

Your guide to **bridging finance for residential secured loans, buy to let and semi-commercial mortgages and loans**

# Bridging Finance with a choice of options

## Core Products & Criteria

New

**3 Month Discount Bridge** - from 0.75%

**6 Month Discount Bridge** - from 1.2%

**Early Payment Plan** - payment rate of 0.725% for 3 months

**Standard Bridge** - 1.45%

### Residential, Semi-commercial, Buy to Let, Business Loans

Up to 75% LTV available and up to 100% with additional security

Exit fee from 0%

Terms up to 24 months

Unique in providing both first and second charge bridging finance - in all market sectors

Competitive rates, with no rate loadings

Gifted deposits and sale undervalue considered

### Many status profiles accepted:

Demerit points accepted on most plans

### Many types of income accepted:

employed, self-employed, DWP, additional income

### Many property types accepted:

including high rise, non-standard construction, defective, ex-council,

Buy to Let & semi-commercial properties

**24 hour** Completions possible

**Instant decisions** with same day offers available



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[www.pfcmortgages.com](http://www.pfcmortgages.com)



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July 2010



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# Bridging Finance & Short Term Funding

## Residential, Semi-commercial & Buy to Let Mortgages & Loans

### Bridging Finance & Short Term Funding

Residential, Semi-commercial & Buy to Let Mortgages & Loans

This criteria matrix is for guideline purposes only, please refer to term plans for relevant maximum loan amount and number of demerits. If the case is outside of the term loan criteria 'we will always take a view'. Please email the enquiry form, with an out of plan assistance form, along with any other information to the fax number on the form.

**100% Funding available with additional security**

	BBD:01	BBD:02	BBE:01	BBS:01
	3 Month Discount Bridge	6 Month Discount Bridge	Early Payment Plan	Standard Plan
	Initial rate paid for 3 months, then rate increased for the remainder of the term		Initial rate paid for 6 months, then rate increased for the remainder of the term	
	Pay 50% for the initial 3 months. The other 50% is rolled up			
Maximum LTV	Up to 75%	Up to 75%	Up to 70%	Up to 75%
Demerit Points	from 0 to 8			
Loan Amount	£26,000 - £1,000,000			
Business Term	12 - 24 months			
CCA Regulated Term	15 - 24 months			
Minimum Term	3 months	3 months	1 month	1 month
Monthly Rate	0.75%	1.20%	1.45%	1.45%
Rate increase after initial period	+ 1.00%	+ 0.55%	n/a	n/a
Monthly Interest Accrual	n/a	n/a	0.725%	n/a
Acceptance Fee	2%	2%	1%	1%
Broker Fee	Can be applied			
Exit Fee	CCA regulation Early Repayment Charges apply Business Loans/BTL = 1.35%	CCA regulation Early Repayment Charges apply Business Loans/BTL = 0%	CCA regulation Early Repayment Charges apply Business Loans/BTL = 1.45%	
Packager Allowance	1%			
Stage Funding	Available. Please discuss with underwriter.			

#### Notes for Bridging Finance

All other term loan underwriting criteria applies. LTVs up to 100% funding available. Higher LTVs considered dependent on the merits of the case or for those who have a provable exit route. All Loan to Values & maximum advance strictly subject to underwriter approval. Properties A type Standard construction houses and bungalows excluding ex-council. B type Standard construction ex-council houses and bungalows. Flats and maisonettes (up to maximum of 6 floors), and purpose built apartments that are not ex-council. C type All other property types, including ex-council flats and maisonettes, non standard construction, defective, high rise flats, properties below £75,000 and any poor remarks on valuation, etc. Bankrupts discharged more than 1 year and IVAs with satisfactory conduct more than 1 year accepted. Arrears cannot be last consecutive months, includes first or second charge arrears or a combination, cannot be deducted from the redemption figure. Explanations required Satisfactory explanations required in all cases for arrears and defaults/CCJs. Early Payment Plan strictly by underwriter approval only. Purpose of Loan A purpose of loan letter is required on all cases clearly detailing any breakdowns in purposes and amounts. Account Management Should the client wish to extend the loan period a renewal fee of 5% of the gross outstanding balance is payable. If an Early Payment Plan is taken, payments will be required on renewal. Other plans only available on renewal with underwriter agreement. Difficult and unusual cases dependent on the merits of the case. An account management fee of 0.25% may be applied if the account accrues arrears. All other standard terms and conditions apply. See overleaf for more details.

**Case outside criteria?  
We'll always take a view!**

#### Demerit Points - Arrears, CCJs, etc.

CCJs and Defaults definitions (Defaults show as status 8 or D on the credit bureaux search)	Individual CCJs/Defaults				Cumulative CCJs/Defaults
	≤£300	>£300 and ≤£3,000	>£3,000 and ≤£5,000	>£5,000	Number in last 12 months >3
<2 years old unsatisfied	Ignore	1 Demerit	2 Demerits	Underwriter Approval	Underwriter Approval
Satisfied or >2 years old & unsatisfied	Ignore	Ignore	1 Demerit	1 Demerit	Underwriter Approval

Satisfactory explanation required for all CCJs, Arrears, Defaults.

Demerit points are defined as arrears, a CCJ or a Default. CCJs and Default definitions- see matrix. Current arrears are equivalent of 1 full calendar month payment. Arrears Demerit Points defined as the highest number of arrears in the last 12 months. Arrears to be cleared are defined as current arrears as detailed on the credit bureaux or confirmation from the mortgage lender at the time of completion. Maximum arrears is the total of the first and second charge arrears. Any CCJs or defaults that require an Underwriter Approval will count as a demerit. Plausible explanations and proof may be required.

#### Your Notes



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# Bridging Finance & Short Term Funding

## Terms & Conditions

### Acceptable Security

All property structures including land considered in England, Scotland and Wales. Minimum of 50 years + term of loan for leasehold properties. See plans for details.

### Acceptance Fee

Included in LTV. Will be applied to all loans and mortgages. Please refer to Quick Quote Calculator.

### Bankrupts/IVAs/CVAs

See plans. It may be possible to clear the IVA/bankruptcy/CVA by underwriter referral.

### Bridging Finance & Short Term Funding

Please provide details of how the capital will be repaid at the end of the term.

### Broker Fees

May be charged on all plans and must have been agreed with the client. Maximum Broker Fee that can be charged is the lower of 15% of the net loan or £5,000. Where the property valuation is >£500,000 or an audit valuation is required, these maximum amounts may be plus valuation costs, with underwriter approval. Proof of valuation cost will be required.

### Business Loans

**Business Exemption can only apply to loans >£25,000.** Business Loans are where the loan is secured on property and at the time the agreement is entered into, the customer (or a member of the customer's immediate family) occupies or intends to occupy 40% or more of the property. If the loan is predominantly for business purposes (i.e.>50% of the loan will be for business use), the loan will be CCA regulated if under £25,001. If the loan is more than £25,000, the client can apply for a "Business" exemption from the CCA Regulations. This exemption is included in the terms and conditions on the legal agreements, and so it is imperative that before issuing any documentation a clear understanding of the purpose of the loan is established. As the Business Loan is exempt from CCA Regulation no consideration period is required. A written explanation of the purpose of the loan may be required if the funds are to be used in connection with the business. Loans for any purpose to business partnerships of more than 3 persons and limited companies will always have a "Business Exemption" if the loan is >£25,000.

### Buy to Let & Semi-commercial Loans

**Unregulated Loans.** Where the loan is secured on property and, at the time the agreement is entered into, 40% or less will be occupied by the customer (or a member of the customer's immediate family) the loan will be unregulated. The loan is exempt from CCA Regulation and no consideration period is required. This includes loans (irrespective of the amount) that are secured on Buy to Let, semi-commercial and commercial property. It is imperative that before issuing any documentation that the percentage occupancy of the property is acquired as this affects the Legal documentation.

### Client's Solicitors

If the loan is a purchase or the loan is over £250,000, solicitors must act for the client. All solicitors acting for clients must have 3 or more partners within the practice, with a Law Society membership of 5 years or more. If the client's solicitor does not fulfil these requirements, please contact your underwriter.

### Commissions/Remuneration

You should disclose a monetary amount of the remuneration you will earn to the customer and hold confirmation on file.

### Consumer Loan

Consumer Loans are where the loan is secured on property and at the time the agreement is entered into, the customer (or a member of the customer's immediate family) occupies or intends to occupy 40% or more of the property. If the loan is predominantly for consumer purposes (i.e.>50% of the loan will be for personal use), the loan will be CCA regulated irrespective of the amount (FSA regulated if a first charge).

### Early Payment Plan (EPP)

Early Payment Plan is for an initial 3 months period. For the term of the EPP period 50% of the payment is required. The other 50% rolls up onto the loan balance. The recalculated balance will then need to be redeemed at the end of the term.

### Ex-council Properties

Scotland - we do not lend on ex-council properties in Scotland within the pre-emption period. England & Wales - Ignore all pre-emption. We may also take into account any future costs or service charges that the applicant will be liable for and reduce the LTV accordingly. Also see property type list on plans.

### Equitable Charges

By referral only - Equitable charges not accepted on shared ownership properties, fringe lenders as first charge, semi-commercial or Buy to Let. All cases are strictly subject to underwriter approval. The lender reserves the right to decline the case. Maximum age at end of term is state pensionable age. Proof that consent has been declined will be required in all cases.

### Ground Rent and Service Charges

When the security is a leasehold property we will require confirmation in writing from any freeholder that all ground rent and service charges are paid up to date. Where there are arrears these will need to be cleared from the advance and we will need written authority from the applicant(s) that they understand and authorise them to be disbursed from the loan.

Any significant service or ground rent arrears may be considered when assessing the customer's affordability of the new loan with us, and where there are concerns the loan may be rejected.

### Income Proof

**Income proof is required for all applicants in all cases.**

Minimum employment period with the same company and a minimum trading period for self-employed is 1 year. (References may be required).

**Employed** - if monthly paid, 2 payslips dated within the last 3 months; if weekly paid, 4 payslips dated within the last 2 months. Additional income may be considered with proof. **Self-employed** - We require a "declaration of income and affordability" and 2 strong income proofs of self-employment, e.g. Trade Invoice, 715 or SC60 certificate, VAT or Inland, Accountants reference, inland revenue correspondence etc. In addition we also require either an acceptable Accountants

Reference (this is compulsory should the applicant be declaring more than £3,000 net income per month or have been trading for more than 3 years) or 3 months business/personal bank statements.

**An Accountants reference** must include the applicant's:

- Nature of business/trade.
- Trading Name.
- Most recent financial year's profits, with a projection for the forthcoming year.
- Drawings and a projection for the forthcoming year.
- The accountants opinion as to whether the client can afford the monthly repayment of (Exxx.xx monthly payment).

This reference letter will be accepted as one of the proofs of self-employment, but a further strong proof will also be required.

**Personal/Business Bank Statements** must show their declared income being credited to the account. An affordability verification will also be conducted. Two further strong proofs of self-employment will also be required.

**DWP** - declaration of income and affordability with proof required.

**Board and Lodgings** - not accepted.

If an Early Payment Plan has been selected, the affordability will be calculated on the reversionary payment not the reduced payment. All income and outgoings will be assessed for plausibility and affordability. If we believe that either of these cannot be achieved we reserve the right to reject the case. If the term of the loan exceeds the client's retirement age then a full assessment of affordability into retirement income is required as the client must be able to afford the payments.

### Loan to Value (LTV)

LTVs are based on market value or purchase price whichever is the lower. Right to Buys are based on market value. Shared Ownership properties are based on market value multiplied by client's share.

### Maximum Age

The loan should end on or before the client's 80th birthday. (maximum term may be restricted for applicants of state pensionable age). If the term of the loan exceeds the client's retirement age we will require a letter from the client detailing their future plans and then a full assessment of affordability into retirement income is required as the client must be able to afford the payments.

### Maximum Loan Amount

Maximum loan amount includes Broker Fee, however is plus Acceptance Fee, Solicitor's Costs and Title Insurance for term and bridging loans. Buy to Let and Semi-commercial includes loan amount, all insurances and all fees.

### Proofs of Name, Signature, Residency and Address

We recommend you submit a **Passport/Driving Licence**, along with a **Council Tax/Utility Bill/Bank Statement** for each applicant. This will cover all aspects of our requirements for Proof of Name, Signature and Proof of Residency/Address.

**Identification** As part of 'know your customer' we will conduct Electronic Identification and Credit Searches. Should any information become apparent we may need to carry out further investigations which may need the broker's assistance. (Please refer to 'Identification' in General Underwriting and Processing Guide.)

**Proof of Residency and Address** This is required in all cases for each of the applicant's main residence in the form of a council tax bill, utility bill (Gas, Electricity, Water or Land Line Telephone) or bank statement. We will require the utility bill or bank statement to be dated within the last three months and a council tax bill to be dated within the current tax year. Online bank and online utility statements are NOT acceptable as Proof of Residency/Address. Joint statements or bills may only be used for ONE applicant, and the other applicant must provide additional Proof of Residency/Address. Both applicants may provide bank statements.

### Purpose

Any legal purpose is accepted. However this must be clearly detailed on the Application / Enquiry form on day 1 as the purpose may affect the terms and conditions applied to the facility. Should Blemain Finance establish at any stage the incorrect documentation has been issued we will request that the correct documentation be issued and the relevant regulation be applied.

If the loan is predominantly for consumer purposes (i.e.>50% of the loan will be for personal use), the loan will be CCA regulated irrespective of the amount (FSA regulated if a first charge). The CCA regulated agreement should be used. This is a "Consumer Loan".

If the loan is predominantly for business purposes (i.e.>50% of the loan will be for business use), the loan will be CCA regulated if less than £25,001 and the CCA regulated agreement should be used. If the loan is predominantly for business purposes and the amount is for more than £25,000 the client can apply for a "Business" exemption from the CCA Regulations and an unregulated agreement should be used, this is a "Business Loan". This exemption is included in the terms and conditions on the legal agreements, and so it is imperative that before issuing any documentation a clear understanding of the purpose of the loan is established. As the Business Loan is exempt from CCA Regulation no consideration period is required. A written explanation of the purpose of the loan may be required if the funds are to be used in connection with the business. Loans for any purpose to Business Partnerships of more than 3 persons and Limited companies will always have a Business Exemption.

Where the loan is secured on property and at the time the agreement is entered into, **less than 40% will be occupied by the customer (or a member of the customer's immediate family) the loan will be unregulated.** This is an "Unregulated Loan". This includes all loans (irrespective of the amount) that are secured on Buy to Let, semi-commercial and commercial property. There are specific agreements for Unregulated Loans, so before issuing any documentation a clear understanding of the occupancy must be established. As an Unregulated Loan is exempt from CCA Regulation no consideration period is required. Should it be established at any stage the incorrect documentation has been issued we will request that the correct documentation be issued and the relevant regulation be adhered to.

### Renewal

At the end of the term, the loan may be renewed by approval with a 5% renewal fee being incurred.

### Self-build Properties & Developments

Each case considered on its own merits. Strictly by underwriter approval only. Must have NHBC, Zurich or Premier Guarantee to accompany Architect's Certificates.

### Shared Ownership Properties

(By referral only). No Bypass Schemes accepted. Copy of lease required on all second charges. Term loans are subject to all approval conditions of the Housing Association. Once the lease has been reviewed your underwriter will provide you with a list of requirements to complete the case.

### Solicitor's Costs

Charged on all cases and include VAT where applicable. Please refer to Quick Quote Calculator.

Amount of Advance	Fee
>£0 - £100,000	£588
£100,001 +	0.5875%

### Solicitors to Witness & Advise

Up to £100,000 not required. Required on certain cases, e.g. loans >£100,000, clients of state pensionable age, parent and child borrowers, etc. Independent Legal Advice will be required if the loan is for business purposes and for a married couple and the business only relates to one of them or the loan is over £100,000. Please refer to the General Underwriting and Processing Guide for more information.

### Telegraphic Transfer

£30 fee.

### Title Insurance

Paid by client and added to the advance.

Amount of Advance	Fee
>£0 - £25,500	£175
£25,501 - £35,000	£200
£35,001 - £45,000	£225
£45,001 - £55,000	£250
£55,001 - £75,000	£275
£75,001 - £100,000	£300
£100,001 - £150,000	£400

Then an extra £100 will be charged for every additional £50,000.

### Underwriter Referral

Required if valuation is <£75,000 or is a 'C' type property, semi-commercial, bridging finance, or the loan is >£50,000. If loan amount is greater than the mortgage balance underwriter referral required.

### Valuations

Must be dated within the last 2 months

**Residential Valuation Panel** is available from your Business Development Executive. All valuers must be based within a 15 mile radius of the property. A specific valuer is required in some of the postcode areas surrounding London. Audit valuations may be required if the loan amount is >£50,000, LTV >60% or property value is >£500,000 or a Valuation Bypass Scheme has been used. All property valuations of £1 million or more are strictly subject to underwriter approval. We will contact any valuers or other appropriate sources regarding the valuations of a property. Should any further information be discovered which is not reflected in the valuation or may have a detrimental effect on the value of the property, we reserve the right to reduce the loan amount or decline the case. We require original valuations with no amendments. If amendments have been made we require all previous versions and the case will be referred and is strictly subject to Credit Committee approval. **For Sale Details:** if the property is currently for sale with an estate agent, please supply a copy of the sales particulars. The Market Valuation and projected 90 day Market Valuation should not have more than a 10% difference between them. If the difference is >10% then an underwriter approval is required.

PLEASE REFER TO GENERAL UNDERWRITING & PROCESSING GUIDE FOR FURTHER DETAILS.

All fees include VAT where applicable.

Please note: Cases will be reviewed by the Fraud Committee for the purpose of identifying potential fraud. This will include income and valuation fraud. Should in our opinion any case you present be deemed to be fraudulent the case will be rejected and action taken by the Fraud Committee, which will ultimately result in your Accreditation being revoked.

## Help us to help you

To ensure you contact the department you need we have devised this list of 'useful numbers'. Please refer to it before contacting us so that you will access the department to suit your requirements. Many thanks!

### New Enquiries & In Principle Decisions Team

Call: 0844 873 4120 Fax: 0844 873 4121  
Email: applications@blemainfinance.co.uk

### Underwriting Relationship Managers

Call: 0844 873 4127 Fax: 0844 873 4137  
Email: theintroductioncentre@blemainfinance.co.uk

### 'Speak With' Team

Call: 0844 873 4129

### Non-packager Referral Team

Call: 0844 873 4125 Fax: 0844 873 4126

Visit our websites at [www.blemainfinance.co.uk](http://www.blemainfinance.co.uk) or [www.brokervenue.co.uk](http://www.brokervenue.co.uk)