



PERSONAL – CASH BACKED LENDING (Overdraft)

Cash Backed Lending can be used to support expenses with cash held as guarantee.

Your Needs

This is an option worth considering if you have cash deposited for a fixed term and require access to liquidity in the short-term. It can provide access to funds through an overdraft using your cash deposit as security.

Our Solution

Credit facilities secured by cash, held with us, could allow you to release liquidity from your deposits. It can be structured as an overdraft with an annual review on the limit. You are also able to open this in multi-currency.

Benefits

- Only pay interest on the amount of the agreed overdraft you use.
- The limit increase can be quick to arrange.
- An overdraft is flexible — you only borrow what you need at the time.
- If you pay off your overdraft there is no early repayment charge.
- Unlike a loan, overdrafts have no scheduled repayment plan and is an unstructured way to lend.
- Available in multi-currencies if required.

Considerations

- Our overdrafts are charged at a variable rate and tracks the Coutts Base Rate, therefore is subject to change.
- You would be subject to higher interest costs for exceeding agreed limit. This is called an “unarranged overdraft”.
- An overdraft is a form of debt, and the bank has the right to ask for repayment of your overdraft at any time.
- The interest charged on overdrafts can be higher than other forms of lending.
- If used on a regular basis it can be a more expensive way to borrow. If you opt for a currency option, then this would be subject to currency fluctuations and must match your current account currency.
- Arranged overdraft interest, is calculated daily, and charged quarterly.
- Overdrafts will be reviewed annually to ensure that the borrowing is still meeting your needs.
- Cash Backed Lending cannot be used for Home Renovations.

Product Specifications

Interest Rate: Margin over Coutts Base Rate (GBP) or Currency Reference Rate (Non GBP)

Currency: GBP, USD, EUR, JPY & CHF

Term: No minimum term but reviewed annually

Minimum Threshold:
£60,261

Maximum Threshold: No Maximum however based on cash held as security

Repayment Basis: Interest Only - Security required as described below. Charge is collected quarterly.

Security: Instant, Notice and Fixed Deposits on a first party and same currency basis only.

Cash Backed Lending can be used for a wide range of purposes including purchase of a UK PPR and property purchase outside the UK.



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Pricing & Fees

- The larger your portfolio the lower your interest rate will be.
- There is no arrangement fee.

All costs will be available in your lending agreement when you apply for an overdraft. You will also be notified of any base rate changes, and these will be published on our website.

Is Cash Backed Lending right for you?

- Arranged overdrafts are designed for flexible non structured borrowing, and you're only charged for the amount you use.
- Your cash collateral is untouched. But this will be a secured facility, and this is taken over the cash balance held.
- If you plan to use your overdraft on a regular basis there may be other products more suitable for your needs.
- An unarranged overdraft is when you spend more money than you have or you have exceeded your existing overdraft limit. Both types of overdrafts have associated charges, but you'll only pay interest if you use it. This interest charge is dependent on your account. With currency borrowing, there is a risk that due to currency fluctuation you may repay a higher amount in the currency of borrowing.
- You can apply for an overdraft and we'll make a decision based on your individual circumstance. There are some limitations on the use of funds and you can find out more by speaking to your private banker.
- Credit subject to individual circumstance. Over 18s only

How it works

You can speak to your Private Banker who will be able to go through the application with you.

Discussion

Our team don't provide financial advice as part of the overdraft service we provide you. However, we will give you information to help you make an informed decision.

Assessment

Our team will support you through the application and work with our credit team to assess your request. Dependent on how much you are looking to borrow you may be asked to provide additional documentation.

Confirmation

Our team will let you know if your application was successful or not.

Ready to Use

Our team will let you know when your overdraft is in place.

If you would like this document in another format such as Braille, large print or audio, please let us know.