you will not lend?

There may be instances where we are not able to lend and a number of these are detailed below by way of example.

- Either party to the divorce is a politically exposed person.
- The borrower does not have leave to remain in the UK, has a passport issued by a high-risk country, and or has been resident in the UK less than 36 months.
- The majority of the settlement assets are held overseas and so loan to value limits cannot be achieved on UK situs assets.
- Significant discrepancy between parties on the value of the overall matrimonial assets. This would be a case whereby one side disputes the value to the extent that minimum loan to value limits cannot be achieved.
- Court cases where multi-jurisdictional proceedings are taking place or where the case is being heard outside of England & Wales or has a reasonable expectation for being held outside.
- Ongoing litigation not related to the divorce proceedings which may materially affect the level of the marital assets.

The above should act as a guide, please do contact us or ask your solicitor to contact us, as depending on the factors, it is not always the case that this would result in an automatic lending restriction.

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## Contact us

We can be contacted on the following numbers and e-mails. If you have any questions relating to the FAQ, wish to discuss a loan proposal, or a client application form, then please get in touch.

If you would like to discuss any aspect of our services, please contact us:

Tel: +44 (0) 207 030 4920

Email: [kirsty@detachgroup.com](mailto:kirsty@detachgroup.com) or [graham@detachgroup.com](mailto:graham@detachgroup.com)

Website: [www.detachloan.co.uk](http://www.detachloan.co.uk)

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