

Product Guide

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impact
Specialist Finance

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This product guide is for intermediaries only.

Specialists in Buy to Let

At Castle Trust Bank, we are a specialist lender who understands all types of BTL property loans, including holiday lets, HMOs, MUFBs and residential Buy to Lets. We work closely with intermediaries to find bridging and term lending solutions for their property investor clients.

We can fund transactions up to £15m to provide your clients with a range of options to purchase investment properties with bespoke structured loans.

There isn't much in the BTL world that we haven't seen or considered before. We use our expertise and experience to consider cases that vanilla lenders wouldn't entertain. We'll work with you to find a solution for your clients – it's what makes us different.



"We can help you with all types of BTL transactions including holiday lets, HMOs, Multi Unit Blocks plus Development Finance and Development Exits."



www.impactpackaging.co.uk

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Bridge to Let

Our Bridge to Let option combines the best of both products, providing short-term funding, plus a guaranteed exit option, should it be needed. With both options being underwritten from application, your client has certainty from the beginning of the transaction.

Our bridging products offer up to 80% gross day one LTV and up to 75% net LTV at term exit onto a fixed rate agreed at application. If there is no additional capital raising required, only one valuation fee is charged.



Bridging loan

- Up to 80% LTV Gross day one
- 9 months
- No mortgage payments required during the bridge period up to month 9
- Rolled up interest



Guaranteed exit option

Term loan

- 75% LTV net at term exit
- Fixed rates for the initial 2 or 5 years

Bridge to Let is ideal for:

- Buy to Let purchase/re-finance
- Holiday Lets
- Refurbishments for all types of purchase
- HMOs up to 10 beds

We'll consider applications from:

- Experienced landlords
- First-time buyers/landlords
- Limited companies, SPVs and offshore companies
- Ex-pats and foreign nationals (may be loaded rates)



Bridge to Let

Product	Maximum LTV	Minimum Loan	Maximum Loan	Minimum Property Value	Initial Bridge Rate	Product Fee	Term Rate	ERC
Bridge to Let	80% Gross	£100,000	£2,000,000	£75,000	0.67%pcm	2%	From 3.82%	No ERC after 3 months, 3 months' interest within the first three months

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	...60	61+
Interest	Rolloed from 0.67%									Serviced						SVR
ERC	3 months interest min			No ERC									5%		No ERC	

No fees to convert to TermTen*; see Page 7 for term rates

Case study

The clients were two married investors, a British national and a foreign national, looking to raise funds to purchase a three-bed terraced house valued at £300,000 and convert it into a six-bed HMO.

The clients intended to use their own funds for the HMO conversion as well as some building improvements which fell under permitted development to significantly increase the property's value. They were looking for a short loan 80% LTV loan to fund the purchase the house, moving onto a longer term loans when the refurbishments were completed.

Using our Bridge to Let loan, we provided an **80% LTV gross day one bridging loan of £240,000 at 0.67% pcm** on an interest roll up basis. After 3 months, the client switched without an ERC to a TermTen loan fixed at **4.74% for the first 5 years**. The gross TermTen loan of **£318,000** was for **75% LTV of the uplifted value of £425,000**. The client was able to replenish the cash spent on the refurbishment and facilitate their next purchase.

*Subject to no additional borrowing; additional borrowing will result in product fees, a legal fee and valuation costs.

Bridge to Let - Development Exits

Product	Maximum LTV	Minimum Loan	Maximum Loan	Minimum Property Value	Initial Bridge Rate	Product Fee	Term Rate	ERC
Bridge to Let	75% Gross	£1,000,000	£15,000,000	£1,500,000	0.67%pcm	2%	From 3.82%	No ERC after 3 months, 3 months' interest within the first three months

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	...60	61+
Interest	Rolled from 0.67%										Serviced					SVR
ERC	3 months interest min			No ERC										5%	No ERC	

No fees to convert to TermTen*; see Page 7 for term rates

Case study

The client was an experienced developer, operating under a limited company structure. They were looking to refinance an existing development loan, which was on a permitted development scheme of 25 flats in Reading. There were a number of complexities, including mezzanine finance.

Our underwriting team worked extremely closely with the broker and solicitor turning round the complex case. The loan was secured on a first charge over a head lease, and was completed in just 14 working days from the initial offer being issued. The **72% LTV loan of £4.5m** was structured on a Bridge to Let basis which enabled the transaction to be completed at speed, together with a guaranteed option to switch to a Term loan. This gave the borrow a huge level of flexibility and allowed them to better assess the market, and determine how many units would be retained or sold.

*Subject to no additional borrowing; additional borrowing will result in product fees, a legal fee and valuation costs.

TermTen

Our ten year term product is available for HMO's, standard BTLs, Portfolios & MUFBs and is ideal for clients looking for a longer term option.

The product can be fixed for 2 or 5 years. Clients service the loan on interest only, with the maximum loan amount generated via ICR calculations. We have experience in lending to complex ownership structures and portfolio landlords who are looking to re-leverage assets or refinance into a Limited Company.

TermTen highlights

- 10 year term for residential properties only
- Fixed rates at 2 or 5 years
- Minimum loan £100,000, maximum loan £15m
- Maximum LTV 75%
- Interest only payments
- Product fees can be added to the loan
- Physical valuations
- 60 years remaining on leasehold at application.

We'll consider applications from:

- First-time buyers/landlords
- Complex structures – Ltd Co and overseas ownership
- Buy to let investors
- Portfolio landlords
- Ex-pats and foreign nationals (may be loaded rates)



Product	Maximum LTV	Maximum Loan	Product Fee	Reversion Rate	ERC
TermTen	75%	£15,000,000	2%	6.49%	5% in fixed period
	LTV	2 years	5 years		5 years (2 year ERC)
	50%	3.82%	4.22%		4.74%
	60%	3.92%	4.32%		4.74%
	65%	4.06%	4.46%		4.74%
	70%	4.24%	4.64%		4.90%
	75%	4.34%	4.74%		4.94%

TermTen - Holiday Lets

Our ten year term product can be used for holiday lets. Clients can service on interest only, with max loan amount generated via ICR calculations. The product can be fixed for 2 or 5 years.

We assess affordability based on holiday let income, not AST income. We do this by looking at the confirmed number of weeks the property is used as a holiday let and take an average of high, medium and low rental income.


Product	Maximum LTV	Maximum Loan	Product Fee	Reversion Rate	ERC
TermTen	75%	£15m	2%	6.49%	5% in fixed period
LTV		2 years	5 years		5 years (2 year ERC)
50%		3.82%	4.22%		4.74%
60%		3.92%	4.32%		4.74%
65%		4.06%	4.46%		4.74%
70%		4.24%	4.64%		4.90%
75%		4.34%	4.74%		4.94%

Case study

Our clients were an ex-pat couple living in Switzerland, who owned two AST Buy to Let properties in the UK and were looking to make their first UK holiday let investment. With their eye on a holiday let property in the Lake District with promising yields, the couple were looking for a lender who would take into account their existing letting experience in the UK so they could purchase the property. We provided a TermTen loan of £315,000, a LTV of 75%, fixed for 2 years at 4.34%. This gave the clients the opportunity to purchase the property in a popular location and make the most of the growing UK holiday market.

Bespoke Solutions

For individual clients with low yielding assets, we can provide flexible bespoke products. These products provide a blend of rolled and serviced interest to create a unique solution for your clients. We offer loans from £100,000 up to £15m.



We'll consider applications from:

- Foreign nationals
- First-time buyers/landlords
- Low yielding, high value properties
- Complex structures – Ltd Co and overseas ownership

We'll build a solution to suit your client's needs

Our BDMs have years of experience working with cases that need something unique created to meet clients' needs. Get in touch with your local BDM to discuss a case (Page 10).

Our bespoke solutions can help a wide range of cases:

- Buy to Let purchase/re-finance – we can also top-slice UK income for stress coverage
- Multiple Units – including those held under a single freehold
- Complex ownership structures, including overseas ownership
- Portfolio refinance into Ltd Co
- Portfolio re-leveraging
- Holidays Lets – we use holiday let income, not AST
- Development exits
- HMOs over six beds

Standard valuation fees

All fees quoted are per property. If a specialist valuation is required you will be advised of the relevant fee on application.

Estimated property value	General Valuation Fee (inc VAT)	Bridging Valuation Fee* (inc VAT)	HMOs Valuation Fee (inc VAT)
		General	
Up to £150,000	£234	£515	£515
Up to £200,000	£234	£515	£515
Up to £300,000	£399	£585	£585
Up to £400,000	£499	£645	£645
Up to £500,000	£599	£705	£705
Up to £600,000	£599	£760	£760
Up to £700,000	£699	£830	£830
Up to £800,000	£799	£940	£940
Up to £900,000	£899	£1,065	£1,065
Up to £1,000,000	£999	£1,185	£1,185
Over £1,000,000	Individual (by quote)	Individual (by quote)	N/A

Note that loans must be complete within 90 days of valuation.

*Applies to Bridging loans where refurbishment is taking place.



Castle Trust Bank means Castle Trust Capital plc, a company incorporated in England and Wales with company number 07454474 and registered office at 10 Norwich Street, London, EC4A 1BD. Castle Trust Capital plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, under reference number 541910. Buy to Let is not regulated by the Financial Conduct Authority or the Prudential Regulation Authority.

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