



Pepper Asset Servicing on behalf of Padstow Assetco DAC Variable Rate Policy Statement

Warning: We may change the interest rate on this loan. This means the cost of your monthly repayments may increase or decrease.

About us

Padstow Assetco DAC (“Padstow”) is a company which has been incorporated for the purposes of acquiring and owning portfolios of secured loans and mortgages predominantly governed by the laws of the Republic of Ireland. We currently contract all credit servicing and back office activities to Pepper Finance Corporation (Ireland) DAC, an entity regulated by the Central Bank of Ireland.

Padstow is managed by Arrow Global Limited (“**Arrow Global**”), Arrow Global is registered in England and Wales with company number 05606545. Its registered office is at Belvedere, 12 Booth Street, Manchester M2 4AW and it is authorised and regulated by the Financial Conduct Authority for certain credit-related regulated activities and is registered on the Financial Services Register under registration number 718754. Arrow Global is part of the Arrow Global Group <http://www.arrowglobal.net/>.

Different variable rates were applied by the originating lenders of the loans we have acquired and which are serviced on our behalf. Neither Padstow nor Arrow Global has to date made, or instructed to be made by any servicer of the loans, any changes to the variable interest rates on the mortgages it services except for those variable interest rate loans tracking publically quoted rates such as European Central Bank (ECB) rate, Euribor or Libor .

What do we consider when setting our variable interest rates?

There are a number of factors and criteria we may consider when setting or amending variable interest rates. These are:

- **Terms and Conditions:** Interest rates are applied in accordance with the terms and conditions of the underlying mortgage loan acquired from regulated lenders. These rates vary from pool to pool and within pools.
- **Rounding Convention:** This is the convention which determines if the loan rate is to be rounded down, up or not at all.
- **Determination Date:** Sets the date on which the rate is taken and subsequently applied.
- **Cost of funds:** We take into account the costs of obtaining funding in respect of the mortgage loans incurred by the owner of such loans and changes in these costs may result in changes to our variable interest rates. We may agree not to allow variable interest rates (or some of them) to go below a set level in connection with funding arrangements relating to the relevant loans and will not apply a negative pay rate.

Pepper Asset Servicing, PO Box 690, Shannon, Co. Clare

www.peppergroup.ie

Pepper Finance Corporation (Ireland) DAC trading as Pepper Money and Pepper Asset Servicing is regulated by the Central Bank of Ireland.
Registered Office: 4th Floor, Two Park Place, Upper Hatch Street, Dublin 2. Registered in Dublin, Ireland (no. 34927) as a designated activity company limited by shares.
Directors: C. Ryan, D. Caden, F. Gemmell (NZ), R. Klemmer (UK), A. Hastings (UK), K. Desmond.

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The factors and criteria listed above (or variations or changes in them) could result in changes to the variable interest rates.

How do we make decisions when setting variable interest rates?

No changes have been made to date by us (or on our behalf) to variable interest rates on mortgages acquired by Padstow.

The Board of Arrow Global (as manager of Padstow) is responsible for setting interest rates charged to the mortgage loans owned by Padstow. The Board has authorised a committee (the "Rates Committee") to review all relevant interest rates and set appropriate rates. The Rates Committee meets monthly, or more frequently as required, and will recommend any variable interest rate changes for final approval to the Board of Arrow Global.

Interest rate setting is subject to a formal policy which is reviewed at the group wide Policy Governance committee at least annually.

Why do we have different variable interest rates?

As mentioned above, different interest rates were applied by the original lenders of the mortgage loans owned by Padstow. Generally, variable interest rates for buy-to-let mortgages are higher than those of owner occupier mortgages.

Padstow (or Arrow Global) has not to date made any changes to the variable interest rates on the mortgages acquired from regulated lenders.

It should be noted that individual rates may be reduced under the terms of an alternative repayment arrangement as recognised within the Central Bank's Code of Conduct on Mortgage Arrears.

Could you get a different type of interest rate or a lower interest rate?

We encourage you to consider your mortgage options on a regular basis although Padstow does not offer new lending options / products and is therefore unable to offer to provide options in this respect. We may however facilitate the settlement of your mortgage loan where you wish to refinance with an alternative provider.

If you would like to discuss the above, or if you have any questions about your mortgage, please contact Pepper on **1890 882242** (or **+353 61 236908**, if calling from outside the Republic of Ireland).

WARNING: YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP PAYMENTS ON A MORTGAGE OR ANY OTHER LOAN SECURED ON IT.

Variable Rate loans

WARNING: THE PAYMENT RATES ON THIS HOUSING LOAN MAY BE ADJUSTED FROM TIME TO TIME.

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