

Second Charge Loans

Key information sheet

When to use a Second Charge Loan

Customers could consider a Second Charge Loan when:

- ▶ they are looking for a remortgage or further advance
- ▶ they are already on a competitive mortgage rate
- ▶ they are tied to their mortgage with ERCs
- ▶ they have an interest only mortgage
- ▶ their credit status has changed since their original mortgage

A Second Charge Loan could also be used when:

- ▶ your customer wants to raise capital from existing investment properties
- ▶ your customer needs to raise capital for a non-traditional purpose
- ▶ your customer needs funds quickly

Residential Second Charge Loans

Our residential second charge loans are available for customers who are looking for an alternative to a remortgage, want to consolidate debt, or complete home improvements.

Buy to Let Second Charge Loans

If your customer is a landlord our buy to let second charge loans can help them to raise capital without the need to remortgage.

Key points of interest

- ▶ **NEW!** Zero hour contracts now accepted on secondary applicants
- ▶ Available for any purpose including business use, property investment and tax bills
- ▶ Up to 85% LTV, plus lender fees
- ▶ Choice of 2 year BBR tracker, 2 or 5 year fixed rate products
- ▶ Affordability of second charge loans assessed on pay rate for 5 year fixed rate products
- ▶ Capital and interest only
- ▶ Funds can be available faster than a traditional remortgage
- ▶ Terms between 3-35 years
- ▶ Loans up to £500,000 (more on referral)
- ▶ AVM valuations may be acceptable for loan amounts up to £200,000
- ▶ Minimum 1 year's self-employed trading in most cases
- ▶ 100% of rental profit on investment properties can be used to supplement affordability
- ▶ Available for customers aged up to 75 at the end of the mortgage term

Key points of interest

- ▶ **NEW!** Zero hour contracts now accepted on secondary applicants
- ▶ Available for any purpose, including tax bills and property investment
- ▶ Customers with up to 3 buy to lets can use earned income to meet the ICR calculation
- ▶ ICR calculated at pay rate on 5 year fixed rate products. (additional underwriting may be required)
- ▶ Up to 75% LTV, plus lender fees
- ▶ Choice of 2 year BBR tracker, 2, 3 or 5 year fixed rate products
- ▶ Capital and interest or interest only repayment options
- ▶ Funds can be available faster than a traditional remortgage
- ▶ Terms between 3-35 years
- ▶ Loans up to £200,000 (more on referral)
- ▶ AVM valuations may be acceptable for loan amounts up to £200,000
- ▶ Customer can have up to 20 buy to let loans (both first and second charges) with Precise Mortgages and unlimited with other lenders
- ▶ No minimum income required (must be able to cover rent voids and maintenance costs)
- ▶ Maximum age at application up to 80 years old, maximum term of 35 years

Submission routes

You can submit directly to us or introduce a case to a Second Charge Master Broker if you are Directly Authorised. If you are an Appointed Representative, you can introduce a case to your preferred Master Broker.

Details of our Master Broker panel can be found at precisemortgages.co.uk

Useful reminders

We recommend double checking what documentation needs to be supplied before submitting an application. Whilst this may sound obvious, non-submission of documentation is one of the key reasons for delaying applications.

Please refer to product and criteria guides for more information.

Get in touch

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