



# Bank of St. Helena Ltd.

[www.sainthelenabank.com](http://www.sainthelenabank.com)

## **TERMS AND CONDITIONS FOR PERSONAL LENDING**

**Updated September 2024**

Please retain these Terms and Conditions for your records.

### **1 General**

1.1 These Terms & Conditions apply to all facilities, except where explicitly defined otherwise. In these Terms & Conditions:

- 'Applicant' and 'Borrower' shall be construed in the plural in the case of joint applications.
- 'Facility' shall be construed as any form of financial assistance applied for, whether it is a loan, overdraft or any new products introduced.
- 'St. Helena' includes the entire jurisdiction of St. Helena, including Ascension Island.
- 'Property' shall be construed as any land/building/house/dwelling place, whether it be completed or otherwise.

1.2 These terms and conditions form part of the contract between the bank and the borrower.

### **2 Eligibility**

2.1 Any individual aged eighteen years or over, who meet the following criteria, is eligible to apply for financial assistance:

- Has St Helenian status by right of birth, descent or grant
- Is a close or dependant relative or the life partner of someone with St Helenian status by right of birth, descent or grant
- Is currently in full time employment or, if working under a contract of employment, is able to repay the loan in full prior to the contract expiring
- Has a current account with the Bank of St. Helena Ltd

2.2 To be eligible for the Bank's offer to first time mortgage applicants for personal lending, the applicant must not have previously owned any property or have had any previous mortgages either individually, jointly or as a business venture.

2.3 Applications will still be subject to the Bank's approval process and the ability to meet any or all of the requirements above will not mean automatic approval of the loan.

2.4 Applicants who do not have St. Helenian status or have St Helenian status by grant, can only be considered for a secured loan.

2.5 The applicant must also provide proof that if the funds are for the purchase of assets, the assets will be for use within St Helena and Ascension Island only.

2.6 Applicants residing outside of St Helena and Ascension are not eligible for unsecured lending.

### **3 Application**

3.1 Every application must be made on the Bank's standard application form, which must be completed in full and signed by the applicant or an authorised signatory, in which Power of Attorney forms will need to be submitted.

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- 3.2 The purpose of the facility must be clearly stated within the application form and the loan funds must be used for the purpose for which it was approved.

### 4 Qualification

- 4.1 The borrower agrees that the Bank may take whatever steps it considers necessary to satisfy itself as to the creditworthiness of the applicant, and the applicant agrees to provide the Bank with whatever additional information it considers necessary, in order to assess the application. The borrower may withdraw this consent at any time before an application is approved, whereupon the application will be deemed to have been withdrawn.
- 4.2 The Bank reserves the right to decline applications at its sole discretion, without the requirement to provide a reason for doing so.
- 4.3 Applicants should not assume that meeting the requirements laid out in these Terms and Conditions automatically means approval of their application. Further analysis of the supporting data will be carried out to ensure the creditworthiness of the applicant and their ability to afford the loan repayments throughout the term of the loan.

### 5 Conditions of approval

- 5.1 Approval of a facility will be communicated by way of letter, email or telephone. Any additional or varied conditions will be clearly stated in a formal letter.
- 5.2 To accept the facility offer the applicant must sign and have witnessed in duplicate the facility letter.
- 5.3 Joint borrowers and guarantors are all responsible for ensuring that loan repayments are made and all conditions of the facility letter are met without default.
- 5.4 The borrower undertakes not to borrow further sums from any other source without the consent of the Bank whilst any amount of the facility remains outstanding.
- 5.5 The applicant will be required to prove ownership of any asset which is to be provided to the Bank as collateral.
- 5.6 The applicant will be expected to sign (where applicable) an acceptance form giving the Bank permission to inform the Licencing Officers at the Customer Service Centre and/or the Insurance Office of their interest in the asset being held as security for the duration of the proposed loan.
- 5.7 If the facility is not utilised within six months of the approval date it will become void.

### 6 Loan period

- 6.1 All facilities will be for a specified period of time which:
- will not exceed the estimated useful life of the collateral taken by the Bank as security.
  - will be the repayment period determined by the bank.

### 7 Interest rates

- 7.1 Interest will be calculated using the Base Rate, plus a margin that is set by the Bank depending on the type of facility; secured or unsecured.

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- 7.2 By accepting the facility the borrower authorises the Bank to vary the interest rate, whether occasioned by a change to the Base Rate or for other published reasons.

### **8 Repayments**

- 8.1 All repayments will be automatically debited from an agreed BoSH Current Account on the same date every month, commencing one month from the date of signing the facility letter.
- 8.2 The borrower must ensure that sufficient funds exist in the account to meet the scheduled monthly repayments.
- 8.3 Should there be insufficient funds in the Current Account, the repayment will still be made and an unauthorised overdraft will be created. The bank will then attempt to contact the borrower to advise of this unauthorised overdraft and request that it is cleared immediately. The account holder will be unable to draw cash or make payments from the Current Account until this overdraft has been cleared. Unauthorised overdrafts are deemed an event of default and will attract additional charges and/or interest at a higher rate.
- 8.4 We reserve the right of set-off, i.e. we may move money from other accounts held by you, jointly or personally, without notice, to repay an unauthorised overdraft and the overdraft interest thereon.
- 8.5 All repayments will be for a specific amount as calculated by the Bank in order to fully repay the facility, plus interest, by the agreed completion date.
- 8.6 Lump sum repayments are permitted but must be confirmed by the borrower in writing. By making lump sum payments this reduces the term of the facility. Lump sum repayments are applied to the facility at the next repayment date.

### **9 Disbursement**

#### **Secured Facilities**

- 9.1 Where facilities are for the purchase of specific items (capital assets/materials/labour) all disbursements under the facility letter will be made directly to the supplier.
- 9.2 All requests to disburse funds under a facility letter must be supported by a sales invoice.

#### **Unsecured Facilities**

- 9.3 Upon approval of an unsecured facility, the bank will notify the borrower. Once the facility letter has been signed, the agreed amount will be paid into the borrower's nominated account. The borrower need not supply documentation for the purchases made.
- 9.4 Where facilities are used for settling debts all disbursements under this facility will be made directly to the creditor.
- 9.5 Where facilities are approved for agriculture purposes, all disbursements under the facility will be made directly to the suppliers/provider. All requests to disburse funds must be supported by a sales invoice.

### **10 Events of Default**

- 10.1 The events that would cause a facility to be considered 'In Default' will be notified to the borrower in the facility letter.
- 10.2 In the case of an event of default, action (which may include legal action) will be taken to obtain payment and/or to take ownership of the assets held as security.

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10.3 Any event of default will affect your credit rating with the Bank and subsequent loan applications.

### 11 Insurance

11.1 Appropriate insurance must be maintained over any assets held as security by the Bank for the period of the facility. Such insurance is to be evidenced by the submission of an annual insurance certificate to the Bank.

11.2 Non submission of appropriate and up-to-date insurance certification is deemed an event of default and will attract additional charges.

Where loan funds have been approved to purchase an asset from overseas, appropriate insurance must be obtained to ensure that the asset being purchased is adequately insured during the delivery to St. Helena; copy of this insurance must be submitted to the Bank.

### 12 Fees

12.1 Applicants will be subject to the following fees:

- Application fee – Payable upon submission of your application form
- Administration fee – Payable on the date of signing your Facility letter

12.2 Applicants can be subjected to the following additional fees:

- Valuation fee – If a valuation of the asset offered as security is necessary, a valuation fee will be charged
- Reminder Letter fees – in the event of default, a reminder letter will be sent and the applicable fee will automatically be debited from your Bank Account.
- Cancellation fee – if the loan approval process is completed and you notify the Bank that the facility is no longer required; the applicable fee will automatically be debited from your Bank Account.

### 13 Other conditions

13.1 The applicant may use the services of third parties to assist in completing the application forms and required supporting data. However, the accuracy and completeness of the application remains the sole responsibility of the applicant.

13.2 The Bank reserves the right to monitor the use of the funds by the borrower in order to evaluate compliance with the provisions of the facility agreement and as such will carry out site visits from time to time. Notice will be given to the borrower prior to any site visits being undertaken.

13.3 If the asset held by the Bank as security is sold the Bank must be informed of the sale and the borrower must either:

- settle the outstanding loan balance immediately: or
  - provide alternative security of a value sufficient to secure the outstanding loan balance
- If neither option is feasible, the Bank will seize the asset from the new owner and sell it.

### 14 Amendment

14.1 The bank reserves the right to revise these terms and conditions at its sole discretion, at any time, without notice. Revisions will apply to new and existing borrowers. Existing borrowers will be informed of any material changes.

### General Advice to Borrowers

Bank of St. Helena attempts to establish that facilities it makes are affordable to the borrower. However, the bank recognises that circumstances may change unexpectedly. In the event that a

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borrower is likely to be unable to meet the repayments on a loan s/he should contact the bank as soon as possible to discuss the situation, preferably before any payments are missed, so that a satisfactory solution can be agreed.