



Royal Bank
of Scotland

Real Estate Finance

Financing for Development

Corporate borrowing for larger sums

If your business needs to borrow a larger sum of money typically over £500,000 (subject to eligibility), a Corporate Term Loan designed for financing development purposes could be an option. This type of loan is priced against Benchmark Risk Free Reference Rates (RFRs).

Your needs

If you are developing property for either residential or commercial purposes a Corporate Term Loan for financing development could be the right solution for you.

Our solution

Corporate Term Loans for financing development are priced against RFRs. You can borrow a sum of typically more than £500,000 (subject to eligibility) typically up to 3 years.

Benefits

- Interest rates linked to money market benchmarks (RFRS). Interest periods can be fixed for 1, 3 or 6 months (or other periods as agreed between the lender and the borrower).
- Tranche drawdowns available.
- The loan is repaid on an interest only basis.

Considerations

- RFRs are variable interest rates and as a result will change in line with market movements.
- Documentation may require the use of external lawyers.
- A professional valuation will be required.
- An arrangement fee and exit fee may apply.
- Security will be required over the property.
- Loan normally repaid from property sale.

Is a Corporate Term Loan for financing development the right choice for you?

You might consider a Corporate Term Loan for financing development if you:

-  Are a corporate or commercial customer looking to borrow for typically up to 3 years.
-  Want to borrow £500,000 or more.
-  Want to access money market rates.
-  Need to release funds in tranches.
-  Want a flexible loan that matches the stages of your development.

How it works

Meet your Relationship Manager (RM)

RM explains your options and suitability / eligibility for a Corporate Term Loan aimed at financing development



Apply

RM collects any extra information required and submits an application for our credit team to review



Outcome

If application is successful, RM provides a facility document and terms for you to sign (this may require the use of external lawyers to draft)



Set-up

Once the documents and security are executed the loan is set up and made available to draw

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 explain all costs clearly. Once your application has been processed, we will advise you of our decision as soon as possible.

Your challenges

- Uncertainty during the process as to whether the funds will be approved

- Uncertainty around cost

Our solution

- Transparent decision-making process - a dedicated relationship team to answer any questions and walk you through what is required throughout the process

- Your Relationship Manager will talk you through all the costs to give you the information you need

Product Specifications

- **Facility Size:** £500,000 upwards
- **Term:** Typically up to 3 years
- **Repayment Type:** Interest only
- **Availability Period:**
Tranche drawdowns available.

- **Interest Calculation Frequency:**
Interest is applied at the end of the fixture period or on a 6-monthly basis if shorter than the fixture period

Additional Information

- RFR rates

- Arrangement Fee

- Exit fee

- Tranche drawdown available

- Interest Rate Type

Explanation

- RFRs are used to set the interest rate for Corporate Term Loans aimed at financing development

- An arrangement fee may apply, based on the deal size and complexity

- A fee charged upon repayment of the loan, following the sale of the asset or decision to refinance

- Loan can be drawdown in multiple tranches, allowing you to structure when funds are made available

- Floating - based on market fluctuations

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

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