



**InvestAcc**  
PENSION  
ADMINISTRATION LTD

Small Self-Administered Scheme

**SSAS**

**Loan Application** 

## SSAS Lending

If you wish to make a SSAS loan then please read the following information before completing the application later in this document.

Your pension scheme may make a loan to the Sponsoring Employer on the following terms:

Condition	Requirement
Maximum amount of loan	50% of the net asset value of your SSAS
Maximum term	5 years
Interest rate	Market rate (cannot be less than 1% over base rate)
Security	First legal charge over tangible assets - see later
Repayments	Equal instalments of capital and interest
Frequency of repayment	Monthly, Quarterly, Half Yearly or Annually

We look at each in more detail below.

### Maximum amount of loan

This cannot exceed 50% of the net asset value of your SSAS, which is effectively the value of the scheme's assets minus its liabilities

This condition only needs to be met on the day the loan is made.

Whilst there is no limit to the number of loans which may run concurrently, any additional loans must be within the overall limit, taking into account any existing loans that have not yet been fully repaid.

### Maximum Term

The term cannot exceed 5 years, there is no minimum term and it is possible to repay a loan early without penalty.

You may agree to allow a borrower to repay a loan, then replace it with a new loan for up to 5 years.

All new loans must meet the requirements detailed in this document at the time they are made.

### Interest Rate

This must be a market rate, typically 3% over base rate.

The regulations also specify that the rate cannot be less than 1% over the average clearing bank base rate.

Interest rates are typically fixed for the duration of the term.

### Security

This must be a first legal charge over tangible assets.

The legal charge must be capable of being registered, which limits the types of assets which can be used to secure the loan.

The value of the security must be at least equal to the amount of the loan plus all interest payable over the term. If the security is of a depreciating nature then we will require an additional 20% over and above this amount.

**A solicitor is required to draw up the legal charge and this must be in place at the time the loan is drawn. The cost of the security valuation and solicitors fees must be borne by the borrower. We also require a copy of the borrower's latest accounts, the company must be actively trading.**

If the borrower's bankers (or another party) have a floating charge (debenture) over all company assets then it would be necessary for the borrower to arrange to remove this from any items specifically being used to secure this loan, before making this application.

We will require evidence that the security is insured at all times, with the specific interest of the pension scheme trustees noted on the insurance documentation.

We continually review the types of security we consider, the following list is indicative only and we may decline certain assets as security, even though they may be included in the following list:

Security	Acceptable if owned by Sponsoring Employer (or another UK registered company)?	Acceptable if owned by anyone else (e.g. person) who is UK resident?
UK Commercial Property or Land	Yes	Yes
UK Residential Property*	Yes	Yes
Ships (provided mortgage can be registered on the UK Ship Register)*	Yes	Yes
Aircraft (provided mortgage can be registered on the UK Register of Aircraft Mortgages)*	Yes	Yes
Tangible Moveable Property*	Considered on a case by case basis	No
Anything else	No	No

**\*Caution:** The items marked with an asterisk are deemed taxable property; with this type of security if the borrower defaults on the loan this will trigger unauthorised payment tax charges for your pension scheme. It is therefore preferable to use UK Commercial Property or Land as loan security.

### Repayments

The loan must be on a repayment basis, meaning that it must be repaid throughout the term, along with interest, rather than all at the end. Borrowers will need to be able to afford the loan repayments.

### Payment frequency

Payments can be monthly, quarterly, half yearly or annually.

They should be made by a regular standing order directly from the borrower's account to the SSAS trustee bank account.

### Costs

Provided this loan application meets our requirements, InvestAcc Pension Administration Limited provides the Loan Agreement, Members Agreement, Standing Order Mandate for repayment and the Repayment Schedule.

Our fee for this service can be paid by the scheme, all other fees are the responsibility of the borrower.

### Lending Decision

Remember that like any investment, you should only consider making the loan if you expect it to be an appropriate investment for your pension scheme, for the purpose of providing pension benefits for the scheme members.

You must also be a responsible lender, making sure that the borrower is comfortably able to meet its repayment obligations.

### Next steps

Please complete the following section if you wish us to consider a proposal to make a loan to the Sponsoring Employer.

**SSAS Name**

**Borrower Details:**

Company Name	Company Reference Number
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**Is the Borrower an actively trading company?**
 Yes     No

Purpose of Loan
Proposed date of Loan

**Amount of Loan:**     **Rate of Interest**  **%** (fixed rate)    **Term**  (years)

**Repayments:**     Monthly     Quarterly     Half Yearly     Annually

**Rollover of existing Loan:**
 Yes     No
**Current Fund Value:**


Details of asset(s) to be offered as security
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Who owns the asset(s) being used as security for this loan?
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**Current value of Security to be offered:**

**Please attach an independent valuation of the security, noting:**

- For property or land valuations, they must be done by a RICS qualified surveyor, dated within the last 6 months.
- For non-property valuations, they must be done by a company with appropriate knowledge to provide their opinion of the sale value of the asset on their Company's letter headed paper, signed by an official of that Company. The valuation must be dated within the last 6 weeks.

**Do you want InvestAcc to appoint a Solicitor on behalf of the borrower? Although you can choose any firm, it is important to appoint a Solicitor that has the required level of experience and expertise in dealing with this type of transaction.**

Yes       No\*

**If No,** please provide Solicitor Details

Solicitor Name	
Contact	
Solicitor Address	
	Postcode
Telephone Number	Email Address

**All Trustees to sign:**

Signature	Date
Signature	Date
Signature	Date
Signature	Date

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InvestAcc Pension Administration Limited is authorised and regulated by the Financial Conduct Authority.  
 InvestAcc Pension Administration Limited is registered in England and Wales, Company number 7118349.  
 InvestAcc Pension Trustees Limited is registered in England and Wales, Company number 2875892.



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