

**JAMES BELGRAVE MICRO ENTERPRISE  
DEVELOPMENT FUND INCORPORATED**

**BELFund**

**GUARANTOR FACT SHEET** (Commonly asked questions)

- 1) Q: Who is a guarantor?  
A: Basically, a guarantor is someone who 'stands security' for a borrower.
- 2) Q: What does 'standing security' entail?  
A: It means that if the borrower fails to repay the loan, you the guarantor will be called upon to repay that loan
- 3) Q: Therefore, am I more than a mere recommender or reference?  
A: YES! As a guarantor you legally undertake to repay the loan obligation of the borrowers should it become necessary.
- 4) Q: As a guarantor do I have to 'put up' any security for the loan?  
A NO! BELFund does not request that the guarantor 'put up' any cash or other asset as collateral on the loan. We however, request that the guarantor be self employed for at least five (5) years or permanently employed for three (3) years or more, and in the latter case, we may request a job letter to verify this.
- 5) Q: On average, how many guarantors will there be on a loan?  
A: BELFund normally requires a maximum of three guarantors. However, depending on the amount of money sought, more than three may be required.
- 6) Q: If there are more than one guarantor on a loan then will I be only responsible for a fraction of that loan should it become delinquent?  
A: Not necessarily. Each guarantor will have to sign a legal document called a guarantee form which will bind them jointly and/or severally to the loan., meaning that each guarantor may be called upon to repay the entire loan or any portion of that loan which may be outstanding at the point in time.

7) Q: As a guarantor, do I have any other responsibilities towards this loan besides that of my financial obligation?

A: Yes! As a guarantor you should support and patronise the business and assist wherever possible to ensure the success and viability of the enterprise. You are also required to ensure that the loan instalment is repaid on time, not even one day late.

**I/We the undersigned have read the terms and conditions of this document and have fully understood my/our role as a Guarantor.**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_