



Product Switch Information Pack

Hi there,

Are you interested in switching your loan with us to a fixed rate? This information pack will tell you everything you need to know before making a decision, including what it means for your loan to move from a variable rate to a fixed rate. It also helps explain the process from start to finish.

Our regulatory permissions mean we can't advise you whether this is the right thing for you to do, so, although you don't need to use a broker to switch products, we recommend you speak to one if you need any advice.

What does it mean to stay on a variable rate?

The variable interest rate for your current loan with Atom bank is made up of the Bank of England (BOE) Base Rate (BR) plus your margin. This means that every time the BOE changes the BR (either increasing it or decreasing it), it will affect your interest rate, so your payments could be higher or lower following a change in BR.

You also don't have any Early Repayment Charges (ERCs) associated with your current loan, which means there's no limit on the overpayments you can make during your loan term, and no penalty payments if you want to repay early.

What does it mean to move to a fixed rate?

If you move to a fixed rate, your interest rate will stay the same for the remainder of your commitment term (i.e. your current loan agreement with us). So, when the BOE changes the BR, your interest rate and your payments will stay exactly the same. This gives you certainty on your repayments for the remainder of your term.

Our fixed rate loans have ERCs associated with them, which means that if you overpay more than your Early Repayment Allowance (10% of the outstanding balance of the loan within each repayment year) or if you redeem before your final repayment date, you'll be charged an ERC.

ERCs	1 Year	2 Year	3 Year	4 Year	5 Year	6 Year	7 Year
2 Year Fixed	2.5%	2.0%					
3 Year Fixed	3.0%	3.0%	2.0%				
4 Year Fixed	4.0%	4.0%	3.5%	2.5%			
5 Year Fixed	5.0%	5.0%	4.5%	4.0%	2.5%		
6 Year Fixed	6.0%	6.0%	5.5%	5.0%	4.0%	2.5%	
7 Year Fixed	7.0%	7.0%	6.0%	6.0%	5.0%	4.0%	3.0%

What does the product switch process look like?

If you decide to go ahead with the switch to a fixed rate loan, the borrower and any guarantor need to sign this document to confirm you're happy to proceed, and we'll then kick off our process. Your request will be reviewed by our Customer Administration Team and, if we're happy for you to switch to a fixed rate, you'll be issued with a Side Letter. This is not a new contract with us, it simply amends and updates your existing Loan Agreement.

Once all the relevant parties have signed and returned the Side Letter, we'll complete the product switch in our system on the agreed date. When this is complete, you'll be issued with a welcome pack to confirm the switch, which will detail your new repayment amount and confirm your repayment date.

Please note, if an outstanding Annual Review is in progress this will take precedence and must be completed before the product switch is finalised.

Will my interest rate change?

Yes, your interest rate will change if you move to a fixed rate loan as we price them differently to variable rate loans. If you decide to continue, we'll confirm what your new rate and repayments will be in the Side Letter to your Loan Agreement.

Can I change anything else on my loan as part of the product switch process?

No, you can only change your rate type as part of the process. If you want to make any other changes to your loan, you need to speak to a broker.

Do I need to have a minimum period left on my loan to switch?

Yes, you must have at least 1 year left on your loan to switch to a fixed rate. If you have less than a year left, we'll contact you about our end of term process.

Do I need to use a broker?

No. As our product switch process is straightforward, you can do this with us directly. However we cannot offer you any financial advice. If you'd like to speak to someone about your decision, you'll need to chat to a broker. If you'd like a broker to deal with this request for you, that's fine too. We won't charge a procurement fee for switching, but the broker may charge their own fee.

What are the next steps?

If you'd like to apply for a product switch, all borrowers and guarantors named in the Loan Agreement will need to sign below to confirm their agreement to proceed. Once we have that we'll begin the process. Please note, this is not a commitment by Atom to provide you with a fixed rate loan and also the change to the interest rate will not be effective until all parties have signed the Side Letter to the Loan Agreement and returned a copy to us.

If you have any more questions, you can contact our Customer Administration Team, Monday to Friday, 9am to 5pm by emailing: customeradministrationteam@atombank.co.uk.

I acknowledge and confirm my agreement to proceed

Signed:

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Date:

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