

Module 3: Retail banking 2 | Unit 3: Loan agreement

1) Complete the conversation between the lender and the borrower with words from the box:

• terms	• repayment	• over	• interest	• account	• early	• loan
• base rate	• increase	• debit	• rate	• capital	• repay	• arrears
• payments	• instalment	• debited	• decrease	• penalty	• conditions	

- Lender:** So, Mr Brown, we are happy to offer you 10,000 EUR on the following ¹ _____.
- Mr Brown:** Which are?
- Lender:** Well, if we go through the agreement together, I can explain the ² _____.
- Mr Brown:** OK.
- Lender:** The ³ _____ of the loan includes a ⁴ _____ repayment of 10,000 EUR plus annual ⁵ _____ at the appropriate ⁶ _____.
- Mr Brown:** I see.
- Lender:** And the I _____ can be repaid o _____ 24 or 36 months.
- Mr Brown:** Right.
- Lender:** At present, interest on the loan will be calculated at 2% above the bank ⁹ _____.
- Mr Brown:** OK.
- Lender:** And we will collect the ¹⁰ _____ monthly in ¹¹ _____.
- Mr Brown:** And how will you collect it?
- Lender:** We will ¹² _____ it directly from your account.
- Mr Brown:** I see.
- Lender:** If you agree to the terms, we can arrange to have the money in your ¹³ _____ tomorrow. The first ¹⁴ _____ will then be ¹⁵ _____ exactly one month from tomorrow.
- Mr Brown:** Will the repayment amount be the same each month?
- Lender:** I'm afraid we can't guarantee that. The exact amount will depend on the base rate. If there is an ¹⁶ _____, your monthly repayment will go up; if there is a ¹⁷ _____, it'll go down. And what if I want to repay ¹⁸ _____?
- Mr Brown:** You can ¹⁹ _____ the loan early but there will be a small ²⁰ _____, equal to one month's interest.
- Lender:**

SLOVAK CORNER

in arrears – spätne,

opposite in advance – vopred

Terms and conditions are synonyms and are translated the same in Slovak – podmienky.

In Legal English and in contracts we often use them together in one phrase: terms and conditions – zmluvné podmienky

Contract and agreement are also synonyms and are translated the same in Slovak – zmluva.

It's only a matter of tradition which one we use for what kind of contract, e.g. loan agreement (~~contract~~), mortgage agreement (~~contract~~) BUT employment agreement - pracovná zmluva and lease agreement – nájomná zmluva.

STUDY TIP

Gap fill exercises like this one can be rather difficult, especially if you have so many gaps. The best strategy is to fill in the gaps you are sure about first and cross out the words in the box.

Then go through the exercise again and do the same. In Slovak, we call this strategy “vylučovacia metóda”.

It's very effective especially for vocabulary practice as you are learning new vocabulary as you go along.

Good luck and patience! ☺

2) Now try again without help. 😊

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STUDY TIP

This exercise will help you use the vocabulary in context. If you don't remember the correct word, feel free to go back to exercise 1 and check the answer. This way, you will be practising your memory and learning the vocabulary in phrases.

KEY:

1) terms 2) conditions 3) repayment 4) capital 5) interest 6) rate 7) loan 8) over 9) base rate 10) payments 11) arrears 12) debit 13) account 14) instalment 15) debited 16) increase 17) decrease 18) early 19) repay 20) penalty

