



Lending for community gain

Our partnership with The Plunkett Foundation



For further information
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or write to address below

10/15



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Introduction

As a building society owned by our members, we're proud to support a wide range of community-led organisations providing services that help to regenerate local economies. We believe that community ownership has a vital contribution to make in building a sustainable society.

That's why we've created a bespoke mortgage package with The Plunkett Foundation, to help the network of community shops they work with around the UK.

Who is it for?

Our community gain mortgage is designed to help:

- **New or existing community shops that are members of The Plunkett Foundation or are receiving their advice and support**
- **Community-led groups wanting to buy new or existing shop premises**
- **Those requiring funds to improve or expand a community shop and who can provide mortgage security.**

We can also consider mortgage applications from other community owned businesses that receive assistance from The Plunkett Foundation – such as pubs, libraries and community centres – although please note these will be assessed and priced on a case-by-case basis under the Society's commercial lending criteria.

What are the key features?

Key features of the mortgage include:

- **Terms from 10 to 30 years**
- **Available on a capital and interest repayment basis, with an initial interest-only period possible**
- **Tiered interest rates linked to the level of equity raised**
- **Lower interest rates for community shops that can demonstrate 3 years' successful trading accounts**
- **New or emerging community shops with less than 3 years' trading accounts can also benefit from our 'established' shops interest rate reduction once 3 years' successful trading has been achieved**
- **All legal and valuation fees charged to the borrower.**

For more information, please refer to our *Current commercial mortgage interest rates and fees* leaflet. This product is not regulated by the Financial Conduct Authority (FCA).

What are the requirements?

We take a flexible approach to mortgage applications, but there are some basic requirements that you'll need to meet for us to consider lending:

- **We require a minimum equity contribution towards the cost of your property of 20% (30% for new and emerging community shops)**
- **We don't necessarily require the premises to meet a high ecological standard to lend, although naturally we encourage this**
- **Where works to the property are required or proposed, we would need evidence that energy efficient measures and sustainable materials are used**
- **We require a first legal charge, so if your shop has existing secured borrowing, this would need to be transferred to Ecology and considered as part of your application.**

In more detail

	Community gain mortgage (for new and emerging community shops)	Community gain mortgage (for established community shops)
Trading history	Less than 3 years	A minimum of 3 years' accounts showing satisfactory and profitable performance
Minimum equity (i.e. funds generated from community shares, fundraising and grants)	30%	20%
Maximum loan-to-value	80%	
Maximum loan	£750,000	
Variable rate	For shops with equity of 30% to 40% - 6.40% For shops with equity of more than 40% - 5.90%	For shops with equity of 20% to 40% - 5.90% For shops with equity of more than 40% - 5.40%
Term	10 to 30 years	
Early repayment charges	Unless the Offer of Loan states otherwise, an early repayment charge equivalent to 2% of the redeeming balance is payable if the mortgage is redeemed within the first 2 years	
Application fee	1.00% (0.50% on application, 0.50% on acceptance of offer) Minimum fee of £500	
Donation to The Plunkett Foundation	25% of our application fee will be paid to The Plunkett Foundation on successful completion of the mortgage	

Our work with The Plunkett Foundation

Ecology is a proud member of The Plunkett Foundation and committed to supporting community enterprises that help to build sustainable economies and communities. This bespoke mortgage offer has been developed especially for Plunkett members in partnership with the Foundation.

For each successful mortgage completion, we'll make a donation to The Plunkett Foundation in support of their work – enough to provide initial support to at least five fledgling community enterprises.

Contact

Because we take an individual approach to every mortgage, we like to discuss your project with you before you make a formal application. This way we can assess whether it fits our criteria and discuss any questions you might have.

You can call our Business Development Team on **01535 650 770**. Alternatively you can email mortgages@ecology.co.uk or write to us at:

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