



# Variable Rate Lending

Important information

Bank with us. Bank on us.

This information is available to you at any time on our website.  
Please read this important information carefully and retain it for future reference.

# Variable Rate Lending

## **This document explains the key features of our Variable Rate loans.**

All lending is subject to our underwriting criteria, availability and status.

We reserve the right to decline any loan application.

Before entering into any loan agreement or prepaying your loan, we recommend that you take advice from an independent financial adviser. This is to ensure the loan meets your requirements and that you understand the terms of your loan and the financial implications of your actions.

We do not provide financial advice to our customers on the management of interest rate risks and you are not entitled to rely on us for advice or recommendations.

## **Before applying for a Variable Rate Loan you should also be aware:**

- If interest rates rise during the term of your loan, your repayments will also increase which may impact the affordability of the loan.

## Benefits:

- If interest rates fall during the term of your loan, you will benefit as your repayment amount will decrease.
- You can make overpayments in part or in full at no additional cost however, a prepayment fee may be payable if refinancing to another provider.

# Key Features

| Terminology          | Summary Definition  |
|----------------------|---|
| Loan Amount          | Between £250,000 and £10m.  |
| Term                 | Up to 10 years.   |
| Variable Rate Period | <p>You pay a variable interest rate for the agreed term, at an agreed percentage above the Bank of England Base Rate.</p> <p>It may be possible to split your term lending between a Variable Rate Loan and a Fixed Rate Loan at no additional cost. For example, a £1 million loan over five years could be split £600,000 on a Fixed Rate over two years and £400,000 on a Variable Rate. Please discuss your requirements with us.</p> |
| Purpose of funds     | <p>The loan must be for business purposes, to support a project that contributes towards community, economic, social or environmental benefits.</p> <p>This could involve:</p> <ul style="list-style-type: none"> <li>• Refinance</li> <li>• Property purchases</li> <li>• Property refurbishment</li> <li>• Creating housing, community and office space</li> <li>• Business acquisition</li> </ul>                                      |
| Eligibility Criteria | Unity will only lend or provide banking services to organisations which deliver positive social or environmental outcomes through their activities and subject to appropriate credit assessments.   |

| Terminology         | Summary Definition  |
|---------------------|---|
| Security            | Security may be required – each case is considered on its merits. If security is required, an administration fee will be payable and we will give you an estimate of this at the outset. If the security arrangements include a property or assets that you own, please remember that these may be repossessed if you do not keep up repayments on your loan. |
| Repayment type      | Capital and Interest or Interest only.  |
| Repayments          | Monthly or Quarterly.   |
| Arrangement Fee     | This needs to be paid up front and is typically 1.5% of the loan value. In addition, legal and valuation fees are payable by the Borrower.  |
| Non-utilisation fee | A non-utilisation fee will be payable on the amount of the loan remaining undrawn during the Availability Period. The fee is calculated on a daily basis, beginning 91 days from the date of our Facility Letter and is charged monthly in arrears. The fee is typically 50% of the agreed interest margin.   |
| Prepayment fees     | A prepayment fee may be payable if the Loan is repaid in full or in part during its Term. The fee is equal to a percentage of the amount prepaid. Please refer to your Term Loan Facility Letter for further details.   |
| Reference rate      | Bank of England Base Rate.  |

**Financial advice:** Before entering into a Variable Rate Loan agreement or making an early repayment to your loan, we recommend that you seek professional advice from your accountant or financial advisor in order to fully understand the potential risks.

# Further information

## Terms and Conditions apply.

Unity adheres to the Lending Standards Board's Standards of Lending Practice which set the benchmark for good lending practice in the UK, outlining the way registered firms are expected to deal with their customers throughout the entire product life cycle.

The protections of the Standards of Lending Practice for business customers apply to businesses with a turnover of up to £25 million at the point of lending.

The protections will be applied in their entirety if businesses at the point of lending:

- Have an annual turnover of up to £6.5 million in its last financial year (exclusive of VAT and other turnover related taxes), and;
- Which does not have a complex ownership structure (for example, businesses with overseas, multiple, or layered ownership structures).

More information can be obtained at: [lendingstandardsboard.org.uk](http://lendingstandardsboard.org.uk)

## Get in touch to find out more about applying for a Variable Rate Loan:

Please call us on 0345 140 1000.

You will receive support from a dedicated Relationship Manager who will help explain both fixed and variable options to you on a wholly non advised basis.

## Financial difficulties

If you would like more information about managing your finances, please speak to your Relationship Manager or call us on 0345 140 1000.

You can also find more information about financial difficulties in the Services section of our website: [unity.co.uk/debt counselling](http://unity.co.uk/debt counselling) or by calling Business Debt Line on 0800 197 6026.

# Our commitments to our business customers

**As a lender we have committed to follow the Standards of Lending Practice for business customers. By adhering to the Standards, we are demonstrating a commitment to ensuring that our customers are treated fairly.**

- We will always lend responsibly and treat your business fairly and reasonably.
- We will ensure that all information we provide about our products and how they work is clear and understandable so that you can decide what is best for your business' needs.
- We will provide clear, upfront information on the documents required to support an application. Taking account of this will help to ensure that we can deal with your application efficiently.
- If we are unable to approve your application, we will explain why and provide a referral, where appropriate, to alternative sources of finance.
- If your application is declined, you have the right to appeal the decision.
- We will set out any requirements/conditions we may have to support any borrowing in a clear, understandable way.
- We will confirm the conditions of your business borrowing in writing and highlight any covenants or material conditions attached to it.
- We will clearly set out the type and frequency of information we will require to monitor your business' performance.
- If your business experiences difficulties, we will seek to understand the overall circumstances to try and identify suitable and pragmatic solutions. Where appropriate, we will provide details of free debt advice.



# What we ask of you:

Tick box 

|  |                              |
|--|------------------------------|
| That, prior to making an application you double check what information we will need to process an application. If you are unsure or have any questions, please contact us. | Yes <input type="checkbox"/> |
| That all information you provide to us during our relationship is accurate and timely.   | Yes <input type="checkbox"/> |
| We ask you to think carefully about whether the business can afford the product applied for and to be open in your dealings with us.                                       | Yes <input type="checkbox"/> |
| To make sure that you understand the Terms and Conditions associated with your product.  | Yes <input type="checkbox"/> |
| That you seek professional advice, where this is appropriate for the needs of your business and the type of product you are applying for.                                  | Yes <input type="checkbox"/> |
| That the business maintains any commitments it has to us, for example providing information which we may reasonably request to monitor performance.                        | Yes <input type="checkbox"/> |
| Take care of any security information to help prevent fraud and protect your account(s).   | Yes <input type="checkbox"/> |
| Tell us as soon as possible if someone is misusing confidential information.   | Yes <input type="checkbox"/> |
| Carefully check your business' account statements/records to make sure they are accurate. If anything isn't right, please get in touch with us.                            | Yes <input type="checkbox"/> |
| <b>Please let us know if:</b>  |                              |
| Your contact details change or there is a change in how your business is run for example, ownership/directorships etc, so we can keep our records up to date.              | Yes <input type="checkbox"/> |
| Your business may be about to experience or is experiencing difficulties. The sooner you do this, the more likely it is we'll be able to find a way to help you.           | Yes <input type="checkbox"/> |

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## Information

You can download our Key Features at: [unity.co.uk](https://unity.co.uk)

Unity Trust Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Unity Trust Bank is entered in the Financial Services Register under number 204570. Registered Office: Four Brindleyplace, Birmingham, B1 2JB. Registered in England and Wales no. 1713124. Calls are recorded and may be monitored for security, training and quality purposes.

