

## Key facts about your Pre-Retirement Loan

<p><b>A. This is an interest only loan.</b></p>	<p>Unlike our standard personal loans you will not be repaying any capital during the period of the loan. Payments are made monthly or 4 weekly depending on your pay frequency and will cover the interest element of your loan only.</p>
<p><b>B. How we calculate your interest payments</b></p>	<p>Each month your interest accrues on a daily basis and is applied on the due date to the principal balance before allocating your repayment. To allow for the fluctuation in the number of days between each repayment we have rounded up the highest interest payment you will make to the nearest pound.</p> <p><b>Representative Example</b> - The maximum number of days between payments will be 31 days. This would mean a loan of £50,000 @ an annual rate of 4.6% APR (4.6% AIR) would be £190.65 per month. Your agreed payment would therefore be a £191.00 per month.</p> <p>For those months where there are less than 31 days you will still pay the agreed monthly repayment however we only apply the amount of interest actually due to your loan each month due and any difference will be allocated to your membership account.</p>
<p><b>C. Release of funds</b></p>	<p>In order to keep to the monthly / 4 weekly repayment schedule and keep your payments the same we will not release any funds until your first pay date after your loan has been approved.</p>
<p><b>D. Final Repayment</b></p>	<p>The number of monthly payments has been calculated up to the last payment date before the date you have indicated you will be in receipt of your commutation. The balance due at the agreed date will be the principal sum borrowed plus the number of day's interest due since your last monthly payment.</p>
<p><b>E. Working beyond your original retirement date</b></p>	<p>Should you indicate during the loan term that you intend to work on beyond your original retirement date and the original repayment term was for a period of less than 4 years you may extend the date of repayment by the signing of a new loan agreement reflecting the new retirement date as long as the total term does not exceed 4 years.</p> <p>If the original loan is over the full 4 year period OR the originally agreed period plus the additional service will take the repayment period over the 4 year limit you will be allocated a new Pre Retirement Loan for the same amount which will be used to pay off your existing Pre Retirement loan. This will be new loan with a new loan period within 4 years of the new retirement date at the <b>applicable rate at the time or at least no less than the rate of the original loan.</b></p>
<p><b>F. Payment Waiver</b></p>	<p>Your pre- retirement loan is covered by Payment Waiver providing you with free accident and sickness cover for your monthly / 4 weekly loan repayments.</p> <p><b>Please note Payment Waiver cover is not applicable to the final lump sum element of your Pre – Retirement loan.</b></p> <p><b>Full terms and conditions applicable to Payment Waiver are included in the terms and conditions applicable to this loan and have been enclosed for your information. Please ensure you have read these before signing and returning your loan paperwork.</b></p>