

Flexible 3-5 Year Residential & Commercial Loan

Key product criteria

Product range	Residential and commercial mid-term mortgage
Borrower type	Individuals or corporate body (including limited companies and limited liability partnerships)
Property types	<ul style="list-style-type: none"> • HMOs and residential accommodation • Retail with living accommodation • Retail without living accommodation • Offices • Purpose built student accommodation • Warehouses and light industrial units Properties considered specialist or illiquid will not be acceptable
Security	<ul style="list-style-type: none"> • First charge on commercial or residential property in England and Wales • Personal guarantees required
Loan purpose	Purchase, re-mortgage or capital raise
Adverse credit	Three product types are offered for different credit levels: Prime, Classic, Complex (see table below)
Loan size ¹	£100,000 to £2,000,000
Maximum gross LTV ²	70%
Arrangement fee	2.5%
Procuration fee ³	From 1.5%
Repayment charges payable on all loans	3 Year - 3%, 2%, 1% (year 1, 2, 3) 5 Year – 5%, 4%, 3%, 2%, 1% (year 1, 2, 3, 4, 5) or 0% if the loan is repaid in last month of its scheduled term

¹ Larger loan sizes will be considered upon application.

² Gross LTV is calculated using the gross loan amount divided by the lower of the purchase price and valuation. Valuation is typically the OMV, although other measures may be used on a case-by-case basis.

³ Paid from arrangement fee.

Loan interest rates per annum*

Gross loan to value	60%	65%	70%
Residential	8.99%	9.49%	9.99%
Commercial	10.49%	11.49%	-

* Loan interest rates outlined above include a monthly pay rate, retained interest and SONIA. Minimum monthly pay rate of 4.50%. 3m SONIA has a minimum level of 3.5% pa. Interest rates will increase during the loan term if SONIA rises above 3.5%. Indicative pricing based on Prime credit profile.

Additional margin loadings

Additional loading may be applied to the interest margin as follows	Houses of multiple occupation - 0.35% Loans under £200,000 - 0.50% Classic and Complex credit – upon review Semi-commercial – upon review
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Loan characteristics

Loan term available	3 - 5 years
Repayment	Loans are offered on an interest only basis
Affordability	110% of monthly payment amount (monthly pay rate) calculated after using a SONIA stress of 1.0%
Minimum trading period	None

Credit profile

Prime	<ul style="list-style-type: none">• No CCJs in the last 2 years (director or company)• All CCJs must have been satisfied at least 12 months prior to completion• No bankruptcy / IVA in last 3 years• If a company is being purchased, credit checks are applied to the acquiring company and its directors• The tenant in the property must have a strong credit profile• For commercial premises, the remaining lease term should be at least 3 years unless, in the case of mixed usage property, the commercial element comprises less than 35% of the total property income• Any lease on the property should be on an arms-length basis to a third party with the rental income set at a market rate• The property should not be deemed to be specialist in nature and should be a liquid property which would attract significant mainstream investor demand should it be marketed for sale in its current condition
Classic	<ul style="list-style-type: none">• Up to 2 CCJs of less than £7,000 in the last 2 years (per director or company)• All CCJs must be satisfied at the completion date (completion proceeds can be used for this purpose)• No bankruptcy / IVA in the last 3 years• Where loan repayment is based on a development / re-development proposal• Where the loan otherwise does not fit the Prime product criteria
Complex	<ul style="list-style-type: none">• Up to 5 CCJs in the last 3 years with a maximum value of £20,000 (per director or company) or, for owners of property portfolios worth > £2m, a maximum of 2% of the portfolio value• No bankruptcy in last 3 years

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