Home Loan General Information

This General Information Sheet is issued by BNF Bank p.l.c. (Reg. No: C 41030) with registered address at 203, Level 2, Rue D' Argens, Gzira GZR1368, Malta.

This General Information Sheet applies to Green Home Loans, secured by residential immovable property to residents of Malta.

1. Lender Details

BNF Bank p.l.c. 203, Level 2,
Rue D'Argens, Gzira, GZR 1368, Malta
www.bnf.bank

2. Purposes for which the credit can be used

- To purchase, reconstruct, renovate, alter or improve a residential property;
- To refinance an existing Home Loan;
- To buy a second or additional residential property for own use;
- To buy a property with the intention to rent it; or
- To finance personal requirements.

3. Form of security required

- 1st General Hypothec on loan basis on the customer/s current and future assets for the full value of the facility.
- 1st Special Hypothec on loan basis and Special Privilege over the property being purchased for the full value of the facility.
- Pledge on a Life Insurance Policy covering the entire loan's amount for the full duration of the facility. In the case of a reducing term policy, the sum assured must be 110% of the facility amount.
- Pledge on a Building Insurance Policy covering the property being purchased for its full replacement value.
- Pledge on a Contractors All Risks Insurance Policy when financing construction or alterations of a residential property.
- Additional security may be requested.

4. Type of Loans

Typical Loans are denominated in euro, repayable over a number of years. This General Information Sheet applies to Green Home Loans secured by residential immovable property to residents of Malta.

- **Variable Interest Loans**
  The interest rate is quoted as a margin over the BNF Home Loan Base Rate (for House Loans and Bridge Loans) or BNF Base Rate (for Home Value Loans, Buy-to-Let Loans and Personal Loans), hereinafter referred to as 'Base Rate'. The interest charged on variable rate loans changes whenever there is a change in the linked Base Rate. This implies that when the Base Rate decreases the interest charged also decreases. On the other hand, if the Base Rate increases the interest charged on the loan also increases. The Bank may from time to time, at its sole and absolute discretion, change the Base Rate. The Bank shall notify the Borrower in writing of any change to the Base Rate prior to coming into effect. The new Base Rate shall be published on the Bank's website, (www.bnf.bank), at any of the Bank's branches, and if deemed necessary by the Bank by means of a public advert. Such change in the Base Rate shall be immediately effective upon such notification. Notwithstanding the changes in the Base Rate, the Bank may also change the margin in particular circumstances.

- **Fixed Period Interest reverting to– Variable Interest Loans**
  Commencing on the drawdown date, the interest rate applicable to the Loan shall remain fixed at the rate and period specified in the sanction letter or loan agreement ("Fixed Rate Period"). Upon the expiry of the Fixed Rate Period, the interest rate applicable to the Loan shall automatically revert to a variable interest rate, quoted as a margin over the BNF Home Loan Base Rate. Once the Loan reverts to a variable interest rate, the interest charged may fluctuate dependent on changes to the Base Rate. This means that if the Base Rate decreases, the interest charged will decrease accordingly, and if the Base Rate increases, the interest charged will increase. The Bank may, from time to time and at its sole and absolute discretion, change the Base Rate. The Bank shall notify the Borrower in writing and in good time, of any change to the Base Rate prior to such change coming into effect. The new Base Rate shall be published on the Bank's website (www.bnf.bank), at any of the Bank's branches, and, if deemed necessary by the Bank, through a public advertisement. Any change in the Base Rate shall become effective immediately upon such notification. Notwithstanding changes in the Base Rate, the Bank may also amend the applicable margin in specific circumstances permitted by the loan agreement or by law.

5. Loan Related Costs

- **Processing Fees**
  A Processing Fee of 0.30% of loan amount applies (max €150 for Personal Loans and max €600 for remaining types of loans).

- **Legal Fees**
  A Legal Fee of 0.275% of the Loan Amount with a minimum fee of €200 applies.

- **Searches & Update Fees**
  €30 plus any out-of-pocket expenses are payable after contract date to check proper registration of hypothecs. A searches update fee of €25 plus any out-of-pocket expenses will be charged upon updating of searches by the Bank, which takes place every 8 years.

- **Architect Fee**
  Should the Bank appoint its own architect to conduct a residential property valuation, a fee of min. €200 and max. €1,200 will be charged. The hypothecated immovable property may be subject to a property revaluation at the Bank's discretion.

- **Certificate for Progress Report**
  Should the Bank appoint its own architect to conduct a Certificate for Progress Report, a fee of €80 plus any out-of-pocket expenses will be charged.

- **Commitment Fee**
  A commitment fee of between 0.25% (Min. €10) and 0.50% per annum on the undrawn portion of the loan will be charged if the loan is not wholly utilised by the pre-agreed Drawdown Date.

- **Waiver/Postponement/Cancellation of Hypothecs Fee**
  A fee of €75 plus any out-of-pocket expenses will be charged when the customer requests a waiver or postponements of hypothecs and when the loan is repaid in full for the cancellation of hypothecs.

- **Land Registry Fee**
  A fee of €20 plus out of pocket expenses will be charged once the updated certificate is ordered from the Land Registry if the property falls in a Land Registration Area.

- **Conservation of Privilege Fee**
  A fee of €50 plus any out-of-pocket expenses will be charged for conservation of privilege.

- **Closure Fee**
  A fee of €100 will be charged with the closure of a Home Loan, Bridge Loan, Buy-to-Let Loan and a Home Value Loan.

- **Rescheduling Fee**
  A fee of 0.25%, min. €100 and max. €250, on the outstanding loan balance whenever repayment arrangements are extended beyond the original duration of the loan.

- **Changes in conditions of sanction**
  A fee of €50 for home loans, or €25 for personal loans, is payable whenever a revised sanction letter is issued to include any changes to the originally agreed terms

and conditions.

- **Advising of Irregularities**
  A fee of €30 applies when a regularisation letter (including situations when a condition of sanction is not satisfied) is sent. A fee of €100 applies if the letter is sent from the Bank's lawyers.

- **Statements**
  A fee of €2.50 applies when ad-hoc statement is requested and printed over the counter. A fee of €25.00 applies if statement requested is older than 1 year.

- **Third Party Costs**
  In case of cash security, pledge on shares or pledge on insurance policies required by the Bank, any third-party costs charged by other financial institutions will be debited to the borrower/s account.

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6. The cost of a BNF Green Home Loan

A representative example of a Green Home Loan

A Tier 1 Green Home Loan of €250,000 repayable over 40 years at a fixed borrowing interest rate of 2.0% for the first 24 months from date of drawdown and a variable interest rate of 2.50% per annum for the remaining 456 months, calculated using an Actual/365-day interest rate method, would result in an Annual Percentage Rate of Charge (APRC) of 2.51% per annum.

A Tier 2 Green Home Loan of €250,000 repayable over 40 years at a fixed borrowing interest rate of 2.0% for the first 24 months from date of drawdown and a variable interest rate of 2.60% per annum for the remaining 456 months, calculated using an Actual/365-day interest rate method, would result in an Annual Percentage Rate of Charge (APRC) of 2.6% per annum.

7. Duration

Green Home Loan

The customer will repay his/her Loan in monthly instalments inclusive of interest over a pre-agreed period of time.

The repayments of a Tier 1 Green Home Loan of €250,000, repayable over 40 years at a fixed borrowing interest rate of 2.0% for the first 24 months from date of drawdown and a variable interest rate of 2.50% per annum for the remaining 456 months, calculated using an Actual/365-day interest rate method.

The loan will be repayable in 24 equal monthly instalments of €757.25, followed by 455 equal monthly instalments of €821.75 each and one final instalment of €822.23.

The repayments of a Tier 2 Green Home Loan of €250,000, repayable over 40 years at a fixed borrowing interest rate of 2.0% for the first 24 months from date of drawdown and a variable interest rate of 2.60% per annum for the remaining 456 months, calculated using an Actual/365-day interest rate method.

The loan will be repayable in 24 equal monthly instalments of €757.25, followed by 455 equal monthly instalments of €835.00 each and one final instalment of €836.63.

Any additional payment the customer may make will be used to pay accrued interest first and is then applied to the capital.

In case of any early repayment, no refund shall be given by the Bank of any one-time fees paid by the Borrower/s and referred to in the Home Loan Agreement such as processing and legal fees. Furthermore, in the event of a full early repayment by the Borrower/s, any amount discounted by the Bank on the processing fee or on any other fees granted by the Bank to the Borrower/s upon signing the Home Loan Agreement shall be paid to the Bank through the debiting of the Borrower/s current/savings account held with the Bank with an amount equivalent to the discount on the relevant fee/s.

8. Cashback initiative for a Green Home Loan

The cashback benefit will be determined by the EPC tier applicable to the borrower's loan:

- **Tier 1 loans:** €1,500 cashback
- **Tier 2 loans:** €1,000 cashback

The applicable cashback amount will be paid following the **first drawdown** and credited directly to the **current account servicing the loan**.

Cashback is subject to the Bank's terms and conditions applicable at the time of sanction and drawdown

9.Repayment

The Green Home Loan Agreement shall terminate automatically when the Borrower/s repay the Green Home Loan in full including any accrued interest and costs.

10. Early repayment

Early repayments of the loan together with all interest accrued up to the date of the repayment may be affected by the customer in whole or in part subject to the customer giving the Bank prior notification in writing of at least 5 working days prior to the next instalment due date. When a partial early repayment is made, the monthly repayment amounts and any applicable costs may be adjusted in order to reflect such partial early repayment. For the avoidance of all doubt and dispute, in the event of a partial early repayment, the term for the repayment of the loan shall remain unaltered. During the term of the loan for which the interest rate is variable, no fees will be charged.

11. Property valuation

A valuation of the property from a Bank appointed architect would be required.

A valuation of the property by a Bank's appointed architect would be required, excluding House Loans linked to properties having a market value of €250,000 or less. In such cases, the customer may appoint an architect of his/her choice.

12. Tax relief on Green Home Loan interest or public subsidies

Should the customer wish to obtain information on tax relief on House Loan interest, if any, the customer should contact the Department of Inland Revenue. Should the customer require any information on the possibility of a public subsidy the customer should contact the Housing Authority.

13. Ancillary services

The customer must obtain a life insurance cover and a building insurance policy in order to be able to obtain the loan.

14. Possible consequences of non-compliance with the commitments

The customer will be charged an additional debit interest rate of 4% over and above the debit interest rate charged on the regular borrowings on any loan arrears or missed repayments, plus a monthly fee of €25 until regularisation. In the event of non-compliance with any of the terms and conditions of the loan, including non-adherence to the monthly repayments, the Bank may take steps to repossess and sell the property being financed, following legal proceedings, and the customer may lose his/her property.