

Variable Rate Lending

This long-term lending solution for floating debt is supported by centralised funds management, delivering benefits including a single interest rate for all clients, automatic loan resets and simplified reporting and administration.

Overview

With Variable Rate (VR) Lending, funding activities are managed through a centralised pool, where a single daily interest rate applies to all clients. With no maturity dates and subject to automatic rollover, there is no requirement for refinancing. Multiple floating rate loans are consolidated into a single balance, simplifying reporting, reducing administrative overheads, and streamlining debt management. The cost of maintaining the funding pool is shared across participating clients, helping to keep administration costs equitable.

Key Features

- Single daily interest rate applies to all clients.
- Underpinned by centrally managed funding pool.
- No product maturity dates and subject to automatic rollover, removing the need for refinancing.
- Consolidated debt portfolio, simplified administration and reporting.

Parameters

- **Operational Period of the VR Lending balance:** 10 years with automatic resets until terminated.
- **Interest Period:** Monthly. Interest is calculated in arrears on the daily balance of the product over each month.
- **Interest Rate Set Notice:** The Interest Rate applicable to the total VR Lending balance for each calendar day of the Interest Period will be notified to the Borrower via a Monthly Activity Statement and Invoice on the first business day of the following interest period.
- **Repayments:** Repayments of up to 5% of the outstanding balance according to the Repayment Schedule agreed with WATC. WATC advises the scheduled dates when face value repayments can be made. Repayments made outside these scheduled dates will be subject to a market value adjustment.

Additional Information

- **Sub Accounts:** Client's may have one or more Sub-Accounts under the VR.
- **Direct Debit:** Interest Payable and Market Value Adjustment Payable will be automatically drawn by WATC under a Direct Debit Agreement.

This information is descriptive and general in nature and does not take into account your organisation's specific financial objectives, situation and needs. Please contact your Client Relationship Manager before making any decisions in relation to WATC's products and services, so they can provide information and advice on which options are suited to your organisation's requirements.

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Accessing WATC Services

Our services are available to all Western Australian State government entities, local governments and public universities. Contact us to discuss your specific business requirements.

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