



Block Discounting Agreement

Conister Finance & Leasing Ltd (Conister) can provide a facility to the Borrower in order to fund lending activities.

Customer loans

The underlying agreements will reside on the Borrower's paper and systems. There will only be one facility between the Borrower and Conister. The underlying agreements will be assigned against the Block facility to Conister on each drawdown.

Security over assets

Conister will also expect to take a floating charge over the Borrower's assets. On each drawdown underlying assets will be secured and assigned to Conister through a deed of assignment.

Capital and Interest payment

The key feature of this product is that the Borrower will make capital and interest repayments during the term of the loan (maximum 5 years).

Security cover ratio

Conister will fund a percentage of the advance of the debt, and will expect a security cover ratio of between 125%-300% of the gross receivables on drawdown.

Replacement paper

If the underlying agreements that are assigned by the Borrower go into arrears/default, then this can be replaced by further loans (unencumbered assets) which will be assigned to Conister. Therefore, allowing the Borrower to always meet the covenants agreed of 125%-300% asset cover.

Precedent documents

The Borrower will be requested to provide a number of satisfactory documents to Conister which constitute the precedent conditions to be met before the agreement goes live.

Audits and pre-lend audit

A pre-lend audit will be undertaken by an independent firm during the on boarding process which entails a review of the Borrower's processes. Biannual audits will be carried out through both remote and site visits. This will look at all aspects of the Borrower but focus on a review of underlying agreements, regulatory compliance and financial performance.

Financial covenants applicable (asset cover ratio's/interest cover and tangible net worth)

Financial covenants will be agreed at the outset of the agreement. This will ensure that Conister can monitor the Borrower's performance during the term of the facility. These covenants will be based on both current and forecasted financial data.

Legal opinion required (enforceability of loans)

Conister will take legal advice on whether the Borrower's underlying regulated/unregulated loans are enforceable together with the supporting documentation.

Costs and expenses

Pre-lend audit fees and legal fees will be payable by the Borrower. An arrangement fee of 1% of the facility will be payable on signing of the agreement. All other fees will be incorporated within the Block Discounting Agreement and discussed between parties during the onboarding process.

Monitoring

Regular monthly management information will be provided to Conister to allow covenants and performance to be monitored.

- Tripartite agreement with SaaS provider/s.
- Open Banking required.
- Read only access to the lending system.



To find out more:

Call us on **+44 (0)1635 890000** or visit us at **conister.co.uk**