

OUR REF: JR/RICHARDSON

DATE: 14TH MARCH 2011

MR
MR
MRS.

**Re: COMMERCIAL LOAN – RE-MORTGAGE OF RESIDENTIAL PROPERTY
(INTEREST ONLY)**

We confirm that our lending arm is prepared to advance the sum set out below to you upon the following terms and conditions:

**Borrower: MR
MR
MRS**

1. **Amount** (“the Advance”)

(Figures) **£25,000**

(Words) **TWENTY FIVE THOUSAND POUNDS**

2. **Security**

The advance will be secured by way of:

A Second Legal Charge over: -

(“The property”)

The form of the documentation required in respect of the above mentioned security shall be in a form approved by ourselves.

3. **Terms and Interest**

a) The Interest on the Advance will be repayable over a period of 25 years by equal monthly instalments of £247 subject to variation. The first instalment will be payable **one month after the date of drawdown** and subsequent instalments on the corresponding day in each successive month but if there is no corresponding day then upon the last day of each successive month. The capital of the loan shall be repayable **25 (TWENTY FIVE)** years from the date of completion of the loan.

b) On redemption of the loan at any time prior to the end of the term set out above the redemption figure shall be calculated in accordance with the terms of the Legal charge. A legal and documentation fee to be advised will be payable upon redemption of the loan or at the end of the loan term, whichever is the sooner

c) The rate of interest chargeable (subject to variation) shall be at a rate of **11.9% per Annum**

d) The rate of interest charged may increase in line with any increase in Bank of England base rate. Any shortfall in the monthly interest payment will be payable upon redemption of the loan.

4. **Charges**

From the gross Advance set out on the previous page the following deductions shall be made on completion of the Advance:

- a) A completion fee in the sum of **£1,800**
- b) Property insurance premium (if applicable)
- c) Payment protection premium (if applicable)
- d) Lender's Legal costs and disbursements.
- e) An Administration/Creation fee of £295

The Lender's Legal costs and disbursements and the Completion Fee will be payable whether or not the Advance proceeds to completion or the funds are drawn down, unless this offer is withdrawn due to non-availability of funds.

General Conditions

- a) Our Commitment fee for the Offer of Advance shall be **£200** and is **strictly non-refundable** whether or not this loan proceeds to completion.

- b) The property offered as security must be kept insured by you at all times during (for a minimum of £138,000 with interest noted on the insurance) the currency of the Advance against damage by fire and other perils to its full reinstatement value with an Insurance Company of your choice and evidence of this must be produced to ourselves upon request. Failing production of satisfactory evidence of the Insurance, we reserve the right to effect such insurance ourselves, and any premiums relating to such insurance will be added to the outstanding balance from time to time due and owing to ourselves.

c) No tenancies/ leases may be created in respect of the property without our specific written consent. Any existing tenancies must be on an assured shorthold tenancy agreement or a formal Business Lease and approved by our solicitors.

d) Any survey and / or inspection of the property carried out by us or on our behalf in connection with this Offer is confidential and in the event of us making an Advance to you it will not imply any warranty by us as to the value or condition of the property.

e) We or our agents reserve the right to alter the terms of this Offer or to withdraw this Offer at any time without assigning a reason for so doing. In the event of this offer being withdrawn under this or any preceding clause, we shall in no way be liable for any liabilities incurred by or on behalf of yourself.

f) This Offer is subject to Local Authority and Title searches and any other searches and enquiries, required by us, proving satisfactory.

g) We or our agents reserve the right to transfer, assign or otherwise dispose of the rights benefits and obligations of this Commercial loan together with the charge over the related securities to other third parties at any time and when this happens you will be notified in writing. Upon acceptance of this offer, this case shall be funded by our lending arm and the legal documentation shall be issued accordingly.

h) This Offer will lapse unless accepted within **10 days** of the date hereof.

i) This offer will lapse and the full Completion Fee and legal costs will become payable if completion does not take place within Twelve weeks of the date hereof, unless an extension of time has been confirmed by us in writing, or unless availability of funds causes us to defer completion.

6. Special Conditions:

This offer is subject to: -

a) The consent of Nat West to the registration of a Second legal charge on the property in our favour and to their confirmation that the amount outstanding on their First Charge does not exceed £62,000.

b) Satisfactory proof of ID and proof of Residence.

We have provided you with an original and a copy of this letter. You should study the terms and conditions set out herein and compare the same with any Offers which you may have received from other willing Lenders. We strongly recommend that you seek independent legal and/or professional advice. If you wish to accept this Offer please indicate this by signing below and returning to us within **10 days** of the date hereof.

Yours sincerely,

Jordana Rashman



Confirmation Notice- Mr
Mrs

Date of Offer: 14th March 2011

I/we hereby accept the offer of Advance, the terms of which I/we fully understand and accept. I/we understand that any other parties concerned in this transaction are not acting as your Agents and are not authorized to vary the terms of this Offer in any way. I/we confirm receipt of a copy of this letter, which I have retained.

Declaration for exemption relating to business (Sections 16B and 189(1) and (2) Consumer Credit Act 1974) I am entering this agreement wholly or predominantly for the purposes of a business carried on by me or intended to be carried by me. I understand that I will not have the benefit of the protection and remedies that would be available to me under the Consumer Credit Act 1974 if this agreement were a regulated agreement under that Act. I understand that this declaration does not affect the powers of the court to make an order under section 140B of the Consumer Credit Act 1974 in relation to a credit agreement where it determines that the relationship between the creditor and the debtor is unfair to the debtor. I am aware that, if I am in any doubt as to the consequences of the agreement not being regulated by the Consumer Credit act 1974, I should seek independent legal advice.

I/we enclose the sum of £200 payable to [redacted] representing payment of the Commitment fee specified in Clause 5(a) above, which I/we understand and agree is strictly non-refundable.

I/we further agree upon accepting this offer dated 14th March 2011 to pay your Solicitors' legal costs and the balance of [redacted] Completion Fee of £1,800 if I/we withdraw from this offer or do not draw down funds within Twelve weeks of signing this acceptance, for whatever reason, unless the offer is withdrawn due to non-availability of funds, such payment to be made by me within 7 days of my withdrawal from the offer.

Signed Date.....2011

MR [redacted]

Signed Date2011

MR [redacted]

Signed..... Date.....2011

MRS [redacted]

ALL PERSONS TO WHOM THIS LETTER IS ADDRESSED MUST SIGN THE ABOVE.