

RateSetter Legal Finance

Guide for borrowers

Rate%Setter™



RateSetter Legal Finance

Australia's leading provider of specialist legal loans for family law matters.

We believe all Australians deserve to be treated fairly. That's why our expert legal team help clients pay their lawyer's bills with fast, fair and low-cost legal loans. We help you obtain a fair outcome in your family law matter by providing you with an affordable source of funds, which allows you to pay your lawyer on time, so they can focus on providing you with expert advice and support.

RateSetter is Australia's leading peer-to-peer lender. We use technology to remove the costs and inefficiencies of traditional lenders to give you a faster, better deal.

Why fund your legal costs with RateSetter?

✔ **A trusted partner**

Our dedicated team work with you and your lawyer to prepare the right loan for your individual circumstances and case

✔ **Low cost and simple**

Low rates, no interest on undrawn funds, and no early repayment penalties

✔ **Fast and fair**

Access the legal representation you need now to get the outcome you deserve, with no upfront costs or repayments until your matter settles

✔ **Specialist legal loans**

Loans designed for family law matters and managed by lawyers who understand the legal process

Interest rates, fees and charges

Interest rates	Indicatively, a variable rate around 4% p.a., depending on rates in our lending markets. Interest is only paid on the amount owing and goes to our lenders.
Credit assistance fee	4% on the amount of credit sought. One-off fee incurred at the commencement of the loan and is paid to RateSetter.
Risk Assurance charge	5% on every dollar drawn down on the loan. A single payment each time your loan is drawn and is paid into our Provision Fund to cover risk.
Monthly fee	\$80 per month. For as long as your loan is outstanding, and is paid to RateSetter.

This is an overview of our standard fees and charges applicable to all loans. Other fees and charges may apply to your loan, which we will disclose during your application.

What is the overall cost?

We believe it's really important to understand the total cost before you take out a loan to finance your legal fees. At the time of applying for a RateSetter legal loan, we outline your specific costs in our loan documentation before you proceed. To help you understand the potential costs, we have outlined two customer scenarios below.

Standard borrower



Most borrowers do not draw down the full credit limit on day 1. Instead, most will make progressive draw downs over time as their lawyer invoices for time spent on the case, and the loan is often repaid within 2 years.

For a borrower with an approved loan for \$100,000, who draws \$10,000 on day 1 and then regular draw downs over the next 24 months, the estimated total amount payable in including all fees charges and interest is around \$19,500 in addition to funds borrowed.

This is an effective rate of interest of 9.81% p.a. over 2 years.

Immediate draw down



Some borrowers do need to immediately draw down all their funds at the start of their loan.

For a borrower with an approved loan for \$100,000, who draws the full amount on day 1, the most paid over 2 years, including all fees, charges and interest, will be \$23,786 in addition to funds borrowed. This assumes that interest accrues on the total amount for the full 2 years, plus 24 monthly fee payments.

This is an effective rate of interest of 11.80% p.a. over 2 years.

It's important to note that every legal loan is different, as each family law matter is unique. Your costs are likely to change depending on the amount borrowed, the term of the loan, and the nature of your drawdowns.

A tailored approach to lending

We offer personal loans specifically designed to fund legal fees for family law matters: each loan has simple features, a low rate and expert support from our specialist legal team.

Term	2 year term with extensions available [†]
Security	A caveat or mortgage registered over your interest in real estate
Loan amount	Typically, we lend up to 30% of a conservative estimate of your expected settlement. Our loans start from \$25,000
Repayments	No payments required during the life of the loan. All fees, interest and principal are repaid once, in full, at end of term or at conclusion of property settlement
Repayment method	Single payment from settlement proceeds or other sources
Legal fee payments	Once your lawyer has issued an invoice and you have approved payment, we transfer funds directly to your lawyer's account

[†]We understand that in legal proceedings repayment may be linked to an event such as the sale of a property or a settlement. Depending on the circumstances, finance may be extended beyond the initial 24-month term.

"Knowing I don't need to make any repayments until my divorce matter settles has removed a huge stress from what is already a stressful situation."

Sam – Brisbane



"As a lawyer, having my fees paid on time allows me to focus on providing accurate and timely advice to my clients."

Peter (Lawyer) – Melbourne



Frequently asked questions

What security does RateSetter require?

We take security over your interest in real estate. In our loan contract, you grant us a charge over your interest in property, and we use that charge to lodge a caveat or a mortgage.

What if I do not own any land or property?

If you are not on the title to any real estate, then you might have an equitable interest in your matrimonial home, over which you can grant us a charge. There are also other options available, such as a charge over personal property.

Does the other party have to know about my finance?

This will depend on your circumstances, so check with your solicitor. However, in general the other party can apply to the court to find out how you are financing your legal costs.

What costs can the money cover?

A RateSetter Legal Finance loan can be used to cover your solicitor's fees as well as Court costs, barrister's costs and all other disbursements in relation to your case.

Can I use the money for other expenses?

In some circumstances we may advance you funds to cover personal living expenses. Any amount lent to you on this basis is combined with the amount required for legal fees and treated as one single loan.

What credit checks do you do?

We will undertake a credit check as part of your application. If you wish to extend the term of your loan, we will carry out a further credit check.

Do you lend to people with poor credit history?

We consider each application on its merits. However, we are bound by responsible lending obligations, so borrowers who have previous defaults or poor credit history may not be approved.

Do you lend for parenting disputes?

We will if it is connected to a property settlement. If it is a parenting matter only, such as a relocation hearing, or domestic violence application, then we will not.

At what stage of the legal process can I get a loan?

You can apply at any stage of your family law matter right up to settlement.

Can I make early repayments?

Yes. Any part repayments serve to decrease the amount owing and therefore decrease the accumulated interest cost.

What happens if my case hasn't settled within the 24-month loan term?

We will re-assess your matter in consultation with your lawyer and we may roll your loan into a second 24-month loan.

Is my information confidential?

Yes, all information you and your lawyer provide us is kept confidential in accordance with our Privacy Policy and is also protected by Legal Professional Privilege.

Simple application process



Step 1: Contact

Complete our simple online application form with just a few quick steps. Make sure to speak to your lawyer about their fees, so you know how much you will need to borrow.



Step 2: Assessment

With your permission, we speak to your lawyer about your case. We conduct a legal review, and ensure we meet responsible lending obligations.



Step 3: Decision

If approved, you'll receive loan documents to be signed and returned, containing all the information you need to know about your loan.



Step 4: Funds

Funds will be paid directly to your lawyer after invoices are issued and approved by you.

Visit RateSetter.com.au/legal-finance to get started

We're here to help

Contact us today at legalfinance@ratesetter.com.au or call our Legal Finance team on 1300 861 410

Visit RateSetter.com.au/legal-finance

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