



Bank of St. Helena Ltd.

www.sainthelenabank.com

Loan Application Mortgage (Housing)



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Established and regulated under the Financial Services Ordinance, 2008, the Financial Services Regulations, 2017 and the Company Ordinance, 2004



TERMS AND CONDITIONS

Updated September 2022

1 General

- 1.1 These Terms & Conditions apply to all facilities, except where explicitly defined otherwise.

In these Terms & Conditions:

- 'Applicant' and 'Borrower' shall be construed in the plural in the case of joint applications.
- 'Facility' shall be construed as any form of financial assistance applied for, whether it is a loan, overdraft or any new products introduced.
- 'St. Helena' includes the entire jurisdiction of St. Helena, including Ascension Island.
- 'Property' shall be construed as any land/building/house/dwelling place, whether it be completed or otherwise.

- 1.2 These terms and conditions form part of the contract between the bank and the borrower.

2 Eligibility

- 2.1 Any individual aged eighteen years or over, who meet the following criteria, is eligible to apply for financial assistance:

- Has St Helenian status by right of birth or descent
- Is a close or dependant relative or the life partner of someone with St Helenian status by right of birth or descent
- Is currently in full time employment or, if working under a contract of employment, is able to repay the loan in full prior to the contract expiring
- Has a current account with the Bank of St. Helena Ltd

Applications will still be subject to the Bank's approval process and the ability to meet any or all of the requirements above will not mean automatic approval of the loan.

- 2.2 To be eligible for the Bank's offer to first time mortgage applicants for personal lending, the applicant must not have previously owned any property or have had any previous mortgages either individually, jointly or as a business venture.

- 2.3 Applicants who do not have St. Helenian status or have St Helenian status by grant, can only be considered for a secured loan of up to £5,000. If an unsecured loan is required, the applicant must submit a joint application with a person who is eligible to apply for financial assistance.

- 2.4 The applicant must also provide proof that if the funds are for the purchase of assets, the assets will be for use within St Helena and Ascension Island only.

- 2.5 Applicants residing outside of St Helena and Ascension are not eligible for unsecured lending.

3 Application

- 3.1 Every application must be made on the Bank's standard application form, which must be completed in full and signed by the applicant or an authorised signatory, in which Power of Attorney forms will need to be submitted.

- 3.2 The purpose of the facility must be clearly stated within the application form and the loan funds must be used for the purpose for which it was approved.

4 Qualification

- 4.1 The borrower agrees that the Bank may take whatever steps it considers necessary to satisfy itself as to the creditworthiness of the applicant, and the applicant agrees to provide the Bank with whatever additional information it considers necessary, in order to assess the application. The borrower may withdraw this consent at any time before an application is approved, whereupon the application will be deemed to have been withdrawn.

- 4.2 The Bank reserves the right to decline applications at its sole discretion, without the requirement to provide a reason for doing so.

- 4.3 Applicants should not assume that meeting the requirements laid out in these Terms and Conditions automatically means approval of their application. Further analysis of the supporting data will be carried out to ensure the creditworthiness of the applicant and their ability to afford the loan repayments throughout the term of the loan.

5 Conditions of approval

- 5.1 Approval of a facility will be communicated by way of letter, email or telephone. Any additional or varied conditions will be clearly stated in a formal letter.

- 5.2 To accept the facility offer the applicant must sign and have witnessed in duplicate the facility letter.

- 5.3 Joint borrowers and guarantors are all responsible for ensuring that loan repayments are made and all conditions of the facility letter are met without default.

- 5.4 The borrower undertakes not to borrow further sums from any other source without the consent of the Bank whilst any amount of the facility remains outstanding.

- 5.5 The applicant will be required to prove ownership of any asset which is to be provided to the Bank as collateral.

- 5.6 The applicant will be expected to sign (where applicable) an acceptance form giving the Bank permission to inform the Licencing Officers at the Customer Service Centre and/or the Insurance Office of their interest in the asset being held as security for the duration of the proposed loan.

- 5.7 If the facility is not utilised within six months of the approval date it will become void.

6 Loan period

- 6.1 All facilities will be for a specified period of time which:

- will not exceed the estimated useful life of the collateral taken by the Bank as security.
- will be the repayment period determined by the bank.

7 Interest rates

- 7.1 Interest will be calculated using the Base Rate, plus a margin that is set by the Bank depending on the type of facility; secured or unsecured.

- 7.2 By accepting the facility the borrower authorises the Bank to vary the interest rate, whether occasioned by a change to the Base Rate or for other published reasons.

8 Repayments

- 8.1 All repayments will be automatically debited from an agreed BoSH Current Account on the same date every month, commencing one month from the date of signing the facility letter.
- 8.2 The borrower must ensure that sufficient funds exist in the account to meet the scheduled monthly repayments.
- 8.3 Should there be insufficient funds in the Current Account, the repayment will still be made and an unauthorised overdraft will be created. The bank will then attempt to contact the borrower to advise of this unauthorised overdraft and request that it is cleared immediately. The account holder will be unable to draw cash or make payments from the Current Account until this overdraft has been cleared. Unauthorised overdrafts are deemed an event of default and will attract additional charges and/or interest at a higher rate.
- 8.4 We reserve the right of set-off, i.e. we may move money from other accounts held by you, jointly or personally, without notice, to repay an unauthorised overdraft and the overdraft interest thereon.
- 8.5 All repayments will be for a specific amount as calculated by the Bank in order to fully repay the facility, plus interest, by the agreed completion date.
- 8.6 Lump sum repayments are permitted but must be confirmed by the borrower in writing. By making lump sum payments this reduces the term of the facility. Lump sum repayments are applied to the facility at the next repayment date.

9 Disbursement

Secured Facilities

- 9.1 Where facilities are for the purchase of specific items (capital assets/materials/labour) all disbursements under the facility letter will be made directly to the supplier.
- 9.2 All requests to disburse funds under a facility letter must be supported by a sales invoice.

Unsecured Facilities

- 9.3 Upon approval of an unsecured facility, the bank will notify the borrower. Once the facility letter has been signed, the agreed amount will be paid into the borrower's nominated account. The borrower need not supply documentation for the purchases made.
- 9.4 Where facilities are used for settling debts all disbursements under this facility will be made directly to the creditor.
- 9.5 Where facilities are approved for agriculture purposes, all disbursements under the facility will be made directly to the suppliers/provider. All requests to disburse funds must be supported by a sales invoice.

10 Events of Default

- 10.1 The events that would cause a facility to be considered 'In Default' will be notified to the borrower in the facility letter.
- 10.2 In the case of an event of default, action (which may include legal action) will be taken to obtain payment and/or to take ownership of the assets held as security.

- 10.3 Any event of default will affect your credit rating with the Bank and subsequent loan applications.

11 Insurance

- 11.1 Appropriate insurance must be maintained over any assets held as security by the Bank for the period of the facility. Such insurance is to be evidenced by the submission of an annual insurance certificate to the BoSH.
- 11.2 Non submission of appropriate and up-to-date insurance certification is deemed an event of default and will attract additional charges.

12 Fees

- 12.1 Applicants will be subject to the following fees:
- Application fee – Payable upon submission of your application form
 - Administration fee – Payable on the date of signing your Facility letter
- 12.2 Applicants can be subjected to the following additional fees:
- Valuation fee – If a valuation of the asset offered as security is necessary, a valuation fee will be charged
 - Reminder Letter fees – in the event of default, a reminder letter will be sent and the applicable fee will automatically be debited from your Bank Account.
 - Cancellation fee – if the loan approval process is completed and you notify the Bank that the facility is no longer required; the applicable fee will automatically be debited from your Bank Account.

13 Other conditions

- 13.1 The applicant may use the services of third parties to assist in completing the application forms and required supporting data. However, the accuracy and completeness of the application remains the sole responsibility of the applicant.
- 13.2 The Bank reserves the right to monitor the use of the funds by the borrower in order to evaluate compliance with the provisions of the facility agreement and as such will carry out site visits from time to time. Notice will be given to the borrower prior to any site visits being undertaken.
- 13.3 If the asset held by the Bank as security is sold the Bank must be informed of the sale and the borrower must either:
- settle the outstanding loan balance immediately: or
 - provide alternative security of a value sufficient to secure the outstanding loan balance
- If neither option is feasible, the Bank will seize the asset from the new owner and sell it.

14 Amendment

- 14.1 The bank reserves the right to revise these terms and conditions at its sole discretion, at any time, without notice. Revisions will apply to new and existing borrowers. Existing borrowers will be informed of any material changes.

General Advice to Borrowers

Bank of St. Helena attempts to establish that facilities it makes are affordable to the borrower. However, the bank recognises that circumstances may change unexpectedly. In the event that a

borrower is likely to be unable to meet the repayments on a loan s/he should contact the bank as soon as possible to discuss the situation, preferably before any payments are missed, so that a satisfactory solution can be agreed.

A GUIDE FOR APPLICANTS

When submitting your application please ensure that you have the following documents attached to your application.

If you are residing on St Helena Island we require the following: -

- A fee of £10 for the processing of your application.
- A copy of your most recent pay certificate.
- A copy of your contract, if you are working under a contract.
- If you are self-employed we require a copy of your 'P50S' form, income and expenditure or profit and loss accounts that you submitted to the Tax Office. As well as a draft of your year to date accounts for the current year.
- A breakdown of Contractors cost for Materials, Labour & Transport.
- A copy of your Decision Notice.

If you are residing overseas we would require the following: -

- A fee of £10 for the processing of your application.
- A copy of your most recent pay certificate.
- A breakdown of Contractors cost for Materials, Labour & Transport.
- A copy of your Decision Notice.
- A copy of your overseas bank statement for the previous year.
- A copy of your Power of Attorney Forms. You will need to appoint a person on St Helena Island to be your Power of Attorney to sign documents on your behalf. The Bank would require you to have both Power of Attorney forms; A General Power of Attorney and a Registered Land Ordinance Power of Attorney. For further information on these forms you can contact the Judicial Office on Telephone number 00290 22340.

ADDITIONAL INFORMATION

- You are eligible to apply for 3 times your annual salary if applying for a loan as a sole borrower. If you wish to

apply for a joint loan, you are eligible to apply for 3 times the annual salary of the higher earner and 1 time the annual salary of the second applicant.

- Housing Loans interest rate is 7%.
- The maximum term for a housing loan is 30 years depending on your age.
- The timeline for the approval process is 4 to 6 weeks.

FIRST TIME HOMEOWNERS

To be eligible for the first-time homeowner offer, applicants must not have previously owned any property or have had any previous mortgages either individually, jointly or as a business venture.

- Applicants who earn £8,880 per annum or less, are eligible for an interest rate of 5% for the full term of 30 years.
- Applicants who earn £17,760 per annum or less, can defer repayment of the principal loan amount for a period of up to 2 years. During the deferral period the interest rate will be 5% per annum; the interest rate will revert to the prevailing rate (currently 7%) once repayments of both principal and interest commence.

LOAN APPROVAL

Should your loan be approved you will be informed by a letter. Attached to your letter will be a permission slip to get your approval to search the Lands register and a transfer for the fee of £5 will be charged and paid to St Helena Government to carry out this process. The permission slip and the transfer must be signed and returned to the Lending Section.

Once the search has been completed by the Property Division a further letter will be sent to you informing you of the fees* payable and a date and time of your appointment to sign your facility letter with the Lending Section followed by signing the Legal Charge and Caution at the Property Division.

*Fees that will apply are: -

- A Loan Admin
- Lands Fees



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APPLICATION FORM

Mortgage

(Housing)



SECTION 1 DO YOU HAVE THE RIGHT FORM?

This form should be used when an individual wish to apply for a **Housing loan**. Sole-Traders, Partnership businesses, Limited Companies (private or public) and personal loan applicants should use a different form.

SECTION 2 PERSONAL DETAILS

Personal Details:	Applicant 1	Applicant 2
Title:		
First Name:		
Middle Name:		
Last Name:		
Date of Birth:		
Contact Details:		
Home Tele No.:		
Work Tele No.:		
Mobile Tele No.:		
Email Address:		
Current Postal Address:		
Address Line 1:		
Address Line 2:		
Address Line 3:		
Previous Postal Address: (if at current address less than <i>three years</i>)		
Address Line 1:		
Address Line 2:		
Address Line 3:		
Employment Details:		
Employer:		
Position Held:		
If working on contract, what is the remaining term?		
Previous employer: (if in current employment <i>less than 12 months</i>)		



Details of Bank Accounts (Bank statements may be required)		
	Applicant 1	Applicant 2
BoSH Account No.		
Details of other Bank Accounts off island		
Name of Bank:		
Type of Account:		
Household Details:		
No. of Adults in Household		
No. of Children in Household		
Specify how many contribute to living expenses		

SECTION 3 DETAILS OF OWNED PROPERTY

Do you currently or have you previously owned any land/building/house/dwelling place or had any previous mortgages individually, jointly or as a business venture?								
	Applicant 1			Applicant 2				
Please tick:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If yes, please provide details of property currently owned:								
Address								
Leasehold/Freehold								
Mortgage Outstanding								
Approx. Value								
Lender/Mortgagee								
Present house is:	Owned by me	<input type="checkbox"/>	Owned by other	<input type="checkbox"/>	Rented	<input type="checkbox"/>	<input type="checkbox"/>	
Other (Give Details)								



SECTION 4 DETAILS OF LOAN REQUEST

Purpose of Loan: (choose the applicable)					
House/Land Purchase		New Construction		Extension	
Alteration		Re-mortgage		Repairs	
Preferred Loan Term: _____ Years (Maximum term 30 years, depending on eligibility)					
If first time home owner; please select preferred offer:					
5% for full loan term for those who earn less than £8,880 per annum		Defer principal repayments for a 2-year period for those who earn less than £17,760 per annum			
Cost of project: (£)					
Excavation		Transport			
Labour		Materials			
Rooms planned:					
Kitchen		Living Rooms		Bathroom/Toilet	
Other (Give Details)					
Details of property to be purchased/or where work to be carried out :					
Address:					
On Freehold		Government Lease		Other Lease	
Registration Section:			Block No.:	Parcel No.:	
Property Costs:		Outright Purchase		New Construction, Extension, Repairs or Alteration	
Total Cost: (£)					
Applicants Contribution: (£)					
Amount of Loan Required: (£)					
If other than outright house purchase, please specify name of person/s undertaking the job:					
Plan number _____ has been approved by the Building Authority and a copy of my Decision Notice is attached.					



SECTION 5 FINANCIAL INFORMATION

	Applicant 1		Applicant 2	
Net Income:	£	Week/Month	£	Week/Month
Current Payslip Attached:				
Expenses:				
Rent/Mortgage Repayments*:	£		£	
Other Loan**:	£		£	
Vehicle Costs: Fuel	£		£	
Vehicle Costs: (Insurance/MOT Fee/Road License)	£		£	
Utilities:	£		£	
Food:	£		£	
Personal: (Clothing/Creché/Maintenance/HTDT)	£		£	
Total Expenses:	£		£	
Statement of Personal Assets and Liabilities:				
	Applicant 1		Applicant 2	
Land/Buildings	£		£	
Vehicle(s)	£		£	
Debtors (Persons who owe you)	£		£	
Cash in Hand/Bank	£		£	
Other Assets	£		£	
Existing Mortgage	£		£	
BoSH Loans*	£		£	
Creditors (Persons you owe)**	£		£	
OFFICE USE ONLY – NET:	£			
*Specify other loans held with the BoSH, together with confirmation of amount still outstanding				
Applicant 1		Applicant 2		
Type (Personal/Mortgages/Commercial)	Amount (£)	Type (Personal/Mortgages/Commercial)	Amount (£)	



**Specify other creditors hereunder, together with confirmation of amount still outstanding:

Applicant 1		Applicant 2	
Name of Creditor	Amount (£)	Name of Creditor	Amount (£)

Further information applicants may consider of relevance:

Declaration

I/We certify that the information provided above is correct:

1. I/We have read and accepted the applicable Terms & Conditions for this loan, and will utilise the loan in accordance with these Terms & Conditions as set by Bank of St Helena.
2. I/We will promptly notify the Bank of any changes in the above details.

	Applicant 1	Applicant 2
Signature:		
Date:		

OFFICE USE ONLY

Application fee £10.00

Surplus income