



# ART LOANS

## CONDITIONS

### **Liability**

Our non-recourse-loans use your works of art as only collateral. This means that your works of art solely guarantee the loan. No further credit checks are necessary, nor will we forward any personal data to third parties. There is no personal liability. The borrower must be the legitimate owner of the work of art which he borrows against and must be able to provide proof of identity.

### **Valuation**

The valuation is carried out by an independent external assessor. No staff from auction houses nor art dealers are involved. The work of art is given a conservative estimate and it is possible to borrow against it up to 50 % of its value (loan-to-value/ LTV).

### **Storage of the work of art**

The artworks will be stored under the name of our financing partners in a specialist art storage facility situated in all major cities. At the request of the customer the warehouse can be situated nearby, furthermore the borrower may be granted access to his works of art (e.g. for a sale). However, the work of art is not to be removed. Once we are in possession of the artworks and the art loan is paid out we pay for storage and insurance

## **Terms & Interest**

The term of the loan is flexible. Interest rates start from 6,5 % per annum. The interest payments are paid quarterly, the principle is paid back at the end of the term. In the event that the customer exceeds the term, the loan agreement can be extended at the same terms and conditions upon request. At the end of the term and once the loan including accrued interest has been repaid, the work of art will be handed back. The customer shall not incur any further costs over and above the interest. We shall bear all costs of valuation, examination, storage and insurance while at the storage facility, while the customer arranges transport to an art storage facility of his or her choice. Naturally, inquiries and valuations remain free of charge, even if the loan agreement is not concluded.

## **Repayment & Sale**

In the event that the loan agreement is not extended or the loan is not repaid in due course, the work of art will be released for public auction earliest at the end of a month. Alternatively, the work of art can also be sold by private sale, if the borrower agrees to it. In the event that additional proceeds are generated at the auction after deducting all costs (loan, accrued interest and auction fees), these will be paid out to the customer. It is also in our own interest to achieve maximum sales returns. We follow the German Pawn Lending Law that does not allow loan-to-own conditions. With deficient proceeds, the customer shall not bear any personal liability, only the collateral work of art is liable.

## **Sale during the term**

In case the customer intends to sell the artworks before the end of the loan term, the prepayment penalty amounts to max. 50% of the outstanding monthly interest. For the purpose of a private sale, the artworks can always be inspected by third parties within the storage facility. Furthermore it is possible to sell the artworks through major auction houses at any time during the loan term. In this case the artworks can be shipped and exhibited worldwide, the possession is transferred to the auction house.

