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# LOAN AGREEMENTS

## PRODUCT INFORMATION SHEET

### About this Information

You should read this document and all the other information we provide to you carefully so that you can decide whether this product is right for your needs and circumstances.

This is key information that will help you understand our loan product. This document does not contain all the information about the agreement you will enter with us.

Loan Agreements are provided by AGCO Finance Limited (we/us) – AGCO Finance is a joint venture between the global financial solutions partner DLL and AGCO Corp.

If, after reading this features and benefits document, you require further information or have any questions we encourage you to contact us. Details of how to do this are shown at the foot of this document.

#### Contact Us

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**E** [commercialsupport@agcofinance.com](mailto:commercialsupport@agcofinance.com)  
[www.agcofinance.com/gb/en-gb/contact](http://www.agcofinance.com/gb/en-gb/contact)

#### AGCO Finance

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Registered in England No: 2521081  
Registered Office: Building 7, Croxley Park, Hat-  
ters Lane, Watford, WD18 8YN  
Authorised and regulated by the Financial  
Conduct Authority only in respect of agreements  
regulated by the Consumer Credit Act 1974





## FEATURES AND BENEFITS

- No collateral is usually required.
- Agreement terms are typically fixed for 12 to 60 months.
- Minimal documentation.
- Can be used to acquire assets where title must remain with you.
- Straight forward application process.
- An alternative line of credit.
- Fixed installment amounts.
- We pay the supplier directly on your behalf.
- Fixed rate, fixed term aids budgeting.
- Can be settled early.



\*You should always seek advice from your accountant, financial and/or legal advisor before entering into any finance transaction.

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# FREQUENTLY ASKED QUESTIONS



# FREQUENTLY ASKED QUESTIONS

## What is a Regulated Loan?

- A Loan Agreement is a legal agreement between a customer(you) and lender (us) to borrow an agreed amount of money to be repaid over a pre-agreed term at a specified interest rate.
- The Loan Agreement is Regulated by the Consumer Credit Act 1974 (as amended) if:
  - It is a business credit agreement/Loan Agreement where the total amount borrowed is below £25,000; and
  - You are a sole trader, partnership of 3 partners or less or an unincorporated body such as a club or society.

# FREQUENTLY ASKED QUESTIONS

## Can I select the supplier of the equipment, goods or services?

- You control the buying process by selecting the supplier and, as long as they are approved by us, we can arrange to pay them on your behalf for the equipment, goods or services you select at the amount advanced on the Loan Agreement.



# FREQUENTLY ASKED QUESTIONS

## How can the Loan Agreement be used?

- A Loan Agreement provides funds for you to acquire equipment, goods or services and pay for them over a fixed period for a known regular payment.
- The Loan Agreement must be for approved business equipment, goods or services.
- Where you need to retain title to the equipment, goods or services or they are consumed in the business e.g. repair, an item that is not moveable or identifiable.



# FREQUENTLY ASKED QUESTIONS

## What are the benefits of a Loan Agreement?

- Provides funding to acquire equipment, goods or services which are not suitable for hire purchase, and you want ownership.
- Convenient, straightforward application process.
- Typically, no additional collateral or security required.
- Unlike a bank overdraft, a Loan Agreement cannot be terminated by us unless you are in breach of the terms and conditions of the agreement, or a specified termination event occurs.
- Additional line of credit for the business to your main working capital facilities.
- Interest element of the payments can usually be deducted as a trading expense\*.
- Payment amounts are fixed and scheduled so help with budgeting and cashflow.



# FREQUENTLY ASKED QUESTIONS

## How do we make our decision as to whether we wish to offer a Loan Agreement?

To help us decide whether to offer you a Loan Agreement we may require.

- The latest Information on your business e.g. financial statements, bank statements.
- If you have been a customer before, any information we already hold about you.
- Information we receive from enquiries we make about you; and
- We may also view your credit history with a Credit Reference bureau or ask them to make enquiries for us.



# FREQUENTLY ASKED QUESTIONS

## What if I change my mind after signing the agreement?

- You have the right to cancel a regulated Loan Agreement within 14 days of receiving either a copy of the signed agreement, or notification that the agreement has been signed by us.
- If you wish to cancel you can do so by contacting us in writing at the address below.
- If you cancel the Loan Agreement, please note that you would only be cancelling this agreement and not necessarily any agreement for services you have entered into with the supplier and you may still be liable to make them good on the transaction.



# FREQUENTLY ASKED QUESTIONS

## Does taking out an agreement with you affect my credit rating?

- As part of our application process, we will notify you before making a check on your credit history with a Credit Reference Bureau.
- Our enquiry will show on your record with them and may affect how others subsequently use this information in granting credit to you.
- If you fail to make payments on the due dates, we will register this with a Credit Reference Bureau. This may affect how others view your creditworthiness.

# FREQUENTLY ASKED QUESTIONS

## How do I make my instalment payments?

- To ensure that payments are made on the right date all payments must be made by Direct Debit.



# FREQUENTLY ASKED QUESTIONS

## How will I know how much I must pay?

- Your Loan Agreement will clearly state the instalment amounts, number, and frequency along with the due dates.



# FREQUENTLY ASKED QUESTIONS

## What interest rate will I be charged?

- Interest rates used to calculate the instalments are fixed at the outset and will not change once your Loan Agreement commences.
- Details of the amount of interest and the rate charged (the Annual Percentage Rate) will be detailed on your Loan Agreement and it is essential that you read this carefully before deciding whether to accept the terms.





# FREQUENTLY ASKED QUESTIONS

## Are there fees payable?

- A documentation fee to cover part of the cost of setting up the Loan Agreement may be charged on the start date of the Loan Agreement. The amount payable will be clearly detailed in the agreement and will be taken with the first payment.
- Fees may be charged for various items during the term, e.g. for rescheduling payment dates, providing copy documentation, changing bank details.
- Contact us for the current list of charges and fees that may be applicable.



# FREQUENTLY ASKED QUESTIONS

## Is there any VAT?

- There are no VAT implications on the Loan Agreement. Any VAT you must pay on the acquisition of the equipment, goods or services may be funded by the loan amount applied for (subject to credit approval).



# FREQUENTLY ASKED QUESTIONS

## Is there any commission payable to the supplier?

- Commission may be payable by us to the supplier of the equipment and/or your finance broker and/or any other connected party.
- Details of any commission paid, including the amount and how it was calculated, can be obtained from the dealer/ broker or us on request.



# FREQUENTLY ASKED QUESTIONS

## What if the equipment or goods I buy are faulty?

- In the first instance, you should speak with the supplier to see if they are able to rectify the problem or suggest another suitable remedy.
- If the supplier is unable to resolve the issue you should contact us and we will take steps to try and resolve the issue.
- If the cost of the equipment is below £30,000 you may have a right to take legal action against the supplier or us or both under Section 75 of the Consumer Credit Act. Speak to your legal advisor or contact us to discuss your rights.



# FREQUENTLY ASKED QUESTIONS

## Is there any security taken?

- No security is normally required.





# FREQUENTLY ASKED QUESTIONS

## Can I repay the Loan Agreement early?

- You can repay all or part of the loan amount at any time. If you wish to do so contact us as shown below.



# FREQUENTLY ASKED QUESTIONS

## What happens if I were to miss a Loan Agreement payment?

- Making timely payments on the due date is a strict condition of the agreement and why we collect payments by Direct Debit from your bank.
- Failing to pay your payments on the due dates will mean that you have broken the terms of the Loan Agreement.
- You should contact us before you intend to miss a payment to see if there is a way we can help, e.g. change the date of payment, reschedule future payments – Any changes to payment dates may incur additional interest.
- If you fail to contact us, we will contact you to discuss your options for bringing the Loan Agreement back up to date.
- If you fail to make your payment(s) on the due date(s) it can affect your credit rating. This may have severe consequences on your ability to obtain future credit and/or it may make future credit more expensive.
- This may lead to us taking action to recover the equipment and any associated costs.
- Full details of the consequences of missing a payment are outlined in the Loan Agreement.