



Real Estate Finance Development Loan

A simple way to borrow

The Real Estate Finance (REF) Development Loan is designed for those who would like to build a property for either residential or commercial purposes.

Your needs

Every business is different, however when an opportunity presents itself, being able to obtain funds needed to make the most of it is a challenge that every organisation faces.

If you would like to build a property for either residential or commercial purposes with a variable interest rate, a Real Estate Finance (REF) Development Loan could be the right solution for you.

Our solution

The Real Estate Finance (REF) Development Loan is a simple way to borrow if you would like to build a property for either residential or commercial purposes, with term lengths up to 3 years.

Benefits

- You can repay your loan early with no redemption charges
- Variable rate of interest- if the Bank's base rate falls, your repayment will decrease
- This loan is provided on an Interest-only basis
- Tranche drawdowns

Considerations

- If Royal bank of Scotland base rate increases, your repayments will also increase
- Minimum borrowing amount of £50,000
- A professional valuation may be required
- Loans provided on a fully funded basis
- An exit fee may apply
- Loan normally paid off via property sale

Is a REF Development Loan right for you?

You might consider a REF Development Loan if you:



Need to release funds in tranches as your build progresses



Believe you may pay the loan back quicker than the agreed term, or may close it early



Believe variable rates will remain low, or even fall



Want a flexible loan that matches your stages of development.



Asset Value- Commercial property is a tangible asset which may rise in value in a positive market and support any future borrowing

How it works

Initial Discussion

Relationship Manager (RM) discusses options available to you



Application

You receive a quotation, RM collects further information that is required and submits to our credit team to review



Outcome

Your RM will contact you to discuss the outcome, agreed terms and any next steps applicable



Security

Lawyers will organise taking in security for the loan



Money in Account

Once all documentation has been returned and any conditions satisfied, we will confirm that funds have been paid out and issue a welcome pack to you

Working with you

If you choose to proceed with us, your Relationship Manager will work with you to help you understand the process and to clearly explain all costs. Once you progress, we will endeavour to advise you of our decision as early as possible.

Product Specifications

- **Facility Size:** £50,000 upwards
- **Term:** Max 3 years
- **Repayment Profiles:** Interest-only loan
- **Options:** Tranche drawdowns, subject to agreement

Your Challenges

- Access to funding
 - Uncertainty during the process as to whether funds will be approved
 - No one to talk to when pursuing finance
- Uncertainty around cost
- Finance does not flex to your business

Our Solution

- A transparent decision process looked after by a dedicated relationship team to answer any questions, help understand what is required and support you through out the journey
- Your relationship manager will talk you through all the costs to give you the information you need
- The variable rate loan comes with no Early Redemption Charges and tranche drawdowns (subject to agreement), allowing you to pay back your loan at any time - subject to paying an exit fee, if applicable

Options, Fees and Additional Features

Additional information

- Linked to the RBS base rate
- Variable Rate Interest
- Arrangement fee
- Exit fee
- Valuation & Security Fee

Explanation

- This loan will be linked to the Royal Bank of Scotland Base rate for the life of the loan. Please note that, for the purposes of interest rate calculation, where Royal Bank base rate is below zero, it will be deemed to be zero.
- The basis at which interest is calculated
- An arrangement fee may apply, based on deal size and complexity
- A fee charged upon repayment of the loan, following the sale of the asset or decision to refinance
- A professional valuation and security fee may be charged where a valuation and security are required

Security may be required. Product fees may apply. Over 18s only. Subject to status, business use only.

ANY PROPERTY OR ASSET USED AS SECURITY MAY BE REPOSSESSED OR FORFEITED IF YOU DO NOT KEEP UP ON REPAYMENTS ON ANY DEBT SECURED ON IT.

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