

## **GM Social Investment - FAQs**

### **What type of loans are they?**

The loans are blended finance with the majority being a simple unsecured loan, with an additional amount paid as a grant.

### **How much will be a grant?**

The majority of the finance will be a loan but on average the grant element is around 20% of the total.

### **Can new start-ups apply?**

Yes, the finance is available to new organisations and projects to help get started.

### **How much can we have and over how long?**

Finance is from 10k to 50K, and from 1 – 5 years.

### **Do we need to provide security?**

No, all loans are normally unsecured.

### **Can I apply for more than £50k?**

In certain circumstances, we may be able to consider applications for a higher amount by working with our partner organisations

### **Can I apply for less than £10k**

No, £10k is the minimum available.

### **What is the interest rate?**

The interest rate is a flat rate of 6.6%. Interest rates are fixed for the term of the loan.

### **Are there any arrangement fees?**

There is normally a fee for arranging the finance of 1%

### **Who can apply?**

Finance is available for organisations and charities who trade for the common good (a social and/or environmental purpose). They address social needs, strengthen communities, improve people's life chances, enhance culture or protect the environment.

### **Can individuals apply?**

Applications will only be considered from companies, organisations and charities. We may be able to provide some support for individuals to establish companies to take advantage of the finance in certain circumstances.

### **How long will it take?**

Applications are likely to take between 1 and 3 months to process.

### **Can I pay the finance off early?**

Yes, without penalty.

### **Can you help get our organisation ready for investment?**

GMCVO are an access point for the REACH Fund, which provides grants of up to £15,000 to help organisations become "investment ready". Please ask us for details of how this could help you.