

# Flexible Commercial Mortgage

## Finance for your business needs as an owner occupier.

Our Flexible Commercial Mortgage offers you a funding solution to satisfy your financing needs including purchasing, extending or releasing the equity locked in your business property. The business property will be needed as security for the mortgage.

### Key features

- Financing available from £25,001
- Repayments can be spread from one to 25 years (up to £3 million) or up to five years (over £3 million) (subject to application)
- A choice of a fixed (for up to 10 years at a time) or variable interest rate tracking the Bank of England base rate\*
- Flexible contractual terms are available, with the ability to select a repayment profile that's longer than the contractual term. This will leave an outstanding balance at the end of the contractual term. Longer terms could have a higher interest rate
- Monthly repayments, or other repayment frequencies like quarterly, six-monthly and annual are available
- The ability to request an interest-only period (known as a capital repayment holiday) at the start of your mortgage (subject to approval). You can also apply for a capital repayment holiday, of up to 12 months during the mortgage term (subject to approval)
- If you choose a fixed-rate mortgage, there may be breakage costs. Overpayments of up to 10% of the mortgage balance per year are allowed before any breakage costs are charged. There are no prepayment fees for loans on a variable rate.

### Important information

- Lending fees and associated borrowing costs will apply
- There are no prepayment fees
- For fixed-rate mortgages, if you repay the mortgage early for any reason, you'll have to pay breakage costs
- Flexible Commercial Mortgages are subject to application and status
- Any property used as security may be repossessed if you don't keep up your mortgage repayments.

### Selecting your interest rate basis

We offer mortgages with a fixed or variable interest rates. The variable rate allows you to pay an interest cost linked to the Bank of England base rate\*, while a fixed interest rate gives you certainty of the interest rate you'll pay.

### Your requirements

It's difficult to predict future interest rates, so there's no way to know if a fixed or variable interest rate will cost you more or less over the life of your mortgage. You'll need to consider a number of factors, including how large a payment you can afford, the length of the borrowing term you need and the level of certainty over costs that you need.

You also need to consider any possibility of early repayment, like selling a property.

### Flexible choices

You can select the interest rate structure that best suits your needs: a fixed rate or variable rate mortgage. There are a number of choices available to you including:

- A choice of how long the fixed interest rate will last, with a range of one to 10 years
- The ability to have an interest-only period (known as a capital repayment holiday) at the start of your mortgage (subject to approval). During this time, you'll only pay interest on the outstanding balance. When it ends, your repayments will increase to make sure your mortgage is repaid in line with your agreement. You'll also pay more interest payable over the life of the mortgage. You can also apply for a capital repayment holiday of up to 12 months during the term (subject to approval).

\* If this rate becomes less than zero, the variable rate will be deemed to be zero. i.e. the total interest rate will never be less than the facility margin. If you have any questions or concerns about this, please speak to an independent financial advisor.

The table below summarises the differences between your interest rate choices:

	Offers certainty against a rise in interest rates	Lower repayments if interest rates fall	Breakage costs applicable	Prepayment fees
Variable rate	No	Yes	No	No
Fixed rate	Yes	No	Yes	No

### The contractual term and repayment profile

We offer flexible **contractual terms** (how long we agree to lend for) and **repayment profiles** (how long you'll need to make specified payments for, to fully repay the mortgage). Where these are the same, the mortgage will be fully repaid by the maturity date. Where the repayment profile is longer than the contractual term, then there'll be an outstanding balance at the maturity date (which might be significant).

The contractual term can affect the interest you pay and can be shorter than the repayment profile.

### Things to consider when choosing a mortgage with a longer repayment profile than contractual term

Mortgages over £100,000 with a longer contractual term may be priced higher than mortgages with shorter contractual terms to reflect the increased costs associated with lending money for longer.

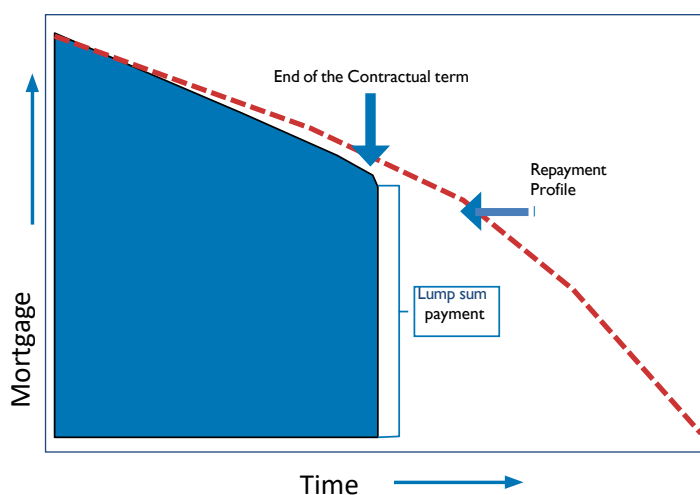
You may want a mortgage where the contractual term is shorter than the repayment profile if you think that the interest rate will suit you better.

At the end of your contractual term, you may want to take out another mortgage with us to pay the outstanding balance. If you do this:

- You'll need to submit a new application and there's no guarantee it'll be accepted
- The interest rate offered will reflect the rates and your circumstances at the time. This means it could be higher or lower than the rate on your expiring mortgage and the lending margin may also change
- If your application is accepted, you'll have to pay a new arrangement fee for this mortgage.

### Important information

- The fixed interest rate provides you with certainty of future interest rate repayments. Fixing your interest rate will not allow you to benefit from reduced repayments if variable rates fall
- Any fixed interest rates quoted to you are indicative until we confirm them in your facility letter. You'll have 30 days to sign, return and draw down the full amount of the mortgage for any fixed rate in the facility letter to be valid
- Fixing the interest rate on your mortgage involves a commitment by you for a specific period, between one and 10 years.
- Meeting longer term debt requirements with multiple shorter term mortgages can cost more or less over the total borrowing period
- We don't provide advice, or recommendations on the suitability of your choice of finance solution. If you need advice, you should consult an independent advisor.



### If you repay your mortgage early

The breakage cost is a percentage of the payment above 10% linked to the number of full years left on the fixed rate. The below table is an example of the percentages for a mortgage with a 10-year fixed-rate period. It'll be different depending on how long your fixed rate period is.

Year of the mortgage that you are in when you make your prepayment (or required repayment)	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
% payable of the amount of the prepayment (or required repayment)	7%	7%	7%	6%	5%	4%	3%	2%	1%	1%

As an example, if you make a £100,000 prepayment three years and six months from the start of your mortgage, you're in your fourth year and you'll need to pay £6,000 breakage costs (6%). This example assumes you've already used the 10% annual overpayment allowance.

The percentage amount you'll have to pay will differ, depending on the fixed-rate period you chose.

### Green Commercial Mortgage

Green Commercial Mortgage offers you a secured funding solution with discounted interest rates when purchasing or re-financing an eligible green asset. This is an asset that meets our green eligibility criteria, which may change from time to time. These assets include:

- Greener buildings: Buildings with EPC ratings B or above, insulation, heat pumps, building automation controls
- Renewable energy: solar panels, wind turbines, battery energy storage units
- Greener living: electric vehicles, electric vehicle changing points, sustainable water and waste prevention technologies
- Greener farming: renewable generation technologies, crop rotation technologies, agroforestry practices and soil remediation technologies

Green Commercial Mortgage will be subject to all the terms and conditions of a standard Commercial Mortgage and all of the other product features apply as standard.

The additional terms and conditions of the Green Commercial Mortgage include:

- You can only use the loan to finance or re-finance your purchase of eligible green assets and any eligible directly associated costs
- Before you draw down the loan, we may ask you for evidence of the eligible green assets you're planning to buy or refinance
- We might ask for evidence you've used the loan for its agreed purpose. If you haven't, we have the right to re-apply the interest rate discount to the interest rate applicable to your facility

### Next steps

Please get in touch if you'd like to discuss your requirements in more detail.

 Your specialist packager distributor	 023 8045 6999 (Option 3)  <a href="mailto:commercial@complete-fs.co.uk">commercial@complete-fs.co.uk</a>  <a href="http://www.complete-fs.co.uk">www.complete-fs.co.uk</a>
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**Any property used as security may be repossessed if you don't keep up repayments on your mortgage.**