

Commercial Loans and Mortgages



Maximum loan amounts:

1st charge: £500,000 to 50% LTV (max 2 demerits), £250,000 >50% LTV and all credit profiles

2nd charge: 250,000 to 50% LTV (max 2 demerits), £250,000 >50% LTV and all credit profiles

Applications may be funded above maximum loan sizes subject to underwriter referral

These are guidelines and all cases are subject to underwriter approval

Plan name	Purchases				Remortgages				Second charges				Land			
	LMP:01	LMP:02	LMP:04	LMP:05	LMR:01	LMR:02	LMR:04	LMR:05	LMS:01	LMS:02	LMS:04	LMS:05	LML:01	LML:02	LML:04	LML:05
Maximum demerits	0	2	4	>4	0	2	4	>4	0	2	4	>4	0	2	4	>4
Maximum secured arrears	0 in 12	2 in 12 (1 in 3)	4 in 12 (2 in 6)	6 in 12	0 in 12	2 in 12 (1 in 3)	4 in 12 (1 in 3)	6 in 12	0 in 12	2 in 12 (1 in 3)	4 in 12 (2 in 6)	6 in 12	0 in 12	2 in 12 (1 in 3)	4 in 12 (2 in 6)	6 in 12
Maximum CCJs / defaults	0 in 24	2 in 24 (1 in 3)	4 in 24 (2 in 6)	6 in 24	0 in 24	2 in 24 (1 in 3)	4 in 24 (2 in 6)	6 in 24	0 in 24	2 in 24 (1 in 3)	4 in 24 (2 in 6)	6 in 24	0 in 24	2 in 24 (1 in 3)	4 in 24 (2 in 6)	6 in 12
Max LTV	65%	60%	55%	50%	55%	50%			60%	55%	50%		50%			
Max LTV by referral	75%	70%	65%	60%	60%	55%			65%	60%	55%		55%			
Property types	A		A & C		A	A & C			A	A & C			Land			
Loan terms	Capital Repayment 7-30 years, Interest Only 7-10 years															

For all above products please see below table for rates based on credit profile:

Max Demerits	0		2		4		>4	
Rate	Discounted	Nominal	Discounted	Nominal	Discounted	Nominal	Discounted	Nominal
≤50% LTV	7.90%	9.90%	8.95%	10.95%	9.97%	11.97%	10.99%	12.99%
>50% LTV	7.90%	9.90%	9.95%	11.95%	10.97%	12.97%	11.99%	13.99%

Discounted Rate applies for the first 12 months of the loan term. The rate will then revert to the relevant Nominal Rate shown above.

Discounted Rate can be offered on an Interest Only or Capital Repayment basis.

Applicants	Properties	Affordability	Fees
<ul style="list-style-type: none"> Individuals, Sole Traders, LLPS, Partnerships Limited Company Applications Expat & applicants without permanent rights to reside in the UK Minimum customer loan £26,000 Employed and self employed applicants Adverse credit accepted 	<ul style="list-style-type: none"> Commercial Investment property Minimum valuation £75,000 100% funding available with additional security LTVs based on the 180 day valuation (gross loan) LTVs based on 180 day valuation 180 day valuation acceptable for the LTV as long as there is less than 20% difference between the 90 day valuation and the 180 day valuation See underwriting criteria for more details on acceptable property types 	<p>Commercial securities and land</p> <ul style="list-style-type: none"> Net profit / Income x 50% must exceed all secured lending payments Additional Income accepted No minimum income requirements 	<ul style="list-style-type: none"> Standard ERC: 6%, 6%, 6%, 5%, 4%, 3%, 2%, 1% for remainder of term Discounted Rate ERC: 8%, 8%, 8%, 5%, 4%, 3%, 2%, 1% for remainder of term Arrangement Fee: 3% (min £780) Commission: 1.25% Title Insurance: Tiered from £300 Solicitors costs: Tiered from £600 See underwriting criteria for details of above tiers

Case outside criteria? We will always take a view!

This information is for use only by professional finance and mortgage intermediaries for the purpose of assessing specialist mortgage acceptance criteria. Other persons should not place any reliance on the content. It must not be distributed to potential borrowers.

Commercial Loans and Mortgages Underwriting Criteria

Property types

Accepted:

Commercial Investment Property, Buy to Let Portfolios, Leased industrial / manufacturing / wholesale / office units, Equestrian centres, Hotels, Land, Leisure premises, Licenced premises, Wine Bars, Social and political clubs, Lock up garages, Residential / Multi-let, Residential Care / Day Care / Nursing Home, Restaurants, Retail Units, Warehouses, Light Industrial Units, Working Farms & Farmhouses

Pubs, Bed & Breakfast, Dry Cleaners – up to 50% LTV

Considered on Merit:

Non standard construction properties, lower value properties, Petrol Stations, property portfolios, vacant investment properties, amusement parks, golf courses, private clubs, discotheques, nightclubs

Not Accepted:

Chemical works, contaminated properties, mobile homes, sports clubs, casinos, property owned by charities

Notes:

A type property - standard construction properties
C type property – All other property types

Commercial Loan To Values

- LTVs will be based on the gross loan amount
- LTVs calculated on the 'Defined Market Value' (DMV). This means the market value based upon a defined marketing period of 180 days with vacant possession. This will be based on the existing use of the security.
- Higher LTVs considered on the merits of the case
- Additional security accepted on all cases
- In some cases the purchase price may be used dependant on the overall merits of the case. Please refer such cases to your Underwriter.
- Bricks and mortar valuation only
- Valuations are valid for a maximum of three months

Affordability

Commercial Securities

Net profit / Income x 50% must exceed all secured lending payments

Additional Income accepted

No minimum income requirements

Credit profile & demerits

Product selection is based on demerits defined as a CCJ, default or arrears:

Individual CCJs and defaults:

- Ignore – all \leq £300 or satisfied \leq £3,000
- 1 demerit – unsatisfied £300 - £10,000; satisfied in last 12 month $>$ £3,000
- Refer – unsatisfied $>$ £10,000

Secured arrears:

Demerit points are defined as the highest number of arrears in the last 12 months on all first and second charge mortgages for the applicant(s)

Satisfactory explanations are required for arrears, defaults, CCJs and rent arrears
Bankruptcy, IVA or similar: subject to underwriter referral

Fees

Arrangement Fee: Applied to all loans and mortgages and not included in LTV

Title Insurance:

Solicitors Costs:

Loan Amount	Title Insurance
£0.00 - £50,000.00	£100
£50,000.01 - £100,000.00	£100
£100,000.01 - £200,000.00	£100
£200,000.01 - £300,000.00	£325
£300,000.01 - £400,000.00	£435
£400,000.01 - £500,000.00	£525
£500,000.01 - £600,000.00	£625
£600,000.01 - £700,000.00	£725
£700,000.01 - £800,000.00	£825
£800,000.01 - £900,000.00	£950
£900,000.01 - £1,000,000.00	£1,200
£1,000,000.01 - £5,000,000.00	0.08% of Net Loan Amount + £400.00
£5,000,000.01 +	0.1% of Net Loan Amount + £400.00

Telegraphic Transfer: £30 fee applies to all cases

Loan Amount	Solicitors Costs
£0 - £100,000	£600
£100,001 - £500,000	Loan Amount * 0.58750%
$>$ £500,000	Loan Amount * 0.29375%

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

Other information

Qualifying Contracts:

Commercial properties and land where less than 40% of the security is intended to be used as a dwelling.

Second charge loans on the customers residence where $>$ 50% of funds are to be used for a business purpose

Loan Terms:

Capital & repayment: 7 to 30 years
Interest Only: 7 to 10 years

Applicant's Solicitors:

If the loan is a purchase or the loan is over £150,000, solicitors must act for the applicant. All solicitors must have 3 or more partners within the practice, with a Law Society membership of 5 years or more. If not, please contact your underwriter.

Responsible Lending:

The customer must be able to afford the mortgage or loan provided. All income details submitted must be plausible.

As a responsible lender the unsecured payment profile of applicants will be taken into account. As a guide please refer the case if the clients unsecured credit profile is declining or if there have been issues with unsecured payments in the past few months. Acceptable explanations may be required.

Contact Us:

