



Funding Legal and Professional Fees

1. **Income**

You may be fortunate enough to have income which exceeds your outgoings this is an excellent method of funding as it is usually the most accessible financial resource.

2. **Bank accounts, savings and investments.**

This might be a good source of funding and will be taken into account in the schedule of assets and liabilities. Financial advice should be sought to ensure that any potential penalties and tax liabilities are minimised.

3. **Borrowing from family and friends**

Ensure it is a 'hard loan', one that must be paid back and is evidenced in writing. If the loan is seen as 'soft' by your partner's lawyers, they may argue and the court may be convinced it need not be paid back, should be viewed as a gift and would not be considered a liability when deciding finances. A loan agreement signed by both parties, prepared by solicitors acting for both parties should be put in place and possibly security taken to cover the loan.

4. **Litigation loan funding**

A litigation loan is a loan where a lender assesses the prospects of your case and the likely level of your settlement and then, if satisfied that their criteria have been met, releases money direct to your solicitors to discharge legal bills as and when they arise.

5. **Personal bank loans.**

These may typically be obtained from a high street bank. Their availability is highly dependent upon the individual's ability to repay on a capital and interest basis from income or other capital resources. It is possible to have the interest rolled up until the debt is repaid

6. Legal Services Consumer Credit Agreement Loans

A number of lenders including Novitas, Iceberg, Silver Light and Lime Finance offer legal funding for matrimonial cases. This facility is a consumer credit agreement between the client and the lender. The solicitor will need to have an agreement with the lender in order to administer the loan but the loan itself is between the lender and the client. The loan is provided as a facility, where you just draw down what you need, when you need it, providing fast and efficient lending. Generally speaking, the rate of interest is higher than a personal loan but less than a typical credit card. The draw is you don't need the credentials and security you do for a personal loan. Interest is rolled into the loan and can be paid at the end of the process.

7. Re-mortgage of property

A re-mortgage may be an option if there is sufficient equity in a property. An advantage of this option is that the loan can last beyond the duration of the proceedings. The interest rate should also be modest.

8. Credit cards.

If the balance cannot be cleared on a monthly basis, a credit card is an expensive source of finance, unless lengthy nil rate interest is offered. The credit limit may not be sufficient,

9. A 'Sears Tooth' agreement.

This is a form of deed with your solicitors which secures the costs of the legal fees against the settlement. Often where the family home is sold your lawyers recover their costs from the sale plus interest. Few firms offer these agreements as they are unacceptable and not good practice. Stone Rowe Brewer LLP do not offer a Sears Tooth Agreement.

10 Maintenance Orders and Legal Services Orders.

An application for a Legal Services Order, introduced in April 2013, often is made with an Interim Maintenance Application. There are particular requirements to be met to achieve such an order including exhausting all other avenues of funding and showing loan applications have failed.

11 A voluntary payment from your spouse or partner towards your legal fees.

A sensible way to proceed, in any event but most likely in a Dispute Resolution Process where you can plan together how legal fees are to be managed and paid for, as well as how they are to be taken into account in the financial settlement. Even in an adversarial process this can be requested and confirmed that the payment would be taken into account within the negotiations or proceedings.

12 Specific Advice: Limited Retainer

We are aware that with challenging economic times and no legal aid (save in limited circumstances) that many low to middle income families are having difficulties in resolving the issues surrounding separation, divorce, their children and finances. In some circumstances we can offer fixed fee specific advice, on a limited retainer where the client has conduct of their case.

13 Fixed Fee Services

We will provide you with a costs estimate for the work that needs to be undertaken as well as offering you different Options on the forum you wish to use, which will affect those legal costs. We are also able to offer some Fixed Fee Services: divorce, advice during Mediation including preparation of Consent Orders following Mediation and in the Collaborative Process: Managing Family Change and **GROW**ing apart successfully.

14 Managing your Legal Fees

Finally, if you follow these simple tips you can make the best use of the time with your solicitor and keep your legal fees to a minimum:

1. Consider what is important to you and your family and what you want to achieve from the meeting and some ultimate goals.
2. Prepare the background information that you want to give your solicitor, consider providing the essential information in written form.
3. List the questions you would like to be answered.
4. Review how much you know about your own and your partner's finances? Attend the meeting with as much financial information as possible. Make a list of all assets, pensions, income, liabilities and income needs. Gather together documentation in respect of finances, as far as you are able and bring these with you.
5. Remember to bring your notes to the meeting. Consider emailing the information to your solicitor in advance of the meeting.
6. Provide your solicitor with information requested in a prompt, clear and organised manner so that you are not increasing your costs.

Lisa Broddle, l.broddle@srb.co.uk
Partner, Solicitor, Family and Collaborative Lawyer, Family Mediator
Stone Rowe Brewer LLP
Stone House, 12-13 Church Street, Twickenham, Middlesex TW1 3NJ
Tel: 020 8891 6141 Fax 020 8744 1143 DX 200006 Twickenham www.srb.co.uk

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