

Newable Code of Practice for Loan Funds

Newable is a Community Development Finance Institution (CDFI). CDFIs are independent financial institutions that provide capital and support to enable individuals or organisations to develop and create wealth in disadvantaged communities or under-served markets.

The Community Development Finance Association (CDFA) is our membership body. It is a condition of membership of the CDFA that we adhere to the Ten Standards from the Code of Practice, and follow best practice contained in the overall Code in proportionality to our organisation size.

We are required to provide evidence that we adhere to the Ten Standards of the Code of Practice listed below. Compliance is self-reported as part of the Annual Survey, and independently audited as part of the CDFI's performance framework (CM2) corporate assessment.

Newable adheres to the Ten Standards of the CDFA Code of Practice.

Ten Standards of compliance with the CDFI Code of Practice

1. Clarity in respect of loan interest rates, repayment, default and cancellation arrangements.
2. Customer awareness that the CDFI adheres to these ten standards within the Code of Practice, in a customer-facing document published on website.
3. Legal compliance – the CDFI will comply with all relevant laws, regulations and the requirements of its regulators, including the timely submission of accounts and returns.
4. Clear financial processes – the CDFI will adhere to financial approval and decision making processes, operate a well-managed portfolio, and its Board will monitor the finances of the CDFI.
5. Accountability by the Board - the Board will always act in the best interests of the CDFI, representing its shareholders and/or members, and reporting back to them.
6. Management of Risk – the Board will establish or ratify policies and decisions on all matters that might create significant risk to the CDFI, financial or otherwise, and maintain a risk register.
7. Internal controls – the CDFI will maintain a set of procedures designed to protect against financial mismanagement and fraud.
8. Conflicts of Interest: A CDFI will manage any conflicts of interest arising out of its governance or business activities.
9. Complaints: A CDFI will deal honestly and efficiently with all complaints and if necessary will take part in conciliation or go to arbitration.
10. Social Performance: A CDFI will take steps to measure and report on its social performance.

The objective of the CDFI operations of Newable is to provide access to finance where the mainstream financial services market is failing to deliver. We will ensure that customers are aware of mainstream providers prior to offering customers our own products.

Clarity in respect of loan interest rates

We will disclose the interest rates that will be charged and any additional fees that may be incurred in borrowing money.

Clear repayment, default and cancellation arrangements

Arrangements for repayment will be clearly set out, as will arrangements / penalties relating to cancellation or default of payment.

Provision of advice / guidance to borrowers

We will make clear what advice and support is available to borrowers once the loan has been taken out.

Compliance with consumer protection legislation

Where it applies, we will comply with the Consumer Credit Act. In relation to borrowers who are individuals, we will also comply with the Unfair Terms in Contracts Regulations.

Compliance with advertising codes

We will ensure that any advertisements comply with all relevant codes and / or legislation (e.g. Consumer Credit Act 2006, The British Code of Advertising, Sales, Promotion and Direct Marketing, and the Financial Services Act).

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Customer Service

We regularly assess the services we provide through evaluation forms or online evaluation surveys.

Procedures for dealing with complaints

We have a procedure requiring customer complaints ensuring they are fully investigated and resolved in a timely manner. We provide this on request and will include with our offer letter documentation.

Customer Awareness

We ensure that our customers are aware of this Code and make clear our adherence to it, in this customer-facing document published on our website.

Information and Data

We treat all your personal information as private and confidential, unless required to disclose it by law, and provide secure and reliable systems to protect your data. When you apply for a loan, we state clearly how your data and information, including personal information, will be used.

Timescales

The time it takes to obtaining the relevant information we require from you in order to reach a decision varies considerably from case to case. We aim to:

- Initially assess whether we feel your proposition is viable and advise you of the next step within 5 working days of receipt of all information requested.
- If we progress your application to the Loan Panel for a decision, we will do so within 5 working days.
- The decision will be communicated to you after the Loan Panel, within 2 working days by telephone and subsequently in writing.

We may decline an application at any stage in the process. Should this occur, we will provide you with the key reason(s) provided by the Loan Panel.

All decisions will be final and are not open to appeal. Our policy is not to enter into correspondence regarding a decision to decline an application. If declined, you may re-apply for funding 3 months from the date of the written communication informing you of our decision.

Financial assessment

Before we lend you any money, we will assess your ability to repay the loan by reviewing the information provided to us, including all required documents for your application form.

Security

If we require you to pledge security as a condition of the loan, we will specify the condition in our offer letter.

Monitoring & Mentoring

If we require you to provide information to us on a periodic basis for monitoring purposes, we will specify what it will be and how often it will be needed. Such a condition will be specified in the offer letter.

If we provide you with a mentoring service, we will specify the arrangements under which this will be provided and the principal areas that we will ask the mentor to focus on to assist your business to succeed.

Financial difficulties and how we can help

We will be sympathetic and positive when we consider any financial difficulties you may have. Our simple approach will be as follows:

1. Establish contact with you to discuss the matter.
2. Advise and help you to find a suitable course of action to resolve the matter.

In certain situations we may have to pass on your debt to a debt collection agency. You will be given 14 days notice in writing of such a course of action.