

Major Terms and Conditions of Fixed rate Single Currency Loans (FSCL)ⁱ

Loan Currencies	Loans are offered in currencies of sufficient borrower demand in which the Bank can appropriately fund itself.
Lending Rate	<p>The fixed rate of the FSCL is set on the semiannual rate-fixing date for loan amounts disbursed during the preceding six-month period (the "Disbursed Amount") and remains fixed for each Disbursed Amount until that amount is repaid.</p> <p>During the period from the date of each disbursement until the next rate-fixing date, interest accrues at the same rate as applicable to VSLs for that period. In effect, an FSCL is like a series of fixed-rate sub loans, comprising as many fixed-rate sub loans as there are semesters in which disbursements occur.</p> <p>All FSCL interest payment dates fall on the 15th of the month. Interest continues to accrue on any overdue principal, but IBRD does not charge interest on overdue interest on its loans. Once the rate of the Disbursed Amount is fixed on the rate-fixing date, it remains fixed for the life of the loan. The FSCL lending rate is expressed, and interest accrues, on a 30/360 day-count convention on daily principal volumes disbursed and outstanding¹.</p>
Commitment Charge	The contractual commitment charge is 0.75 percent annually on the undisbursed amount of the loan. This is the same as VSLs. Commitment charges begin accruing 60 days after the Loan Agreement is signed.
Front-end Fee	<p>For all loan commitments IBRD charges a front-end fee of 1% of the amount of the loan, payable on loan effectiveness. At the option of the borrower, the front-end fee can be paid out of the loan proceeds. When the borrower does not finance the front-end fee, the borrower must pay the fee no later than 60 days after the effectiveness date, but before the first withdrawal from the loan. If the loan is cancelled, adjustments to the front-end fee are handled as follows:</p> <p>a) If the loan is cancelled in full before effectiveness, no front-end fee is charged.</p> <p>b) If part of the loan is cancelled before effectiveness, the amount of front-end fee payable is reduced on a pro rata basis and the adjusted front-end fee is payable to the Bank upon effectiveness.</p> <p>c) If the loan is partially or fully cancelled on or after effectiveness, no adjustment to the front-end fee is made. This applies equally to loans disbursed in tranches: if a tranche is cancelled after effectiveness, no portion of the front-end fee is refunded to the borrower.</p>

¹ For current FSCL lending rates see http://treasury.worldbank.org/Services/SCL_rates.html.

Waivers	<p>In conjunction with the annual review of IBRD's net income, the Board may waive (a) part of the interest charges on its loans in the coming year for all eligible borrowers, and (b) a portion of the commitment charge to be collected in the coming year for all borrowers. To be eligible for the interest rate waiver, a borrower must have serviced all of its IBRD loans and have paid all amounts under IBRD guarantees and hedging products during the preceding six-month period within 30 calendar days of their due dates.¹ The interest rate and commitment charge waivers apply to all loan products offered by IBRD for standard lending operations. At the beginning of each fiscal year, IBRD notifies each borrower of the interest rate waiver and commitment charge waiver applicable for that fiscal year.²</p>								
Repayment	<p>Each Disbursed Amount has a three-year grace period and amortizes in level repayments of principal. The final maturity of each Disbursed Amount is based on the expected total disbursement period for the loan, measured from the loan approval date to the loan closing date (see table below).</p> <table border="1" data-bbox="272 764 1127 968"> <thead> <tr> <th data-bbox="272 764 699 846">Expected Disbursement Period</th> <th data-bbox="699 764 1127 846">Final Maturity</th> </tr> </thead> <tbody> <tr> <td data-bbox="272 846 699 888">0-3 years</td> <td data-bbox="699 846 1127 888">12 years</td> </tr> <tr> <td data-bbox="272 888 699 930">3-6 years</td> <td data-bbox="699 888 1127 930">9 years</td> </tr> <tr> <td data-bbox="272 930 699 968">More than 6 years</td> <td data-bbox="699 930 1127 968">6 years</td> </tr> </tbody> </table>	Expected Disbursement Period	Final Maturity	0-3 years	12 years	3-6 years	9 years	More than 6 years	6 years
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Prepayment	<p>IBRD charges a prepayment premium based on the cost of redeploying the full amount of the loan to be prepaid from the date of prepayment to the original maturity date.</p>								

¹ FSCLs were available to all IBRD borrowers for which the invitation to negotiate was issued after May 11, 1995 and before December 1, 1999. The FSCL product was withdrawn in 2001. The above is not necessarily a complete treatment of the terms and conditions of these loans. Borrowers should refer to their loan agreements and General Conditions with respect to their individual loans.

¹ Except for any overdue payments that the World Bank determines to be minor in nature or beyond the borrower's control.

² Commitment charges, lending rate waivers, and commitment charge waivers are expressed and accrued on an actual/365-366 day-count convention. The World Bank Treasury website sets out these waivers (www.treasury.worldbank.org).