

RESIDENTIAL PROPERTY HOUSES OF MULTIPLE OCCUPANCY (HMO) LOANS

HMO LOANS CRITERIA	
Fixed Term	3 years
Max LTP ¹	Up to 85%
Max LTV ²	Up to 70%
Min Loan	£50,000
Max Loan	£10m
Min Property Value	£200,000
INTEREST RATE³	
Option 1 - Up to 70% LTV	9.99% pa
Option 2 - Up to 70% LTV	7.99% pa**
ERC's	
Year 1 / Year 2 / Year 3	6% / 5% / 4%
Final month	nil
RENTAL COVERAGE	
Option 1	110%
Option 2	125%
FEES⁵	
Facility Fee	3%
Proc Fee	0.75%
Administration Fee	£350
Legal Fees ⁶	£850

PRODUCT CRITERIA

- First Charges only.
- Tenanted Residential Investment Property – no owner occupied lending.
- Properties in England only.
- No CCJs, Mortgage arrears or defaults in the last 3 years. Any previous adverse will be considered on an individual basis.

PRODUCT FEATURES

- Interest charged on a monthly basis.
- Interest can be retained for the full term.
- **2% Interest per annum can be deferred and payable upon redemption of the loan. If this option is selected the required rental coverage will increase to 125% of the reduced interest rate. Deferred Interest is in addition to the interest rate shown.

REQUIREMENTS

- Completed and signed Drawbridge Finance Application Form including statement of Assets and Liabilities.
- Passport and **two** utility bills for **each** applicant, certified as true copies by the acting solicitor.
- Where interest is being paid monthly (not retained for the full term) we require proof of rental income in the form of 3 months **original** bank statements and an **AST**.
- Valuation addressed to BridgeCo Ltd. All valuation fees are paid direct to the surveyor or the packaging broker.
- Not available for First Time Buyers
- Subject to Houses in Multiple Occupation Licensing.
- For Company Applicants we may require a debenture over the Companies Assets. Personal Guarantees are required for all shareholders that hold 20% or more shares. Company accounts may also be required.
- Please refer to the "**Drawbridge Finance General Lending Criteria**" for full requirements.

1 LTP – Loan to Purchase Price for Discounted transactions. The lower of LTV/LTP above will be used.
 2 LTV – Loan to Value based on 180 day Market Value.
 3 Interest Rate – Calculated on a monthly basis.
 4 ERC – There is no ERC on this product if the loan redeems in the 36th month.

For all redemptions prior to 35 months ERCs will apply.
 5 Deducted from the Loan advance.
 6 £850 will typically be charged for purchases up to £500,000. For full legal fee scale, please see general criteria guide