

Homeowner Business Loans



Plan name	Prime			Light				Medium	Heavy		
	HBLP:02	HBLP:21	HBLP:22	HBL:02	HBL:22	HBL:23	HBL:03	HBL:04	HBLM:02	HBLH:11	
Maximum demerits	0 in 12			1				2	3	5	6
Maximum secured arrears	0 in 12			0 in 3 (1 in 12)				1 in 3 (2 in 12)	1 in 3 (3 in 12)	2 in 3 (4 in 12)	4 in 12
Maximum CCJs / defaults	0 in 12			0 in 3 (1 in 12)				2 in 12	3 in 12	4 in 12	6 in 12

Max LTV:	Purchase:	75%	70%	60%	75%	70%	60%	70%	70%	70%	60%
	Remortgage:	70%	65%	60%	70%	65%	60%	65%	65%	65%	55%
	2nd Charge:	75%	70%	60%	70%	65%	60%	65%	65%	65%	55%

Max Loan:	Purchase / Remortgage:	£250,000	£500,000	£2,000,000	£250,000	£500,000	£2,000,000	£500,000	£500,000	£200,000	£200,000
	2nd Charge:	£100,000	£250,000	£500,000	£150,000	£250,000	£500,000	£250,000	£250,000	£250,000	£100,000

*We will consider applications above maximum loan amounts by referral

≤65% LTV	Variable rate	5.99%	8.10%	10.10%	10.27%	12.00%	13.00%
>65% LTV		6.49%	8.60%				
≤65% LTV	5 year fixed	6.99%	9.10%	11.10%	11.27%	13.00%	14.00%
>65% LTV		7.49%	9.60%				
≤65% LTV	Reversionary rate	BBR+5.74%	BBR+7.85%	BBR+9.85%	BBR+10.02%	BBR+11.75%	BBR+12.75%
>65% LTV		BBR+6.24%	BBR+8.35%				

Interest Only Loans	0.5% premium to above rates
Loan terms (of England Base Rate)	Loan Terms: 4-30 years. Minimum fixed rate term: 5 years

BBR = Bank of England Base Rate

Applicants	Properties	Affordability	Fees
<ul style="list-style-type: none"> First Charge: Limited Company applications secured against the directors home address Second Charge: Applications secured against the customer's home where >50% of the loan is for business purpose 	<ul style="list-style-type: none"> Most property types are accepted Purchases: Reduce max LTV by 5% if property value is below £60,000 Remortgage / 2nd charge: Reduce max LTV by 5% if property value is below £125,000 	<ul style="list-style-type: none"> Affordability will be assessed on a Total Secured Debt to Income (TSDI) ratio. Net profit / Income x 50% must exceed all secured lending payments No minimum income requirements 	<ul style="list-style-type: none"> ERCs applicable in the first 5 years as follows: 4%, 4%, 3%, 2%, 1% Arrangement Fee: Tiered from 2% Packaged Commission: Tiered from 1.75% Title Insurance: Tiered from £100 Solicitors costs: 0.6% of net loan to £1m See underwriting criteria for details of above tiers

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Homeowner Business Loans Underwriting Criteria



Property types

A type - standard construction houses and bungalows including ex-council
B type – Reduce Max LTV by 5% (to a minimum of 50%)
 Flats and maisonettes (up to a maximum of 6 floors), ex-council flats and maisonettes (up to a maximum of 4 floors) and purpose built apartments (not ex-council)
C type – Reduce max LTV by 10% (to a minimum of 50%)
 All other property types, including ex-council flats and maisonettes (over 4 floors), non-standard construction, defective, high-rise (over 6 floors) or poor remarks on valuation

Maximum LTV may be reduced if there is more than a 10% difference between market value and the 90 day projected market valuation, a 'cash' valuation has been supplied or 'poor' is detailed on the valuation. Please refer.

Valuation

Drive By Valuation

Available for prime applications on residential securities for A and B type properties only. See below table for details of acceptable criteria:

Max Loan	£50,000	£75,000
Max LTV	65%	50%
Property Valuation	0-£750,000	

Valuation Bypass:

Maximum £150,000 valuation - based on Hometrack or Auction House guide. Only available for auction purchases.
 Not available for semi commercial properties and land.

Affordability

Affordability will be assessed on a Total Secured Debt to Income (TSDI) ratio.

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

Credit profile & demerits

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

Individual CCJs and defaults:

- Ignore – all > 1 year old
- Ignore – all ≤£300 or satisfied ≤£3,000
- 1 demerit – unsatisfied ≤ 1 year old £300 - £10,000, satisfied in last 12 months >£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 only

Fees

Loan Amount	Arrangement Fee	Packaged Commission
£5,000 - £100,000	2.5% (min £795)	2.25%
£100,001 - £200,000	2.25%	2%
£200,001+	2%	1.75%

Loan Amount	Title Insurance	Lender's legal costs
£0.00 - £50,000.00	£100	0.6% of Net loan, minimum £150
£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	

For Scottish cases a minimum lenders legal fee of £500 will apply.

Arrangement Fee, Solicitor's Costs and Title Insurance are paid by the applicant and added to the advance. Solicitor's costs charged include VAT where applicable.

Telegraphic Transfer: £30 fee applies to all cases

Other information

Qualifying Contracts:

First and second charge residential and semi-commercial properties where there is <40% commercial usage.

Loan Terms:

Loan terms from 4 – 30 years, interest only and capital repayment loans
 Minimum capital repayment loan £5,000
 Minimum interest only loan £26,000

LTVs:

Based on the market value or purchase price (whichever is lower).
 LTVs are based on the gross loan.

Applicant's Solicitors:

If the loan is a purchase or the loan is over £200,000, solicitors must act for the applicant. All solicitors must have 2 or more partners within the practice, with a Law Society membership of 5 years or more. If not, please contact your underwriter.

Contact Us:

Please contact our New Enquiries Team with any queries on 0161 933 7080 or email commercialsales@togethermoney.com