



Bridging Loans can be used For:

- Residential Property
- Residential Developments
- Commercial Property
- Commercial Developments
- Mixed Use property schemes
- Offices
- Retail
- Land
- Investment Property in Residential and Commercial

Commercial Mortgages

Development Finance

Homeowner Loans

Bridging Finance

Business Loans

Asset Finance

Leasing

There are a variety of non-status lenders in this market place with various Bridging Products, Rates, Exit Fees and Default Clauses. The primary consideration for whether you can should use Bridging Finance is a cost ~v~ profit/reason to use this facility.

Underwriting the proposal is as key to the success of the loan as much as the property that is available as security. Most Bridging Houses will consider applications regardless of the borrowers financial history, number of county court judgements, present/previous bankruptcies etc... some do not credit score, but all will consider the applications on their own individual merit.

Criteria for Lending:

- UK based Property
- First or Second Charges
- Loan Terms 1day to 12 months
- Min Loan Size £15,000 - Max 10m
- Loans to Individuals or Corporate Limited Companies
- Max Loan to Value - 70% for Commercial
- 80% for Residential
- 80% for Residential Closed Bridges
- Given certain criteria, such as additional security, consideration will be given for loans of up to 100% of the value of the primary secured property.
- Most lenders will lend against the Open Market Value, irrespective of the purchase price of a property.
- However some lenders will use a 90/180 day or distress sale value
- Loans can be arranged for development sites with Outline Planning permission or proven zoning agreement.

Using a Broker that is a member of the NACFB, National Association of Commercial Finance Brokers, will ensure you get the correct bridging loan and they can be relied upon to deal with all cases quickly and efficiently, You should be looking for:

- Decisions in hours
- Loan completions in days
- Experienced Finance and Property personnel
- No front end processing fees
- Extensive panel of approved Valuers

You should always know what your exit route will be and ensure that the exit is realistic in its timing, if not the Bridging Lender will have severe financial penalties that will mean your proposition will not be profitable



Auction

Time can often be tight when it comes to a property purchase and speed is the main advantage bridging finance can offer compared with high street banks.

Independent buyers seeking to find a bargain at auction are turning to bridging loans to meet the 28 day deadline for completion set by most auction houses. Once they own the property they are able to re-mortgage in order to repay the bridging loan.

A 10% deposit of the bid price will be required for auction day. If the client does not have the 10%, we can raise the funds by releasing equity on any existing properties prior to auction.

Many clients looking at purchasing an auction property require 100% of the bid price plus renovation costs and this can be achieved by using both the new auction house and the clients existing house as security (subject to equity).

Criteria

- Market Value
- 100% LTV (with additional security)
- 70% LTV (without additional security)
- Valuation report required on all secured properties

Land and Planning

Used to help investors, developers, private builders or self build projects move quickly; once a site has been identified with planning permission or planning potential is in place.

Take for instance that your client's bank is unable to provide funding as the property is not producing any rental income or is just too speculative. In certain circumstances or with additional security 100% of the market value can be achieved.

Or the client is able to purchase vacant premises and following completion, wishes to submit a planning application. As specialists in recognising the potential of development sites, we are able to structure short-term loans to finance acquisitions pending a change in planning permission.

Once the value of the site has been increased by the planning enhancement, the client is then able to re-finance the site through normal high street lenders, develop out or sell off to a developer.

Criteria

- Market Value
- 100% LTV (with additional security)
- 70% LTV (without additional security)
- Commercial/Residential
- Planning Gain Residential Zoned Areas
- Multiple properties
- Development Property
- Brownfield Sites

Residential

Most commonly used when the client wishes to purchase another property whilst their existing one is being sold.

It can also be used to release equity quickly for debt consolidation, business injection, purchase investment properties and home improvements.

High street lenders generally work off the discounted purchase price when assessing their advance levels. We always work off the Market Value of the property so this is advantageous for the client when purchasing at a discounted price or a sale at a price under the Market Value of the property.

Self build clients often under budget their completion costs and find they run out of money prior to the installation of the kitchen and bathroom. Most mortgage lenders will not lend against such properties as they are deemed "un-inhabitable".

Criteria

<ul style="list-style-type: none"> • Market Value • 80 100% LTV (with additional security) • 80% (subject to criteria) • Multiple properties 	<ul style="list-style-type: none"> • Timber / Steel framed • Council flats Barn Conversions • Buy To Let 	<ul style="list-style-type: none"> • Auction • Family purchases • Builder/vendor gifted deposits
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Commercial

A bridging loan is an ideal tool for self employed clients looking to purchase new premises or raise funds to inject into their business but do not fit with the traditional lenders criteria.

Traditional commercial lenders criteria and application processes tend to be extremely lengthy, with brokers often left with a 'shopping list' of requirements to fulfil.

70% of the Market Value can be raised if the commercial property has planning permission to be converted into residential usage - for instance: office building converted into apartments. In certain circumstances or with additional security 100% of the market value can be achieved.

It can also be used to release equity quickly for debt consolidation, business injection, purchase investment properties and home improvements.

Criteria

<ul style="list-style-type: none"> • Market Value • 100% LTV (with additional security) • 70% LTV (without additional security) • Multiple properties 	<ul style="list-style-type: none"> • Hotels & Guest houses • Nightclubs & Public houses • Nursing homes • Restaurants & takeaways • Timber / Steel framed 	<ul style="list-style-type: none"> • Offices • Warehouse units • Retail premises • No proof of income • Limited companies
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