

At the Chalk Face:

Independent Legal Advice (ILA) – Why and when it's needed?

The purpose of Independent Legal Advice (ILA) is to ensure that the person entering into the transaction clearly understands the true nature and risk of the transaction and that they enter into it freely where they will not receive any direct benefit from the loan.

When is ILA mandatory?

Independent Legal Advice is mandatory in the following circumstances:

- For all new advances to individual borrowers (except customers retained from a prior loan at Together unless specifically stated) where the loan is above £500k.
- If an unregulated loan is to be secured on the applicants home (known as a "Home Owner Business Loan"), ILA is required where the loan is above £200k.
- Wherever an individual is providing a third party charge or a personal guarantee, regardless of loan value.

Other reasons we may need ILA?

Applications/Loans may be deemed higher risk, and in some cases the party should be advised to take independent legal advice. Underwriters will use their judgement and discretion to identify such cases.

Typical examples of why an underwriter may request ILA on a regulated case:

- Where there is a risk that an individual party to the loan is not receiving an obvious benefit from the loan (e.g. this could include parent/child borrowers or divorced/separated couples)
- Where part of the loan is for business purposes and the business only relates to one of the applicants
- Non English speaking individuals
- Where a Power of Attorney is used
- Individuals are identified as 'vulnerable' or potentially 'vulnerable'
- Any other unique or specific case that the underwriting team think would benefit from ILA

Typical examples of why an underwriter may request ILA on an unregulated case:

- Where a Power of Attorney is used
- Individuals are identified as 'vulnerable' or potentially 'vulnerable'
- Non English speaking individuals
- Any other unique or specific case that the underwriting team think would benefit from ILA

Chalk Talk

Don't forget to view our videos on our [Chalk Talk page](#) where you'll find a further explanation on the above.

Get in touch!

Please contact
our team on
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for further support.