

Bridging Finance

The complete guide including products and criteria

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Our products

Limited edition

LTV	Standard Bridging and Light Refurbishment	Facility fee
<40%	0.59%	3.00%
<50%		
<60%		
<65%		
<70%		

All rates are per month. Available for Regulated Bridging Finance and Non-Regulated Bridging Finance.

Core products

LTV	Standard Bridging and Light Refurbishment	Heavy Refurbishment	Second Charge Lending	Facility fee
<40%	0.65%	0.75%	0.90%	2.00%
<50%	0.75%			
<60%	0.80%			
<65%	0.85%	0.99%		
<70%	0.95%			
<75%	1.15%*	N/A	N/A	

All rates are per month. *Not available for Regulated Bridging. Maximum 70% LTV for all Light Refurbishment cases.

0% Facility Fee products

LTV	Standard Bridging and Light Refurbishment	Facility fee
<40%	1.00%	0%
<50%	1.10%	
<60%	1.15%	
<65%	1.20%	
<70%	1.30%	
<75%	1.50%*	

All rates are per month. * Not available for Regulated Bridging. Maximum 70% LTV for all Light Refurbishment cases.

LTV	Heavy Refurbishment	Facility fee
<40%	1.10%	0%
<50%	1.20%	
<60%	1.25%	
<65%	1.30%	
<70%	1.40%	

All rates are per month.

Important process information

When you discuss this product with your underwriter please advise them you would like to select the FEE FREE product prior to application submission.

Please note

The LTV will be considered across lending on all securities (first or second charge). If the applicant is able to provide additional security for a loan then this may mean that the interest rate payable is lower than it would otherwise be or we are able to make a loan which would otherwise be in excess of the maximum LTV.

Product features

- ▶ No exit fee.
- ▶ No early repayment charges (a minimum of 1 month's interest must be paid).
- ▶ Retained interest for the full term of the loan is available for Regulated and Non Regulated Bridging. (Monthly payment options available for Non-Regulated Bridging).
- ▶ All Regulated Mortgage Contracts must be submitted on an advised basis only.
- ▶ The lower of the LTV/LTP will be used.
- ▶ A £295 assessment fee applies to all products that can be deducted from the advance on completion.
- ▶ Gross procurement fee from 1%.
- ▶ We will also accept Non-Regulated applications from Limited Companies. Please refer to page 6 for further details.

Bridging definitions

Standard Bridging	Light Refurbishment	Heavy Refurbishment	Second Charge Lending
Where short term finance is required and is secured on a property in a habitable condition and does not require any improvement works.	Where short term finance is required for properties where: <ul style="list-style-type: none"> ▶ No planning permission/building regulations are required. ▶ No change to the overall use/nature of the premises. 	Where short term finance is required for properties where: <ul style="list-style-type: none"> ▶ Planning permission/building regulations are required. ▶ Change in overall use/nature of the premises. 	Where short term finance is required against properties that have an existing mortgage.
Examples of what we can assist with:			
<ul style="list-style-type: none"> ▶ Buying property at auction. ▶ Cash flow - funding for short term requirements. ▶ Chain-break finance. ▶ Meeting tight transaction deadlines. ▶ Landlords who want to buy a property quickly. 	<ul style="list-style-type: none"> ▶ Properties deemed uninhabitable by long term lenders. ▶ Internal refurbishment (i.e. new kitchen, bathroom, redecoration). ▶ Refurbishment works under the Permitted Development Rules. ▶ Properties currently at 'wind and water tight' stage that require completion. 	<ul style="list-style-type: none"> ▶ Extensions. ▶ Basement digs. ▶ Loft conversions. ▶ Single unit to multi-unit. ▶ Multi-unit to single unit. ▶ Commercial to residential. ▶ Barn conversions. 	Capital raising to provide monies for: <ul style="list-style-type: none"> ▶ Deposit for an additional purchase. ▶ Home improvements. ▶ Business purposes. ▶ To pay a tax bill. ▶ Portfolio growth. ▶ Purchasing land or development costs.

Applicant criteria

Applicant profile	
Minimum age	25.
Maximum age	75 at the end of term for Regulated Bridging. 85 at the end of the term for Non Regulated Bridging.
Max. no of applicants	4.

Nationality and residency	
Residential status	In all cases we require a 3 year UK residential address history.
All UK / EEA Nationals	<p>Must have been resident in the UK for the last 3 years.</p> <p>EEA Nationals:</p> <ul style="list-style-type: none"> ▶ Austria ▶ Belgium ▶ Bulgaria ▶ Croatia ▶ Cyprus (Greek Cypriots only) ▶ Czech Republic ▶ Denmark ▶ Estonia ▶ Finland ▶ France ▶ Germany ▶ Greece ▶ Hungary ▶ Iceland ▶ Ireland ▶ Italy ▶ Latvia ▶ Liechtenstein ▶ Lithuania ▶ Luxembourg ▶ Malta ▶ Netherlands ▶ Norway ▶ Portugal ▶ Poland ▶ Romania ▶ Slovakia ▶ Slovenia ▶ Spain ▶ Sweden ▶ Switzerland
Non EEA Nationals	<ul style="list-style-type: none"> ▶ Are considered subject to satisfactory status being established. ▶ Limited to 60% LTV.
Diplomatic immunity	Are not accepted if diplomatic immunity applies to immunity from UK law.

Loan criteria

Minimum loan term	1 month.	
Maximum loan term	12 months (18 months for Non-Regulated Finance).	
Minimum loan	£50,000 (£25,001 for second charge lending).	
Maximum loan	No maximum.	
Security	First and second charge.	
Regulated Mortgage Contracts	We will only accept advised sales on a retained interest basis.	
The following maximum LTVs normally apply	<ul style="list-style-type: none"> ▶ Loans above £2,000,001 ▶ Standard bridging - regulated ▶ Standard bridging - non-regulated ▶ Light refurbishment ▶ Heavy refurbishment ▶ Loans between £1,000,000 and £2,000,000 ▶ Second charge lending ▶ Maximum LTP 	<p>60%</p> <p>70%</p> <p>75%</p> <p>70%</p> <p>70%</p> <p>70%</p> <p>70%</p> <p>90%</p>

Limited companies (For Non-Regulated Bridging only)

Business applicants	<ul style="list-style-type: none"> ▶ Registered Limited Companies including those set up with the specific purpose of buying property (SPVs). ▶ Businesses must have a UK registered office address and must operate entirely within the UK. ▶ In all applications, Personal Guarantees will be required for all Directors. Additionally, all shareholders over the age of 25 will be required to provide a Personal Guarantee, subject to the company having a maximum of 4 qualifying Directors and shareholders. There is no limit on the number of shareholders under the age of 25 subject to the shareholders being dependants of the Directors. ▶ For non-UK registered borrowers, only SPVs registered in the following jurisdictions are normally allowable: <ul style="list-style-type: none"> - Jersey - Guernsey - Isle of Man - Gibraltar - Cayman Islands - British Virgin Islands.
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Houses in multiple occupation (HMOs) criteria

Applicant profile	<ul style="list-style-type: none"> ▶ Available to experienced landlords only; no first time landlords. ▶ Products are available to business applicants; restrictions may apply. For example we won't be able to lend to business applicants where the Directors intend to reside in the property. ▶ Available in England and Wales.
Minimum valuation	<ul style="list-style-type: none"> ▶ £250,000 in London. ▶ £100,000 for all other allowable locations.
Maximum number of bedrooms	<p>The number of bedrooms is limited to a maximum of:</p> <ul style="list-style-type: none"> ▶ 6: for heavy and light refurbishment. ▶ 8: for standard bridging.
Licensing requirements	Where applicable, an application for any HMO Licence required by the Local Authority, must have been made prior to completion.

Property criteria

Minimum property value	£50,000 or £100,000 in London postcode districts.			
Location	Mainland England, Wales and Scotland only.			
	Applications in the following locations will not be considered (applies to Scotland):			
	Region	Postcodes	Region	Postcodes
	Aberdeen City & Shire Dumfries & Galloway Stirlingshire Western Isles Highlands Ayrshire	AB - All DG - All FK - FK17 to FK21 HS - All IV - All KA - KA27 - KA28	Orkney Renfrewshire & Argyll Perthshire Borders Shetland	KW - All PA - PA20 to PA78 PH - All TD - All ZE - All
Flats/Maisonettes	<ul style="list-style-type: none"> ▶ Must be self-contained with private facilities. ▶ Must have direct access to the highway via covered common parts. 			
Social housing	We are unable to consider any property being purchased under any social housing schemes (e.g. Right to Buy, Shared Ownership, Key Worker etc.). Additionally, we are unable to consider remortgaging any property purchased under any such scheme where the original vendor retains any interest or where any pre-emption clause remains.			
Modern Methods of Construction (MMC)	<p>Properties that have any MMC components can be considered providing the property was constructed by one of the following companies:</p> <ul style="list-style-type: none"> ▶ Barratt Developments ▶ Bellway ▶ Berkeley ▶ Bloor Homes ▶ Bovis Homes ▶ Crest Nicholson ▶ Galliford Try ▶ Persimmon ▶ Redrow ▶ Taylor Wimpey <p>If the property was constructed within the last 10 years it will need to benefit from one of the following warranties:</p> <ul style="list-style-type: none"> ▶ Advantage HCI ▶ Aedis Warranties Ltd ▶ Building Life Plans ▶ Buildzone ▶ Checkmate (Castle 10) ▶ CRL Management Ltd ▶ International Construction Warranties (ICW) ▶ LABC ▶ N.H.B.C. Guarantee ▶ Premier Guarantee Scheme ▶ Professional Consultants Certificate ▶ Protek ▶ Zurich Municipal "New build" 			
Unacceptable property types (if the construction is non traditional contact us for acceptability)	<p>Commercial</p> <ul style="list-style-type: none"> ▶ Property where commercial usage exceeds 20%. The commercial element should not extend to light engineering, manufacturing, livestock, rearing or caring for domestic animals. "Home" office usage is acceptable however, such use should not include circumstances where clients are seen on the premises on a regular basis (e.g. dental surgery would not be acceptable). ▶ Live / works units. <p>Construction</p> <ul style="list-style-type: none"> ▶ Any property of easiform construction. ▶ Any property containing mundic concrete. ▶ Any property containing no-fines concrete. ▶ Flats or maisonettes in blocks exceeding 20 storeys. ▶ Grade 1 listed buildings in England and Wales / Grades A and B in Scotland. ▶ Mobile homes and houseboats. ▶ Properties constructed with high-alumina cement, timber framed property with no brick skin or 100% steel or timber framed property. ▶ Property designated defective under Part XVI Housing Act 1985, Housing (Scotland) Act 1987 or Pre-Cast Reinforced Concrete (PRC) property (irrespective of whether repaired under a licence repair scheme). 			

Property criteria continued	
Unacceptable property types (cont'd)	<p>Other</p> <ul style="list-style-type: none"> ▶ Any property affected by Japanese knotweed. ▶ Any property deemed unsuitable security by the valuer. ▶ Any property where there is ongoing movement / monitoring is required. ▶ Property where material environmental hazards are present. ▶ Properties affected by overriding interest. ▶ Property where saleability may be adversely affected by local planning or by an unsatisfactory mining search. ▶ We will not lend where the property is affected by or within influencing distance of any significant factor which will have a negative impact on the property's value or re-saleability (e.g. overhead pylons, sub stations, etc).
Restrictive covenants	<p>We are unable to consider any property that may have a restricted occupancy clause within the planning permission, for example, it can only be occupied for a maximum of 11 months in any one year. Property with unrestricted occupancy can be considered provided our normal requirements are met.</p> <p>Similarly, property that can only be used for retirement or sheltered accommodation is not accepted. This is the same for any property where a planning restriction (e.g. agricultural restriction) effectively limits a property's appeal on the open market.</p> <p>Please note for new builds, we do consider Section 106 planning obligations.</p>
Structural reports	<p>We may require a Structural Report. Reports may be accepted from members of the following bodies:</p> <ul style="list-style-type: none"> ▶ The Institution of Structural Engineers (www.istructe.org.uk) ▶ The Institution of Civil Engineers (www.ice.org.uk) <p>The report must be referred to the valuer for comment. If the report is not addressed to the applicant, written confirmation must be obtained from the originator that its contents may be relied upon by the applicant(s).</p> <p>We will not lend on any property with either ongoing movement or where monitoring is required, where this is identified by either the valuer, or where evident in the structural engineer's report.</p>
Specialist reports	<p>We may require a specialist's report, specialist reports most commonly comprise of:</p> <ul style="list-style-type: none"> ▶ Timber and damp, electrical, trees, cavity wall tie; ▶ Mining report (as these are obtained by the solicitors, a special condition is imposed at offer); <p>Any such reports should be prepared by a reputable firm and should be forwarded to us for review and referral to the valuer.</p>
Valuation	<p>Precise Mortgages will instruct the valuation in all instances. Please refer to page 9 for further information on our fees.</p> <p>For standard first and second charge bridging loans, Rightmove AVMs are accepted, subject to the below.</p> <ul style="list-style-type: none"> ▶ The maximum purchase price/property value does not exceed £1,000,000. ▶ The loan has a gross LTV of 50% or below. Where multiple properties are used as security, providing the overall LTV is 50% or below, an AVM can be used for each property. ▶ The AVM achieves a confidence level of A, B or C – as determined by Rightmove. <p>We will advise you if your case qualifies for an AVM, if not a physical valuation will be required. AVMs are not available where finance is required for a HMO or any element of refurbishment is required.</p>

Tenure

Freehold	<ul style="list-style-type: none"> ▶ Unacceptable for flats/maisonettes. ▶ Heritable title flats are acceptable in Scotland.
Leasehold	Minimum remaining lease term is 70 years at completion.
Flying freehold	Considered provided it does not exceed 10% of the total area. The valuer must comment and confirm total percentage.
Commonhold	Are not accepted.

Legal fees

The borrower will be responsible for paying all the conveyancers fees, costs and disbursements. This includes the fees of the conveyancer acting for us in connection with the bridging finance if the borrower chooses to instruct a separate firm to act for them.

The borrower should obtain a detailed quotation from the conveyancing firm.

For further information please visit our website at www.precisemortgages.co.uk/Bridging/Conveyancer

Whenever we require that a borrower, occupier or guarantor receives independent legal advice then they will need to pay the legal fees and disbursements of the conveyancer providing that legal advice.

Valuation fee scale

Please refer to page 8 for confirmation of when we will accept an AVM.

Purchase price or estimated value (up to)	Standard bridging (AVM)	Standard and light refurbishment	Heavy refurbishment	Houses in multiple occupation (HMOs)
£100,000	£99	£265	£465	£500
£150,000	£99	£300	£465	£500
£200,000	£99	£335	£480	£515
£300,000	£99	£360	£550	£585
£400,000	£99	£385	£610	£645
£500,000	£99	£430	£670	£705
£600,000	£99	£480	£735	£780
£700,000	£99	£530	£795	£830
£800,000	£99	£585	£905	£940
£900,000	£99	£640	£980	£1,015
£1,000,000	£99	£735	£1,050	£1,085
£1,000,000 plus	N/A	Contact us	Contact us	Contact us

Please note: Where more than 1 property is used as security for the loan we require each property to be valued. The charge for each valuation will be as per the table above. Once a valuation has been carried out the valuation fee is non-refundable. In all instances the valuation will be carried out on behalf of Precise Mortgages. All of the above valuation scale fees are inclusive of VAT (where applicable).

Other fees

Telegraphic transfer fee	£35
Assessment fee	£295
Redemption administration fee	£120
Facility fee	Refer to product

Please note: Some of these fees maybe added to the loan subject to the maximum LTV limits applying to the product selected. In addition loan specific fees maybe added on a case by case basis. Valuation and legal fees cannot be added to the loan. The assessment fee is non-refundable.

Validation requirements

The below table provides a summary of the validation requirements which are based on the customer's intended exit strategy.

	Residential refinance	Buy to let refinance	Sale
Proof of income	Required	Not required	Not required
Bank statements	Required	Not required	Not required
Mortgage conduct	Required	Required	Required
Assets and liabilities	Required	Required	Required

Important information	Where a loan has one or more of the characteristics detailed in the table below, the following validation requirements apply.			
	Monthly payments requested (Non-Regulated Bridging only)	Adverse credit and refinance exit	Loans above £1million	LTVs above 65%
Proof of income	Required	Required	Required	Not required
Bank statements	Not required	Required	Required	Required
Mortgage conduct	Required	Required	Required	Required
Assets and liabilities	Required	Required	Required	Required

Please note, our underwriters reserve the right to ask for additional validation documentation at their discretion.

Submission requirements

Full requirements will be notified following case assessment however, the following identifies the standard requirements:	
Mortgage conduct	Proof of the most recent 12 months' mortgage payments is required for all current mortgages.
Self-employment	<ul style="list-style-type: none"> ▶ The existing business must have been trading for a minimum of 3 years and the latest 2 years' accounting information should be provided. ▶ We accept SA302s or a tax calculation, with a tax year overview from HMRC in lieu of accounts. ▶ We only accept accounts prepared by accountants with the following qualifications: ACA/FCA, CA, ACCA/FCCA, AAPA/FAPA, CIMA, CIPFA.
Company directors	Where a company director owns 25% or more of the company shares they must be treated as self-employed.
Employment	<ul style="list-style-type: none"> ▶ A minimum of 6 months in current employment and 12 months continuous employment history is required for all employed applicants. ▶ Income for employed applicants must be verified by means of the last 3 months' payslips and most recent P60. ▶ Where guaranteed or regular bonuses form a substantial part of an applicant's total income, please provide sufficient evidence to confirm that this is the case. ▶ For regular annual bonuses, a 2 year track record should be provided.
Assets and liability statements	Statement should be signed by applicant/guarantor, or their accountant.
Schedule of works proposal form	Normally required where any form of refurbishment is to be completed.
Second charge lending	Precise Mortgages will allow an introducer to instruct lender questionnaire providing the response is submitted directly to Precise Mortgages by the lender.

Meet our sales team



Gareth Lewis Director of Bridging

Gareth heads up our bridging loans' sales team, why not give him a call if you are in the **South** and have a **bridging or bridge to let** case you wish to discuss.

✉ gareth.lewis@precisemortgages.co.uk

☎ 07432 124185



Chris Parr National Sales Manager

Chris specialises in our bridging range, therefore if you have a **bridging or a bridge to let** case you would like to discuss, and you are in the **North**, why not give him a call.

✉ chris.parr@precisemortgages.co.uk

☎ 07852 518144



Owen Bentley National Sales Manager - South West

Owen specialises in our bridging range, therefore if you have a **bridging or a bridge to let** case you would like to discuss, and you are in the **South West**, why not give him a call.

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We can provide literature in large print, Braille and audio tape. Please ask us for this leaflet in an alternative format if you need it.

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