

## Key Features

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# Variable Rate Lending

Important information



# 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 legal or 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 legal or 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, the amount of interest you pay 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
<b>Arrangement fee</b>	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.
<b>Eligibility Criteria</b>	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.
<b>Loan Amount</b>	Between £250,000 and £10m.
<b>Non-utilisation fee</b>	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. (This fee may vary depending on the value of the loan).
<b>Purpose of funds</b>	<p>The loan must be for business purposes, to support a project that contributes towards community, economic, social or environmental benefits. This could involve:</p> <ul style="list-style-type: none"><li>• Business acquisition</li><li>• Creating housing, community and office space</li><li>• Property purchases</li><li>• Property refurbishment, including green initiative social housing projects to support decarbonisation</li><li>• Refinance</li></ul>

Terminology	Summary Definition
<b>Prepayment fee</b>	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.
<b>Reference rate</b>	Bank of England Base Rate.
<b>Repayments</b>	Monthly or Quarterly.
<b>Repayment type</b>	Capital and Interest or Interest only.
<b>Security</b>	Security may be required - each case is considered on its merits. If security is required, legal fees 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.
<b>Term</b>	Up to 10 years.
<b>Variable Rate Period</b>	<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. For example, a £1 million loan over five years could be split £600,000 on a Fixed Rate Loan over two years and £400,000 on a Variable Rate Loan. Please discuss your requirements with us.</p>

**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.

# General Information



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

# Further information

## All Loans are subject to status and 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 which at the point of lending:

- Have an annual turnover of up to £25 million in its last financial year (exclusive of VAT and other turnover related taxes), and;
- Does not have a complex ownership structure (for example, businesses with overseas, multiple or layered ownership structures).

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

## Go Paperless!

You can choose to receive online statements and we'll notify you by email or SMS when they're available. [Contact us](#) to switch to paperless statements.

## 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 – [www.unity.co.uk/debt-counselling](http://www.unity.co.uk/debt-counselling) or by calling Business Debit Line on **0800 197 6026**.

### **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 variable options to you on a wholly **non advised basis**.

## How and where to complain

If you are not satisfied with any aspect of our service or products, you can tell us about your concerns. To find out how, please read our [dedicated complaints page](#).

**Contact us:**  Call us: 0345 140 1000  Email us: [us@unity.co.uk](mailto:us@unity.co.uk)  Visit us: [www.unity.co.uk](http://www.unity.co.uk)

# 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 lend responsibly and treat your business fairly and reasonably at all times.
- 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 the 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:

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 complete, 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"/>





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

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**For Businesses. For Communities. For Good.**

[www.unity.co.uk](http://www.unity.co.uk)