



Retail Loans Terms and Conditions

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This information sheet provides an overview of the general terms and conditions applicable to MeDirect Home Loans granted to residents of Malta and secured by immovable property situated in Malta (hereinafter referred to as the “**Home Loan Facility**”).

1 Details of the Lender

MeDirect Bank (Malta) Plc (C 34125)
The Centre, Tigné Point, Sliema TPO 0001, Malta
www.medirect.com.mt

2 Purposes for which the Loan Facility may be used

2.1 Home Loan

- To acquire, construct, complete and improve your first home.
- To acquire, construct, complete and improve your second residential property.
- To construct, complete and improve your residential property.
- To refinance your existing home loan held with another credit institution, which was originally granted to end finance your primary and/or secondary residential property.

2.2 Property Investment Loan

- To acquire, complete and improve a property portfolio which can be rented out.
- To add a property to your existing portfolio of assets

2.3 Home Equity Loan

- To acquire your holiday home which can be located outside of Malta
- To acquire a recreational land and/or recreational property
- To purchase a luxury vehicle or boat
- To pay for personal expenses such as study expenses.

3 Security Required

- First (1st) general hypothec (on loan basis) over all the applicant’s present and future assets for the full value of the home loan facility.
- First (1st) special hypothec (on loan basis) over the immovable property acquired by the applicant/s for the full value of the home loan facility.
- First (1st) special privilege for the maximum amount allowed by law over the immovable property acquired by the applicant/s.
- Pledge on a life insurance policy issued in the name of the applicant/s covering the entire home loan facility and for the full duration of the said facility.
In case of reducing term life policy the amount inserted should be 110% of the Loan Facility.
- Pledge on a building insurance policy for an adequate replacement value covering the immovable properties hypothecated in favour of the Lender.
- Other security as may be requested or accepted by the Lender.

4 The Loan Facility

Loan Facilities are solely denominated in Euro (€) and repayable over several years.

The applicable rates of interest on the Loan Facilities are set out and clearly explained under the **Interest & Fees Section** of the sanction letter (the "Sanction Letter"). Interest rates may be amended from time to time by the Bank in accordance with the terms and conditions of the Sanction Letter. In the event of any revision to the interest rate, prior notice shall be issued by the Bank before the application of the amended rate.

4.1 Home Loan

MeDirect's current Home Loan product is being offered having the first 36 months at a fixed rate followed by a variable rate for the remaining term. The variable rate is quoted as a margin over MeDirect's Base Rate which is currently set at 2% pa.

A fixed interest rate is the rate that shall remain consistent for the agreed duration, and thus the monthly repayment will remain the same. Once the fixed rate period is over, the loan will then switch to the applicable variable rate. The Bank may from time to time, change the Bank's Applicable Base Rate ("ABR") which is determined and maintained at its sole and absolute discretion. Any adjustment in the Base Rate may result in a change to the variable interest rate, which in turn will impact your monthly payments.

Interest is charged on the daily debit balances in accordance with recognised banking practices. Where interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on a 30/360 basis. For the purposes of this calculation, the number of days in a month shall be deemed to be 30 days, and the number of days in a year shall be deemed to be 360 days. Interest shall be calculated based on the actual number of days elapsed in a given interest period divided by 360 and multiplied by the total amount still outstanding on the Home Loan Facility at the end of the interest period.

4.1.1 Interest Only Feature

You may be considering opting for an interest-only home loan because of lower initial repayments. By opting for this feature, your repayments will only cover interest on the capital amount borrowed for a set period of time. MeDirect offers the possibility that your Home Loan can be interest only for the initial 18 months (maximum) from the day of deed.

It is worth noting that for the agreed period being offered as repaying interest only, you would not be repaying any of the amount you borrowed, so the capital doesn't reduce during the interest only period.

At the end of the interest-only period, the loan will change to a 'principal and interest' loan and thus you'll start repaying the amount borrowed, as well as interest on that amount. That means higher repayments than the initial months.

You can opt for this feature if your Home Loan facility is granted to finance the acquisition of your first home or second residential property. Such feature is not offered to a Loan Facility which was granted to finance construction, completion and improvements of your residential property.

4.2 Home Equity Loan / Property Investment Loan

MeDirect's current Home Equity Loan and Property Investment Loan products are being offered at a variable rate for the full term. The variable rate is quoted as a margin over MeDirect's Base Rate which is currently set at 2% pa.

4.3 Green Home Loan

Should you provide the Bank (prior to date of the deed) with the Energy Performance Certificate which indicates an 'Asset Rating', as well as an 'Energy Use' indicated as <50kWh/m².yr, at the Bank's sole discretion, you may benefit from a discount on the fixed term.

5 Costs

You may incur certain charges in respect of any service provided to you by the Bank in accordance with the Bank's "**Home Loans Tariffs and Charges Schedule**", a copy of which is available at our offices and on our website. The Bank reserves the right to alter and amend this Schedule from time to time, in accordance with established banking practices. The Bank is further authorised to pass through your account third party charges incurred in the execution of our services.

These charges are applicable to you unless we have entered into a specific alternative arrangement with you in writing.

6 Representative Example of Home Loan Facility

A representative example of the products being offered can be accessed on the Home Loan webpage.

7 Early Repayment

Early repayment of the Home Loan Facility/ies together with all interest accrued up to the date of the repayment may be effected by the Borrower in whole or in part subject to the Borrower giving the Bank prior notification in writing of at least five (5) working days prior to the next instalment due date.

When a partial early repayment is made, the home loan facility term will be adjusted in order to reflect such partial early repayment.

When the home loan facility is fully repaid during the period when the fixed interest rate is still in force (as indicated under the Interest & Fees Section of the Sanction Letter) an early repayment fee will be due in accordance with the **“Home Loans Tariffs and Charges Schedule”** and in no case shall a refund be given by the Bank for any one-time fees paid by the Borrower.

8 Other Requirements

The Borrower/s shall provide the Bank with the following documents following the issuance of the Sanction Letter:

- Property valuation including plans of the immovable property, namely: layout plan, site plan and elevation plan.
- All Applicable PA permits.
- Life assurance Policy covering the Home Loan Facility over the full term of the said facility.
- Building Insurance Policy covering the property replacement value.
- Other documentation as may be requested or considered necessary by the Bank in any particular case, or as the Bank may specify in the Sanction Letter.

9 Complaints Procedures

The Bank is committed to providing its customers with a premium quality banking service. The Bank values feedback received from its customers. Consequently, any complaints received are handled professionally and thoroughly investigated, at all times keeping the customer's best interests in consideration.

All complaints are handled in accordance with the Bank's Complaints-Handling internal policies and procedures. Furthermore, the Bank ensures that any personal data which processed in the course of any complaint-handling procedure is done so strictly in accordance with all applicable data protection laws, including Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and the free movement of data (“GDPR”).

For more information about your rights and obligations with respect to lodging a complaint with us, please refer to the related section in our General Terms and Conditions, which can be viewed on the Bank's website.

Whilst we undertake to thoroughly investigate and resolve all complaints to the complainant's satisfaction, in the event that you are not satisfied with the progress or

outcome of our internal compliant handling procedures, you may refer the matter to the Office of the Arbiter for Financial Services for the matter to be determined in terms of the Arbiter for Financial Services Act (Chapter 555 of the Laws of Malta).

In the meantime, if we can be of any assistance, please do not hesitate to contact us by:

- Calling our Customer Service on +356 2557 4400; or
- Logging on your online banking account and sending us a Secure Message; or
- Sending a letter to MeDirect Complaints Department at MeDirect Bank (Malta) plc, The Centre, Tigné Point, Sliema, TP 0001, Malta; or
- Emailing complaints@medirect.com.mt or customerservice@medirect.com.mt.

10 Data Protection

Personal data submitted to us shall be processed in accordance with all applicable data protection laws.

11 Central Credit Register

In accordance with Directive No. 14 issued by the Central Bank of Malta relating to the establishment of a Central Credit Register, information related to the Borrower's credit facilities in excess of EUR 5,000 (if any), including personal data, will be made available to the Central Bank for inclusion in this Register. In terms of the aforementioned Directive, all banks in Malta are legally obliged to provide to the Central Bank all the necessary information on a monthly basis.

The reportable credit facilities for the purposes of this Register include loans, overdrafts, commitments, credit cards and other credit lines which are deemed to represent a credit exposure. Register data may be shared with credit reference agencies (CRAs) for the issuance of credit scores.

Access to the Register, which will be operated through a fully auditable system on the CBM portal, will be strictly limited to banks in Malta, whilst borrowers themselves, or their lawful representatives, may also request the Central Bank of Malta for an extract of the information held on them on the Register.

The Bank may undertake credit reference searches with CRAs and databases prior to opening an account and in view of this you consent to any disclosure of information we make to such CRAs.

12 Creditworthiness Assessment

For the purposes of assessing your application for a Home Loan Facility, the Bank is required to perform, as part of its evaluation procedures, a creditworthiness assessment in accordance with the requirements of the Credit Agreements for Consumers Relating to Residential Immovable Property Regulations (Subsidiary Legislation 378.10) (the “Regulations”).

12.1 Obligation to disclose correct information

You must provide the Bank with honest and accurate information on your financial status, personal circumstances and any other relevant details. This information is necessary for the Bank to assess whether you are creditworthy and if you choose not to provide the necessary information for the creditworthiness assessment, the Bank will be unable to assess your application and consequently the credit agreement would not be granted.

If, as a result of the creditworthiness assessment, your application is declined, you will be informed without delay and provided with the reasons for the decision to decline. You shall also be informed if your application has been declined as a result of automated processing of data.

12.2 Right of Bank to re-assess up to deed of Loan execution.

The Bank reserves the right to request any necessary documentation required to re-assess your credit worthiness from the moment it issues the Sanction Letter until the contract is officially signed. If you are unable to provide the documentation promptly or if during the re-assessment new findings, which may be subject to a charge, lead to a re-consideration and potential refusal of the Loan, the Bank shall have the right to immediately withdraw the Sanction Letter. In such cases, you will be informed that the Sanction Letter has been withdrawn and your loan request has been declined. Please ensure that this condition is understood by all parties involved, specifically you and the seller.

13 Governing Law & Jurisdiction

These Terms and Conditions and any non-contractual obligations arising out of or in connection with them shall be governed by and construed in accordance with the laws of Malta, and the Courts of Malta shall have jurisdiction to settle any disputes in connection herewith.