Factsheet

Revolving Credit Facility ("RCF")

Conister

Conister can provide a facility to the Borrower to fund lending.

Customer loans

The underlying agreements will reside on the Borrower's paper and systems. There will only be one facility between the Borrower/Special Purpose Vehicle (SPV) and Conister. The underlying agreements will be assigned via a Sale Purchase Agreement (SPA) within the RCF to the SPV, for which Conister will provide a Loan.

Security over assets and the collections account

Conister will take a debenture over the SPV, share charge over the SPV's assets and the RCF 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

At all times a minimum of 3% up to 10% 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) will be held within a Conister account.

Interest only repayments with capital payment on expiry/termination of loan

The key feature of this product is that the Borrower will only make monthly interest repayments during the term of the loan and repay the capital element as the term ends (termination date). This allows a potential Borrower greater liquidity during the term of the facility.

Borrowing base schedules

Conister will fund up to the full advance of the eligible borrowing base, subject to historic dilution (e.g., arrears, defaults, write-offs and concentration levels) and facility security cover (interest and fees due against the principal balance).

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 polices, 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. 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.

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.

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 RCF and discussed between parties during the on-boarding process.

To find out more:
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