

Flexible Commercial Mortgage

Finance for your business needs as an owner occupier.

Key features

- Financing available from £25,001-£10,000,000
- Repayments can be spread from 1-25 years (up to £3 million) or up to 5 years (over £3 million) (subject to application)
- A choice of a fixed interest rate or variable interest rate tracking the Bank of England Bank Rate*
- Flexible contractual terms available with the ability to select a loan with a longer repayment profile than the contractual term which will have an outstanding balance at the end of the contractual term
- The length of the contractual term can impact the interest rate you pay
- The ability to request an interest only period, known as a capital repayment holiday of up to two years (subject to approval).

Important information

- Lending fees and associated borrowing costs will be applicable
- If you repay all or part of the loan early, a prepayment fee may be payable
- For fixed rate loans, if you decide to pay early or cancel the fixed interest rate, you may have to pay breakage costs in addition to other fees such as a prepayment fee
- Flexible commercial mortgages are subject to application and status
- Any property used as security which may include your home may be repossessed if you do not keep up repayments of your mortgage.

Barclays' 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 loan.

Selecting your interest rate basis

Barclays offers loans with a fixed or variable interest rate. The variable rate allows you to pay an interest cost linked to the Bank of England Bank Rate*, while a fixed interest rate gives you the certainty of the interest rate that you are paying.

Planning your loan requirements

It is difficult to predict future interest rates so there is no way of knowing if a fixed or variable interest rate will cost you more or less over the life of your loan. A number of factors need to be considered including how large a payment you can afford, the length of the borrowing term needed and the level of certainty over costs that you require.

You also need to consider any possibility of early repayment such as the sale of a property.

Flexible choices

You can select the interest rate structure that best suits your needs: a fixed rate or variable rate loan. 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 1 to 10 years
- The ability to switch from a variable rate loan to a fixed rate loan, subject to agreement by the Bank
- The ability to have an interest only period, known as a capital repayment holiday of up to two years (subject to approval). During this time interest on the outstanding loan will be charged to the current account. At the end of the capital repayment holiday your repayment instalments will be adjusted to ensure the loan is repaid in line with the loan agreement. The interest payable over the life of the loan will be higher due to the capital repayment holiday taken.

T: 0118 945 2288

E: info@active-investments.co.uk

*If this rate becomes less than zero then the variable rate will be deemed to be zero i.e. the total interest rate charged will never be less than the facility margin. If you have any questions or concerns about this then 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 Loans	No	Yes	No	Yes
Fixed Rate Loans	Yes	No	Yes	Yes

The Contractual Term and Repayment Profile

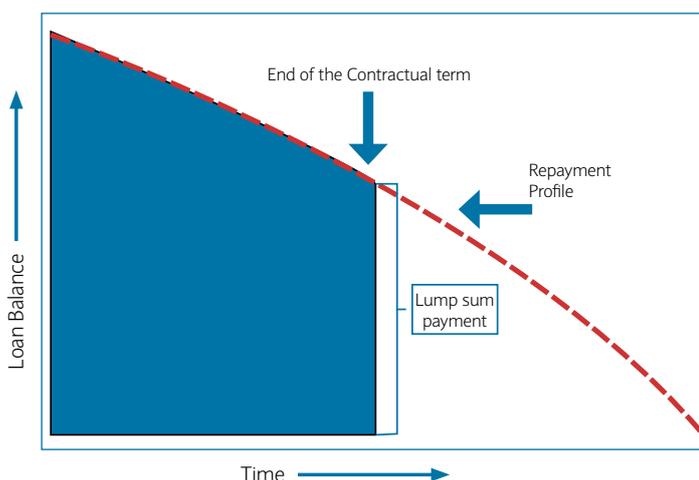
Barclays offers flexible **contractual terms** for loans (the period of time that we agree to lend for) and **repayment profiles** (the period over which specified payments would need to be paid in order to fully repay the loan). Where this is the same as the contractual term, the loan will be fully repaid by the maturity date. Where this is longer than the contractual term, then there will be an outstanding balance at the maturity date (which might be significant).

The length of the contractual terms can impact the interest you pay and can be shorter than the repayment profile.

Factors to consider when choosing a loan with a longer repayment profile than contractual term

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

You may want a loan where the contractual term is shorter than the repayment profile if you think that the associated interest rate will be of benefit to your circumstances. Should you choose a loan with a **contractual term shorter than the repayment profile** there will be **an outstanding balance to be repaid** at the end of the contractual term. If the term is considerably shorter than the repayment profile, the lump sum payable is likely to be substantial.



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

- A new application will need to be made and there is no certainty that the application will be accepted
- The interest rate offered will reflect the prevailing rates and your circumstances at the time, the new interest rate may be higher or lower than the rate on your expiring loan and the lending margin may also change
- If your application is accepted, you will incur a new arrangement fee for this loan.

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 confirmed to you in your Facility Letter. You will have 30 days to sign, return and drawdown the full amount of the loan for any fixed rate in the Facility Letter to be valid
- Fixed interest rates remain unchanged for the duration of your agreed fixed period
- Fixing the interest rate on your loan involves a commitment by you for a specific period, between one and ten years. Fixed rate loans are designed to be held for the term of the fixed rate period
- Meeting longer term debt requirements with multiple shorter term loans can cost more or less over the total borrowing period
- Barclays does not provide advice, or recommendations on the suitability of your choice of financing solution. If you require advice, you should consult an independent advisor.

What happens if you repay your loan early?

If you repay all or part of your loan early you may be liable for fees or charges in line with the terms of your agreement. If you selected a fixed rate loan and you decide to pay early or cancel the fixed interest rate you may have to pay breakage costs in addition to other fees.

The fixed interest rate breakage costs reflect the cost to the bank of cancelling your fixed rate loan. These costs can be material but they are capped at a percentage of the amount being repaid or cancelled.

Should you consider proceeding with a fixed interest rate, you will be provided with a Breakage Cost Information Sheet explaining:

- Illustrative breakage costs for your loan under various scenarios
- Your breakage cost cap percentage and your illustrative maximum breakage costs
- How Barclays calculates breakage costs.

Next steps

Please contact us to discuss your requirements in more detail.

ANY PROPERTY USED AS SECURITY, WHICH MAY INCLUDE YOUR HOME, MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

You can get this in Braille, large print or audio by calling **0800 400 100*** (via Text Relay if appropriate) or by ordering online from **[barclays.co.uk/accessibleservices](https://www.barclays.co.uk/accessibleservices)**

Call monitoring and charges information

* Calls to 0800 numbers are free from UK landlines and personal mobiles. To maintain a quality service, we may monitor or record phone calls.

Barclays Business is a trading name of Barclays Bank PLC. Barclays Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register No. 122702). Barclays Bank PLC adheres to The Standards of Lending Practice which is monitored and enforced by The Lending Standards Board. Further details can be found at www.lendingstandardsboard.org.uk Registered in England. Registered No. 1026167. Registered Office: 1 Churchill Place, London E14 5HP.