

Commercial Finance

June 2021

Unregulated Bridge | pg 2-5

Buy to Let mortgages | pg 6-9

Commercial term | pg 10-11

For use by professional finance and mortgage intermediaries only. This document and the information it contains should not be shared with clients. This pack and its contents supersedes all previous packs, criteria, special plans and commissions.



Unregulated Bridge



Properties

- Residential investment property (including BTL) in England, Scotland and Wales.
- All commercial property types considered on merit.

Valuation Bypass Schemes

- Residential property only.

Hometrack valuation criteria			
Purchase transactions			
Max. Loan	£150,000	£250,000	£500,000
Max. LTV	75%	70%	60%
Confidence level	Auction purchases ≥ 2 Non-auction purchases ≥ 4 For non auction purchases ≥ 2 & < 4 max LTV for all loan sizes to £500k is 60%		
Remortgage & 2nd Charge Transactions			
Max. Loan	£150,000	£250,000	£500,000
Max. LTV	70%	60%	50%
Confidence level	≥ 4		



Loan purpose and exit strategies

- First charge is always required against the property being purchased.
- Exit strategies accepted: Sale of current owner-occupied property, remortgaging, or inheritance where a grant of probate has been issued.
- Re-bridging an existing bridging loan accepted.
- Please note: independent legal advice will be required on all applications.



Customer profile

- Many status profiles considered.
- Wide variety of income sources accepted.
- Expats and non-UK residents accepted.

Did you know?

- New AVM criteria up to 75% LTV
- Loans greater than £2,000,000 accepted by referral

Loan amount	Title insurance	Lender's legal costs
£0 - £50,000	£100	0.3% of Net loan, minimum £600 (inclusive of VAT) On difficult, unusual cases and multiple securities legal costs will be charged depending on the merits of the case.
£50,000.01 - £100,000	£100	
£100,000.01 - £200,000	£100	
£200,000.01 - £300,000	£325	
£300,000.01 - £400,000	£435	
£400,000.01 - £500,000	£525	
£500,000.01 - £600,000	£625	
£600,000.01 - £700,000	£725	
£700,000.01 - £800,000	£825	
£800,000.01 - £900,000	£950	
£900,000.01 - £1,000,000	£1,200	By referral
£1,000,000.01 - £5,000,000	0.08% of Net Loan Amount + £400	
>£5,000,000.01	0.1% of Net Loan Amount + £400	

The client will need to arrange and pay for their own independent legal representation, as well as the lender's legal costs if the transaction is a purchase, there is a transfer of equity, the property is not in England or Wales, the case is for a corporate entity and not an individual or the loan amount is $>£200,000$.

Dual representation is available for loans under £500k where the customer is purchasing a residential property in England or Wales.

Telegraphic Transfer Fee: £30.

Renewal fees: At the end of the term, the loan may be renewed by approval with a 5% renewal fee being incurred.

Residential property

Unregulated
Bridge

Product selection is based on demerits in the last 12 months.

Residential							
Max. LTV	Initial rate					Arrangement fee	
75% Purchase 70% Refinance	≤50% LTV	0 demerits: 0.55%	≤65% LTV	0 demerits: 0.65%	≤75% LTV	0 demerits: 0.75%	2% (Min. £800)
		1 demerit: 0.70%		1 demerit: 0.80%		1 demerit: 0.90%	
		2 demerits: 0.80%		2 demerits: 0.90%		2 demerits: 1.00%	
Loans ≤£100k from 0.85%.							
2 demerits and above considered by referral.							
Exit fee: Loans up to £100,000 – 1 month interest.							
Commission: 2.00%							

Key Criteria

Credit History		Customer		Loan		Property	
Debt Management Plans/Debt Arrangement Schemes	Refer to underwriter	Age:	Min.: 18 Max.: No max. age on self funded BTL (Max. age 80 if ICR is not met and income is required)	Loan size:	Min.: £26,000 Max. before referral: ≤70% LTV £2,000,000 ≤75% LTV £1,000,000	Property Value:	No Min. No Max.
Bankruptcy/TVA	Refer to underwriter	Max applicants:	4	Term:	12 months	Lower by referral.	

Serviced bridging preferred, retained available by referral.

Residential property – Second Charge

Unregulated
Bridge

Product selection is based on demerits in the last 12 months.

Residential							
Max. LTV	Initial rate						Arrangement fee
70%	≤50% LTV	0 demerits: 0.65%	≤65% LTV	0 demerits: 0.75%	≤75% LTV	0 demerits: 0.85%	2% (Min. £800)
		1 demerit: 0.80%		1 demerit: 0.90%		1 demerit: 1.00%	
		2 demerits: 0.90%		2 demerits: 1.00%		2 demerits: 1.10%	
Loans ≤£100k from 0.95%.							
2 demerits and above considered by referral.							
Exit fee: Loans up to £100,000 – 1 month interest.							
Commission: 2.00%							

Key Criteria

Credit History		Customer		Loan		Property	
Debt Management Plans/Debt Arrangement Schemes	Refer to underwriter	Age:	Min.: 18 Max.: No max. age on self funded BTL (Max. age 80 if ICR is not met and income is required)	Loan size:	Min.: £26,000 Max. before referral: £2,000,000	Property Value:	No Min. No Max.
Bankruptcy/IVA	Refer to underwriter	Max applicants:	4	Term:	12 months	Lower by referral.	

Serviced bridging preferred, retained available by referral.

Commercial property

Unregulated
Bridge

Product selection is based on demerits in the last 12 months.

Commercial					
Max. LTV	Initial rate				Arrangement fee
Purchase 70% Refinance 65%	≤60% LTV	0 demerits: 0.85%	≤70% LTV	0 demerits: 0.90%	2% (Min. £800)
		1 demerit: 1.00%		1 demerit: 1.05%	
		2 demerits: 1.10%		2 demerits: 1.15%	
Loans ≤£100k from 0.95.					
2 demerits and above considered by referral.					
Exit fee: Loans up to £100,000 – 1 month interest.					
Commission: 2.00%					

Key Criteria

Credit History		Customer		Loan		Property	
Debt Management Plans/Debt Arrangement Schemes	Refer to underwriter	Age:	Min.: 18 Max.: No max. age on self funded BTL (Max. age 80 if ICR is not met and income is required)	Loan size:	Min.: £26,000 Max. before referral: £1,000,000	Property Value:	No Min. No Max.
Bankruptcy/IVA	Refer to underwriter	Max applicants:	4	Term:	12 months	Lower by referral.	

Serviced bridging preferred, retained available by referral.

Buy to Let and Homeowner Business Loan



Properties

- **Standard** - standard construction houses and bungalows including ex-council, flats and maisonettes up to 6 storeys, ex council flats and maisonettes (up to 4 storeys) and purpose built apartments (not ex council).
- **Non-standard** - all other property types acceptable up to a maximum of 60% LTV. Where properties are of non-standard construction, defective or cladding – please refer, the LTV may be reduced accordingly.
- Maximum LTV for non-standard properties will be 10% lower than maximum LTV stated to a minimum of 50%.
- Maximum LTV may be reduced if there is more than a 10% difference between market value and the 90 day projected market valuation, a `cash` valuation has been supplied or `poor` is detailed on the valuation – please refer.
- No limit on the number or value of properties in the customer’s portfolio.
- Maximum overall portfolio LTV: 75%.
- Refer the case if there are more than 15 securities and the overall LTV is over 65%.
- Purchases: Reduce max. LTV by 5% if property value is below £60,000.
- Remortgage/second-charge: Reduce max. LTV by 5% if property value is below £125,000.
- HMO and Holiday Let properties accepted.

Did you know?

- ▶ New AVM criteria up to 75% LTV
- ▶ Loan size increase to £2,000,000 (greater by referral)



Valuations

- We’ll use the open market valuation or purchase price (whichever is lower).
- Automated valuations are accepted on standard property types (excludes new builds). Max. LTV and loan size may be reduced based on confidence level.
- The broker or applicant must pay for any valuation that’s needed.

Valuation Bypass Schemes

- Non-standard and new build properties not permitted.

		Hometrack valuation criteria		
		Purchase transactions		
Max. Loan		£150,000	£250,000	£500,000
Max. LTV		75%	70%	60%
Confidence level		Auction purchases ≥ 2 Non-auction purchases ≥ 4 For non auction purchases ≥ 2 & < 4 max LTV for all loan sizes to £500k is 60%		
		Remortgage & 2nd Charge Transactions		
Max. Loan		£150,000	£250,000	£500,000
Max. LTV		70%	60%	50%
Confidence level		≥ 4		

Buy to Let and Homeowner Business Loan



Affordability

Tiered ICR applies:

- 125% - Basic rate taxpayers and Limited Company applications.
- 145% - Higher and additional rate taxpayers.
- Additional income accepted if rental income is not sufficient to meet ICR.
- Projected rents accepted to a maximum of 90%.
- **Homeowner Business Loans:** Affordability will be assessed on a Total Secured Debt to Income (TSDI) ratio: the total secured debt payments should not exceed 50% of the clients net income/profit.
- **Holiday Let:** Affordability will be assessed on a Total Secured Debt to Income (TSDI) ratio: the total secured debt payments should not exceed 50% of the client's net income/profit. Projected income from the property will not be accepted.
- TSDI referrals accepted up to 75% of the client's net income/profit.



Credit profiles

- Product selection is based on demerits, defined as a CCJ, default or arrears in the last 12 months (adverse older than 12 months is ignored for plan selection).

Individual CCJs and defaults:

- Ignore all \leq £300 or satisfied \leq £3,000
- 1 demerit: unsatisfied £300 - £10,000; satisfied $>$ £3,000
- Refer: unsatisfied $>$ £10,000



Customer

- Individuals, sole traders, LLPs, Partnerships, Limited Companies.
- Portfolio landlords accepted.
- Expats and non-UK residents accepted – subject to 1% increase in rate.

Loan amount	Title insurance	Lender's legal costs
£0 - £50,000	£100	0.6% of Net loan, minimum £150
£50,000.01 - £100,000	£100	
£100,000.01 - £200,000	£100	
£200,000.01 - £300,000	£325	
£300,000.01 - £400,000	£435	
£400,000.01 - £500,000	£525	
£500,000.01 - £600,000	£625	
£600,000.01 - £700,000	£725	
£700,000.01 - £800,000	£825	
£800,000.01 - £900,000	£950	
£900,000.01 - £1,000,000	£1,200	By referral
£1,000,000.01 - £5,000,000	0.08% of Net Loan Amount + £400	
$>$ £5,000,000.01	0.1% of Net Loan Amount + £400	

For Scottish cases, a minimum lenders legal fee of £600 will apply.

Arrangement Fee, Legal Costs and Title Insurance are paid by the applicant and added to the advance. Legal costs charged include VAT where applicable.

Telegraphic Transfer Fee: £30 applies to all cases.

First charge

Buy to Let and
Homeowner
Business Loan

Product selection is based on demerits in the last 12 months.

Variable			
Max. LTV	Initial rate	Arrangement fee	ERCs
75% Purchase 70% Remortgage	0 demerits: 6.99%	2.5% (Min. £795)	4%,4%,3%,2%,1%
	1 demerit: 7.99%		
	2 demerits: 8.99%		
2 demerits and above considered by referral.			
Repayment options: Capital and interest or interest-only.			
Commission: 1.25%			

Key Criteria

Credit History		Customer		Loan		Property	
Debt Management Plans/Debt Arrangement Schemes	Refer to underwriter.	Age:	Min.: 18 Max.: No max. age on self funded BTL (Max. age is 80 if ICR is not met and income is required)	Loan size:	Min.: £50,000 Max. before referral: < 65% LTV £2,000,000 < 75% LTV £500,000	Property Value:	No Min. No Max.
Bankruptcy/IVA	Refer to underwriter.	Max applicants:	4	Terms:	4-30 years		

Second charge

Buy to Let and
Homeowner
Business Loan

Product selection is based on demerits in the last 12 months.

Variable			
Max. LTV	Initial rate	Arrangement fee	ERCs
70%	0 demerits: 6.99%	2.5% (Min. £795)	4%,4%,3%,2%,1%
	1 demerit: 7.99%		
	2 demerits: 8.99%		
2 demerits and above considered by referral.			
Repayment options: Capital and interest or interest-only.			
Commission: 1.25%			

Key Criteria

Credit History		Customer		Loan		Property	
Debt Management Plans/Debt Arrangement Schemes	Refer to underwriter.	Age:	Min.: 18 Max.: No max. age on self funded BTL (Max. age is 80 if ICR is not met and income is required)	Loan size:	Min.: £50,000 Max. before referral: £500,000	Property Value:	No Min. No Max.
Bankruptcy/IVA	Refer to underwriter.	Max applicants:	4	Terms:	4-30 years		

Commercial term



Properties

- Commercial investment property and owner occupied accepted.
- 100% funding available with additional security.
- All commercial property types considered on merit.



Customer

- Individuals, sole traders, LLPs, Partnerships, Limited Companies.
- Employed and self-employed applicants accepted.
- Expats and non-UK residents accepted.



Valuations

- 180-day valuation acceptable for the LTV as long as there is less than 15% difference between the 90-day valuation and the 180-day valuation.
- All loans require a full valuation of the security – no AVMs accepted.



Affordability

- Affordability will be assessed on a Total Secured Debt to Income (TSDI) ratio: the total secured debt payments should not exceed 50% of the customer's net income/profit.
- TSDI referrals accepted up to 75% of the customers net income/profit.
- Additional income accepted.
- No minimum income requirements.



Credit profiles and arrears

- Product selection is based on demerits, defined as a CCJ, default or arrears in the last 12 months (adverse older than 12 months is ignored for plan selection).
- Individual CCJs and defaults:
- Ignore all \leq £300 or satisfied \leq £3,000
 - 1 demerit: unsatisfied £300 - £10,000; satisfied $>$ £3,000
 - Refer: unsatisfied $>$ £10,000
 - Secured arrears - Demerit points are defined as the highest number of arrears in the last 12 months.

Did you know?

- All commercial property types considered on merit
- Cases outside criteria considered by referral

Loan amount	Title insurance
£0 - £50,000	£100
£50,000.01 - £100,000	£100
£100,000.01 - £200,000	£100
£200,000.01 - £300,000	£325
£300,000.01 - £400,000	£435
£400,000.01 - £500,000	£525
£500,000.01 - £600,000	£625
£600,000.01 - £700,000	£725
£700,000.01 - £800,000	£825
£800,000.01 - £900,000	£950
£900,000.01 - £1,000,000	£1,200
£1,000,000.01 - £5,000,000	0.08% of Net Loan Amount + £400
$>$ £5,000,000.01	0.1% of Net Loan Amount + £400

Loan amount	Legal Costs
£0 - £100,000	£600
£100,000.01 - £500,000	Loan amount* 0.58750%
$>$ £500,000	Loan amount* 0.29375%

Telegraphic Transfer Fee: £30 applies to all cases.

All fees are paid by the applicant(s) and added to the advance.

First charge

Product selection is based on demerits in the last 12 months.

Variable			
Max. LTV	Initial rate	Arrangement fee	ERCs
65% Purchase 50% Remortgage	0 demerits: 7.99%	2.5% (Min. £795)	6%,6%,6%,5%,4%,3%,2%,1% (R)
	1 demerit: 8.99%		
	2 demerits: 9.99%		
2 demerits and above considered by referral.			
Repayment options: Capital and interest or interest-only.			
Commission: 1.25%			

Key Criteria							
Credit History		Customer		Loan		Property	
Debt Management Plans/Debt Arrangement Schemes	Refer to underwriter.	Age:	Min.: 18 Max.: 80	Loan size:	Min.: £50,000 Max. before referral: £250,000	Property Value:	No Min. No Max.
Bankruptcy/IVA	Refer to underwriter.	Max applicants:	4	Terms:	Capital and interest: 7-30 years Interest only: 7-10 years		