

RE: New Opportunity for Business Funding

Herefordshire Council has just launched a **new partnership with Funding Circle** to help improve the availability of loans to Herefordshire businesses. The council will part finance eligible loans and promote the scheme to businesses to drive growth and additional employment to the county.

Funding Circle is the leading marketplace for business loans, where people and organisations can directly lend to small businesses looking to expand and grow. Herefordshire Council is amongst the first councils across the UK to pioneer this partnership.

The process sidesteps the high street banks with businesses receiving finance within a couple of weeks compared to up to three months for a traditional bank loan.

Councillor Tony Johnson, leader of Herefordshire council, said: "This scheme will help local business grow as money can be obtained quicker and also at competitive rates. We are showing a commitment to support local businesses to make growing jobs and wages in the county a priority. This is a prudent investment which will deliver a high impact to local businesses."

Launched in August 2010, Funding Circle enables businesses to access finance independent of their banks, whilst at the same time British people can earn attractive returns. To date, more than £480 million of loans have been lent to over 7,000 small businesses across the UK. To be eligible, businesses must have a minimum turnover of £50,000 and have been trading for at least two years.

Business loans **of £5,000 - £1 million** are available, over a period of **6 months to 5 years**. Funding Circle investors have lent over £73 million to small businesses in the Midlands in the last four years alone.

Unsecured and secured loans through Funding Circle can be used to:

- Grow a business
- Finance working capital
- Cover one-off business costs
- Buy an asset

Any established and creditworthy business currently operating in the UK can apply for a loan at Funding Circle, including partnerships, limited companies and non-limited companies. Businesses must have at least 2 years of filed or formally prepared accounts and have no outstanding County Court Judgements over £250. Typically, a minimum turnover of £50,000 is also required.

Once businesses pass Funding Circle's credit assessment processes, the loan is posted on the marketplace. From here, investors choose which type of businesses to lend to, and bid the amount of money they wish to lend, and the interest rate they want to earn. Investors can bid small amounts, from as little as £20, on lots of different businesses to spread their risk.

For more information please see the [grants and business page](#) or [the Funding Circle website](#).

The press release is available on the [newsroom](#). More information on the partnership is available from Gavin Stephens, gavin.stephens@herefordshire.gov.uk, 01432 260177.