



Integrated Wholesale Funding Agreement

Conister can establish a securitised structure with a Borrower to lend under pre-agreed eligibility criteria.

Customer loans

Conister will be the lender of record.

Security over assets and the collections account

Conister will take a debenture over the SPV, share charge over the SPV's assets and the IWFA will complete the Security. A collection account will either be set up by the SPV and Conister will be a signatory to approve payments, or Conister will hold the account into which customer receipts will be credited [directly from source e.g., Barclaycard, Bottomline, GoCardless, SUN provider]. All direct debits and card payments [telephone and internet] for the underlying loans are expected to be called into this collection account.

Cash Reserve

Conister will maintain a Client Transaction Account holding between 3% and 10% [determined during the Pre-Lend Audit] of the principal balance outstanding to Conister [depending on the financial standing of the Borrower/SPV, underlying product and positions in the company's and product's lifecycle], these monies will cover any shortfalls seen in the event of default or if a buy-back is required.

Servicing

The Borrower takes full responsibility to service loans including originating, on-boarding, administering, collections and enforcement. All customer queries and complaints are directed to the Borrower. A suitable standby servicer will need to be appointed and a tripartite agreement, to include Conister, signed prior to the facility going live.

Data

A daily SQL backup [full data extract] from the Borrower's loan management system or data warehouse will be required and Conister will work with the Borrower to determine a suitable schema.

Facility

The key feature of this product is that Conister can offer a sizeable facility in a secured and structured manner.

Buyback

The Borrower agrees to buy-back any loans that reach 90 days in arrears.

Legal documents and conditions

The Borrower will be requested to provide relevant paperwork e.g., AML/CDD identification and proof of address to Conister, to satisfy any conditions precedent and reach legal completion. Tripartite agreements may be required with SaaS and SUN provider/s.

Audits and pre-lend audit

A pre-lend audit will be undertaken during the onboarding process which entails a review of the Borrower's policies, processes and procedures. Quarterly audits will be conducted through both remote and site visits. This will look at all aspects of the Borrower but focus on a review of underlying agreements, customer journey, regulatory/legislative compliance and financial performance.

Monthly Information Requirements

Conister will use monthly management information, collateral report, compliance certificate and borrowing base schedule to review and monitor the financial and non-financial performance of the SPV and Parent. Reporting on and data to evidence Service Level Agreement (SLA) compliance will be required. Open Banking permissions can be provided by the borrower as an alternative to providing Bank Statements monthly. Read only access to the Borrower's lending system can improve auditing, monitoring, sample testing and attract more favourable terms.

Financial covenants (e.g., facility security ratio, interest cover and tangible net worth)

Financial covenants will be agreed at the outset of the RCF [based on historic and forecast performance]. Conister will measure variance to and compliance with these covenants throughout the life of the facility.

Eligibility Criteria and Non-Financial Covenants

Conister will agree Eligibility Criteria and Non-Financial Covenants during negotiations, these will be confirmed post the Bank's sight of and satisfaction with the Pre-Lend Audit. The IWFA will contain Early Warning Signals and SLAs.

Legal opinion required

Conister will require legal opinion or confirmation that the SPV's legal documentation, underlying documentation controls and timelines for issuance are regulatory/legislatively compliant, transferable [assignable] and enforceable. Conister will need to be documented as the Lender of Record.

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, including non-utilisation, will be incorporated within the IWFA and discussed between parties during the on-boarding process.



To find out more:

Email structuredfinanceteam@conisterbank.co.im call us on +44 (0)1635 890000 or visit us at conister.co.uk