



Intermediary Product Guide

Innovative mortgage solutions
with no monthly payments required



Suitable clients



Buy to let clients
who want to expand
their portfolios



Buy to let clients
who want to raise
capital for light refurb



High net
worth clients*



Clients who want
to raise capital for
business purposes*

*Subject to compliance with consumer credit exemptions

Did you know?

- ✓ **Expat** borrowers are acceptable
- ✓ We lend on **single properties** and **portfolios**
- ✓ **Limited companies** are acceptable
- ✓ **HMOs** are acceptable in principle
- ✓ Clients can use the products for **Let to Buy**
- ✓ **Company lets** are acceptable
- ✓ Capital raised can be used for **light refurbishment** for BTL properties

Innovative Mortgage Solutions

with no monthly payments required

Our products provide an innovative solution for raising capital for your clients. On all our products, no monthly payments are required giving your clients greater flexibility over their cashflow.

No Monthly Payments

Because there are no monthly payments, on buy to let cases there is no additional stress test.

Income Requirement

Proof of income will be requested on application however there is no minimum income requirement with our loans.

Loan Basis

Our loans are secured via a second charge (first charge available on buy to let only).

Applicant Age

Minimum age on application is 21.

There is no maximum age limit on application.

Bespoke Underwriting

All cases are assessed on an individual basis to meet specific client requirements.

Flex Mortgage Range

Products with a rolled-up fixed rate of interest

Flex Mortgage range is designed for clients who want the certainty of a fixed rate, that is rolled up to redemption.

The products are available to buy to let clients who want to raise capital to expand their portfolio or for light refurbishment. They are also available to high net worth clients* and those who want to raise capital for business purposes*.

*Subject to compliance with consumer credit exemptions

How it works

- Secured via a second charge (first charge available on BTL only)
- Fixed rate of interest calculated at the outset
- Interest is calculated daily and compounded monthly
- At maturity or redemption initial loan is repaid plus rolled up interest
- During the term, no monthly payments are required

Key features

- Choice of loan terms - up to 5 years
- 1st charge - borrow up to 70% of the property value
- 2nd charge (combined including any 1st charge mortgage) - varies up to 80% LTV (including any rolled up interest) determined on a case by case basis
- Arrangement Fee: 2%
- Redemption Fee: 2% (Flex Refurb to Let only)

Product Range Overview

Flex 6 - Rates from 8.89% with ERC period of 6 months

Flex 12 - Rates from 7.89% with ERC period of 12 months

Flex 24 - Rates from 6.89% with ERC period of 24 months

Flex Refurb to Let - Rates from 6.59% with no ERC period.

Flex Mortgage Repayment Examples

Below are examples of what the total repayment will be in relation to the following details:

- Property value: £500,000
- Loan amount with Castle Trust: £250,000 (50% of the property value)
- Monthly payments: £0
- Excludes Arrangement Fee

▶ Example 1 (Flex 6)

Loan Term: 2 Years

Fixed rate* of 8.89% with an ERC period of 6 Months (5%)

Total Repayment: £298,451

▶ Example 2 (Flex 12)

Loan Term: 2 Years

Fixed rate* of 7.89% with an ERC period of 12 Months (5%)

Total Repayment: £292,582

▶ Example 3 (Flex 24)

Loan Term: 3 Years

Fixed rate* of 7.22% with an ERC period of 24 Months (5%/5%)

Total Repayment: £310,260

▶ Example 4 (Flex Refurb to Let)

Loan Term: 1 Year

Light Refurbishment on a buy to let property to increase its value or rental yield

Fixed rate* of 6.59% with no ERC period however there is a 2% Redemption Fee

Total Repayment: £271,982 (which includes £5,000 Redemption Fee)

*Interest calculated daily, compounded monthly

Index Profit Share Mortgage Range

Repayment amount is linked to any growth in the Halifax House Price Index

Index Profit Share Mortgage range is designed for clients who prefer to link their repayments to any growth in the Halifax House Price Index subject to a Minimum Repayment Amount.

The products are available to buy to let clients who want to raise capital to expand their portfolio. They are also available to high net worth clients* and those who want to raise capital for business purposes*.

*Subject to compliance with consumer credit exemptions

How it works

- Secured via a second charge (first charge available on BTL only)
- At maturity or redemption initial loan is repaid plus
 - IPS 100 - profit share of 1 x any % growth in the Halifax House Price Index (subject to a 2% p.a. simple Minimum Repayment Amount) combined with a 5% p.a. fixed rate of interest which is rolled up to redemption
 - IPS 200 - profit share of 2 x any % growth in the Halifax House Price Index (subject to a 5% p.a. simple Minimum Repayment Amount).
- During the term, no monthly repayments are required

Key features

- Loan terms of 3 and 5 years
- 1st charge - borrow up to 50% of the property value
- 2nd charge (combined including any 1st charge mortgage) - varies up to 79% LTV (including any rolled up interest) determined on a case by case basis
- Arrangement Fee: 2%

Product Range Overview

	IPS 100	IPS 200
Repayment	Initial loan PLUS Profit Share PLUS 5% p.a. fixed rate	Initial loan PLUS Profit Share Only
Profit Share (subject to Minimum Repayment Amount)	The Castle Trust loan multiplied by 1 x the growth in the Halifax House Price Index (as a %)	The Castle Trust loan multiplied by 2 x the growth in the Halifax House Price Index (as a %)
Minimum Repayment Amount	2% p.a. (simple)	5% p.a. (simple)

Index Profit Share Mortgage Repayment Examples

Below are examples of what the total repayment will be in relation to the following details:

- Property value: £500,000
- Loan amount with Castle Trust: £100,000 (20% of the property value)
- Index Increases: 30%
- Monthly payments: £0
- Loan Term: 5 Years
- Excludes Arrangement Fee

► Example 1 (IPS 100)

Repay Initial Loan	£100,000
+	+
Profit share* PLUS 5% p.a. fixed rate (£100,000 x (1 x 30%) PLUS £28,336)	£58,336
Total Repayment:	£158,336

*Profit share: Castle Trust loan multiplied by 1 x the growth in the Halifax House Price Index (as a %).

► Example 2 (IPS 200)

Repay Initial Loan	£100,000
+	+
Profit share* (100,000 x (2 x 30%))	£60,000
Total Repayment:	£160,000

*Profit share: Castle Trust loan multiplied by 2 x the growth in the Halifax House Price Index (as a %).

The above examples assumes that the Minimum Repayment Amount (MRA) does not apply, as the simulated rate of increase of the Halifax House Price Index is greater than the MRA. The MRA will apply where the rate of growth of the Halifax House Price Index is less than 2% p.a. for IPS 100 and less than 2.5% p.a. for IPS 200.



Contact your local BDM

Our dedicated team of BDMs cover England & Wales and can help with:

- New case enquiries
- Product information
- Tips on making applications



Access our products

To access our products you have two options

Option 1:

become an accredited Castle Trust adviser

Option 2:

submit via one of our strategic
Distribution Partners

Important Information

The client must repay the loan by the end of term. If the client has not repaid the loan by the end of its term and either does not have sufficient savings or is not able to arrange another mortgage, then they will need to sell their property. Property may be repossessed if the loan is not paid when due. For Index Profit Share loans, if the value of the Halifax House Price Index rises significantly, then the loan may cost more than a traditional mortgage. The amount the client will repay on the loan is not known at the outset and depends wholly or in part on the change in the Halifax House Price Index.

Loans are subject to status, terms and conditions. Your client's property may be repossessed if they do not keep up repayments on a mortgage or any other debt secured on it.

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