



# Short Term Lending Criteria Guide

for Standard Bridging, Light and  
Heavy Refurbishment



## General Criteria (applies to all lending)

### Loan

<b>Minimum Loan Term:</b>	1 month
<b>Maximum Loan Term:</b>	18 months
<b>Minimum Loan:</b>	£50,000
<b>Maximum Loan:</b>	No Maximum
<b>Availability:</b>	FSA regulated and non regulated loans.
<b>Security:</b>	First and Second Charge

### Applicant

<b>Minimum Age:</b>	25
<b>Maximum Age:</b>	70 (at the end of the term)
<b>Max. No of applicants:</b>	2

#### Individuals

**First Time Buyers:** Are defined as not owning a property in the last 6 months. Lending to First Time Buyers is prohibited.

#### Limited Companies

#### Business Applicants:

- Limited Companies providing these are set up with the specific and sole purpose of purchase, management and sale of investment property (SPVs).
- Businesses must have a UK registered office address and must operate entirely within the UK.
- Limited Companies must have a maximum of 4 directors.
- For all applications, personal guarantees from the directors will be required.
- For non-UK registered borrowers, only SPVs registered in the following jurisdictions are normally allowable: Jersey, Guernsey, Isle of Man, Gibraltar, Cayman Islands and British Virgin Islands.

### Nationality & Residency

**Residential Status:** in **all** cases we require a three year residential address history.

**All UK/EEA Nationals:** must have been resident in the UK for the last 3 years.

(EEA Nationals: Austria, Belgium, Bulgaria, Cyprus (Greek Cypriots only), Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland)

**Non-EEA Nationals:** Will not be considered for lending purposes.

**Diplomatic immunity:** Unacceptable if diplomatic immunity applies to immunity from UK law.

### Validation

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.

**Bank Statements:** Latest 3 months' consecutive bank statements are required on all applications.

**Self-employment:** The existing business must have been trading for a minimum of 3 years and the latest two years accounting information should be provided. 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 more than 25% of the company shares they must be treated as self-employed and accounts obtained.

**Employment:** 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 three 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 two year track record should be provided.

**Assets & 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.

**CCA Exemption or Declarations:** For Second Charge lending where the loan is not secured on an investment property then a declaration for CCA exemption is required for all applicants. Exemption will be due to business purposes or High Net Worth.

**Second Charge Lending:** Precise Mortgages will apply for a lender Questionnaire and require a Deed of Priority in all instances.



## Property

**Minimum property value:** £50,000 or £100,000 in London postcode districts.  
**Location:** England, Wales and Scotland only.  
 Applications in the following locations will not be considered (applies to Scotland):

Region	Post Codes
Western Isles	HS – All
Highlands	IV – All
Orkney	KW – All
Shetland	ZE – All
Renfrewshire & Argyll	PA – PA24 to PA78
Perthshire	PH – PH27 to PH50

## Tenure

**Freehold:** Unacceptable for flats/maisonettes, Heritable Title flats are acceptable in Scotland.  
**Leasehold:** 30 years unexpired term after end date of the mortgage term.  
**Flying freehold:** We can consider flying freeholds provided the percentage does not exceed 10% of the total area. The valuer must comment and confirm total percentage.  
**Commonhold:** Not acceptable.  
**Flats/Maisonettes:** Must be self-contained with private facilities and direct access to the highway via covered common parts.  
**Buildings Insurance:** Suitable buildings insurance should be in place at completion (remortgage) or at exchange (purchase) and will be a condition of the offer that the solicitor must address. The sum assured should be index-linked.  
**Social Housing:** We will not consider any property being purchased under any social housing schemes eg (Right to Buy, Shared Ownership, Key Worker etc). Nor will we consider remortgaging any property purchased under any such scheme where the original vendor retains any interest or where any pre-emption clause remains.

### Unacceptable property types (if the construction is non-traditional contact us for acceptability)

- 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 licenced repair scheme).
- Properties constructed with high-alumina cement, timber framed property with no brick skin or 100% steel or timber framed property.
- Property where material environmental hazards are present.
- 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 (eg dental surgery would not be acceptable).
- Live/works units.
- Freehold flats/maisonettes.
- Any property deemed unsuitable security by the valuer.
- Any property deemed in multiple occupation (HMO).
- Any property where there is ongoing movement/monitoring is required.
- Mobile homes and houseboats.
- Grade I listed buildings.
- Property where saleability may be adversely affected by local planning or by an unsatisfactory mining search.
- Any property of Modern Method of Construction (MMC) eg a POD type construction where units are built off site, craned onto site and secured and serviced connected etc, then externally clad.
- Any property containing Mundic concrete.
- Land without planning permission.

**Restrictive Covenants:** 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. Similarly, property that can only be used for retirement or sheltered accommodation is unacceptable, as is any property where a planning restriction (eg agricultural restriction) effectively limits a property's appeal on the open market.

## Structural Reports

Reports may be accepted from members of the following bodies:

The Institution of Structural Engineers [www.istructe.org.uk](http://www.istructe.org.uk) & The Institution of Civil Engineers [www.ice.org.uk](http://www.ice.org.uk).

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)

**Specialist Reports** Most commonly requested reports comprise:

- Timber & damp, Electrical, Trees, Cavity Wall Tie.
- Mining Report (as these are obtained by the solicitors, a special condition is imposed at offer).
- Any such reports should be prepared by a reputable firm and should be forwarded to us for review and referral to the valuer.

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## Solicitors

Precise Mortgages operates a controlled solicitor panel and will only instruct Goldsmith Williams (England and Wales) or Your Conveyancer (Scotland) (fees will need to be paid for by the applicant prior to commencement of work). The applicant has the option to instruct joint legal representation or separate legal representation.

### Joint legal representation

This is where our solicitor acts for both Precise Mortgages and the applicant. The applicant has the option to instruct joint legal representation in England and Wales through Goldsmith Williams. Please note that this service is not currently available in Scotland.

### Separate legal representation

This is where our solicitor acts for Precise Mortgages only and the applicant must instruct their own solicitor. In England and Wales, we use Goldsmith Williams and in Scotland Your Conveyancer.

Refer to "A guide to our Short Term Lending Solicitor Panel" for more information.

## Legal Fees

Property Value	Fee for separate legal representation	Fee for joint legal representation
Up to £100,000	£399	£549
£100,001 to £250,000	£449	£599
£250,001 to 500,000	£495	£645
£500,001 to £1,000,000	£650	£800
Greater than £1,000,000	£900	£1,050

### Please note:

- If the borrower is a Limited Company there will be an additional charge of £100, this includes obtaining Personal Guarantees.
- If more than one property is to be used as security there will be an additional charge of £100 per property.
- All the above legal fees exclude VAT and disbursements.
- Legal fees are paid directly to Goldsmith Williams for England and Wales and Your Conveyancer in Scotland.
- **Joint legal representation is currently only available in England and Wales.**

## Valuation Fee Scale

Purchase Price or Estimated Valuation (Up to)	Standard Bridging	Light/Heavy Refurbishment
£100,000	£225	£250
£150,000	£250	£275
£200,000	£275	£300
£300,000	£300	£325
£400,000	£350	£375
£500,000	£400	£425
£600,000	£450	£475
£700,000	£500	£525
£800,000	£550	£575
£900,000	£600	£625
£1,000,000	£700	£725
> £1,000,000	On application	On application

### Please note:

Where more than one 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 by Precise Mortgages. All of the above Valuation Scale fees are inclusive of VAT.

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## 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.

## Fast Track your non regulated loan – Less paperwork, less time...

For non regulated **Standard and Light Refurbishment** bridging loans with a gross LTV of less than 50% we will normally only require the following documentation:

- Completed application form,
- Acceptable identification,
- Satisfactory valuation,
- Schedule of works (for Light Refurbishment only)

Where a case is to be serviced or the case is considered more complex we may require additional information.

### Intermediary Support:

Freephone:

**0800 116 4385**

9.00am to 17.00pm (Monday to Friday)

Fax:

**0333 240 6186**

Email:

**bridging@precisemortgages.co.uk**

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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