

Product Guide

Specialist property finance



“Our core focus is to deliver.
That’s why all of our
products are designed
with the needs of our
borrowers at their heart.”

Matthew Tooth, LendInvest



★
NACFB
AWARD WINNER
2016

Welcome

Welcome to the LendInvest Product Guide. Inside you'll find our full range of products, including Bridging loans, Development loans and Buy-to-Let mortgages, and a detailed explanation of our criteria.

Product	Loan size	LTV	Loan term	
 Residential Bridging	£75k - £7.5m	Up to 75%	Up to 12 months	Pg. 6
 Commercial Bridging	£75k - £7.5m	Up to 75%	Up to 12 months	Pg. 7
 Auction	£75k - £7.5m	Up to 75%	Up to 12 months	Pg. 8
 Refurbishment	£75k - £7.5m	LTGDV up to 70%	Up to 18 months	Pg. 9
 Pre-construction	£1m - £5m	Up to 70%	Up to 18 months	Pg. 10
 Development	£500k - £7.5m	LTGDV up to 70%	Up to 24 months	Pg. 11
 Development Exit	£250k - £5m	Up to 70%	Up to 12 months	Pg. 12
 Buy-to-Let	£50k - £2m	Up to 80%	Up to 30 years	Pg. 13

We do

- ✓ Unregulated loans
- ✓ Lend on property in England, Wales and Scotland

We don't do

- ✗ Regulated loans for owner occupied property
- ✗ Consumer buy-to-let loans



Get in touch with the team

Our Business Development team are here to help, from enquiry to completion. The team can provide assistance on all our products. LendInvest has a flexible procurement fee policy; speak to our Business Development team about the rates that could apply.

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Residential Bridging



Short-term loans for residential properties located in England, Wales and Scotland that meet the criteria below.

Key features

	Tier 1	Tier 2
Common uses	Secure a property quickly, generate short-term cash flow from an existing property, light refurbishment projects.	Secure a property quickly, raise money against a non-standard property or short leasehold, leverage to fund minor structural works or heavy refurbishment.
Max loan size	£3,000,000	£7,500,000
Min loan size	£75,000	£75,000
Max loan to value	75%	75%
Valuation fees	Market rate	Market rate
Loan term	From 1 to 12 months	From 1 to 12 months
Arrangement fee	2%	2%
Early repayment charge	None	None
Legal fees	Market rate	Market rate

Monthly interest rates from

Reduced rates

LTV	≤50%	≤60%	≤65%	≤70%	≤75%
Tier 1	0.59%	0.69%	0.74%	0.84%	0.89%
Tier 2	0.75%	0.85%	0.90%	0.95%	0.99%

Criteria

	Tier 1	Tier 2
Property	Residential	Residential, HMOs, non-standard construction properties.
Refurbishment	Property must be habitable. Light refurbishment allowed.	Heavy refurbishment and minor development: structural, conversion or extension work that requires planning permission or building regulation approval.
Charge	1st charge	1st charge
Tenure	Freehold, and leasehold with 80+ years left on the lease.	Freehold, and leasehold with 60+ years left on the lease.
Applicant	UK residents and UK companies.	UK and non-UK residents and companies.
Credit	For credit profile criteria see the <i>Requirements</i> page.	



Commercial Bridging



Short-term property loans for semi-commercial and commercial. Located in England, Wales and Scotland that meet the criteria below.

Key features

Common uses	Secure commercial property quickly, generate short term cash flow from an existing asset, or fund works or change of use.		
Max loan size	£7,500,000	Loan term	From 1 to 12 months
Min loan size	£75,000	Arrangement fee	2%
Max loan to value	75%	Early repayment charge	None
Valuation fees	Market rate	Legal fees	Market rate

Monthly interest rates from

LTV	Semi-commercial	Commercial and land
≤40%	0.80%	1.00%
≤50%	0.85%	1.05%
≤60%	0.90%	1.10%
≤65%	0.99%	1.15%
≤70%	1.05%	1.20%
≤75%	1.10%	-

Criteria

Property	Semi-commercial, commercial and land (land loans are restricted to a maximum of £1m).
Refurbishment	Light refurbishment, heavy refurbishment and minor development: structural, conversion or extension work that requires planning permission or building regulation approval.
Charge	1st charge
Tenure	Freehold, and leasehold with 60+ years left on the lease.
Credit	For credit profile criteria see the <i>Requirements</i> page.



Auction



Exclusively for properties purchased at auction, Auction finance offers a fast-tracked service to ensure certainty of funding within your time frame. Suitable for investment properties throughout England, Scotland and Wales.

Key features

Common uses	Fast track funding to secure an auction property.		
Max loan size	£7,500,000	Loan term	From 1 to 12 months
Min loan size	£75,000	Arrangement fee	2%
Max loan to value	75%	Early repayment charge	None
Valuation fees	Market rate	Legal fees	Market rate

Monthly interest rates from

Residential					
LTV	≤50%	≤60%	≤65%	≤70%	≤75%
Tier 1	0.59%	0.69%	0.74%	0.84%	0.89%
Tier 2	0.75%	0.85%	0.90%	0.95%	0.99%

LTV	Semi-commercial	Commercial and land
≤40%	0.80%	1.00%
≤50%	0.85%	1.05%
≤60%	0.90%	1.10%
≤65%	0.99%	1.15%
≤70%	1.05%	1.20%
≤75%	1.10%	-

Criteria

See *Residential* and *Commercial Bridging* pages for detailed criteria.



Refurbishment



Refurbishment finance is designed for property professionals looking to refurbish or improve existing properties. The loan is based on gross development value (GDV), with funds released in stages to fund the property purchase and refurbishment works.

Key features

Common uses	Heavy refurbishment or minor development, and conversions to residential units by experienced property professionals.		
Max loan size	£2,000,000	Loan term	Up to 18 months
Min loan size	£100,000	Arrangement fee	2%
Max LTGDV	70%	Max LTV (day 1)	70%
Min refurb cost	15% of day 1 MV Not less than £25k	Max refurb cost	50% of day 1 MV Up to £500k
Valuation fees	Market rate	Monitoring fee	£1,250 (typical cost)
Legal fees	Market rate	Interest method	Rolled

Monthly Interest rates from

LTGDV	Monthly interest rate
≤ 65%	0.89%
≤ 70%	0.99%

Criteria

Applicant experience	Demonstrate experience of similar projects.
Applicant	UK residents and UK companies.
Property	Residential
Charge	1st charge
Tenure	Freehold, and leasehold with 60+ years left on the lease.
Refurbishment	Heavy refurbishment, including structural, conversion or extension work that may require planning permission or building regulation approval.
Credit	For credit profile criteria see the <i>Requirements</i> page.



Pre-construction



Pre-construction finance is designed for experienced borrowers who are obtaining or enhancing planning permissions prior to building. The security property can be residential, commercial or land, but the end planning consent must be residential. Available for projects located in England, Wales and Scotland.

Key features

Common uses	Purchase or refinance of land or other security when you need time to obtain or enhance planning permissions prior to building.		
Max loan size	£5,000,000	Loan term	Up to 18 months
Min loan size	£1,000,000	Arrangement fee	2%
Max loan to value	70%	Early repayment charge	None
Valuation fees	Market rate	Legal fees	Market rate
Max single unit	£1,000,000	Interest method	Serviced or retained

Monthly interest

LTV	Monthly Interest rate
≤40%	1.00%
≤50%	1.05%
≤60%	1.15%
≤70%	1.25%

Criteria

Applicant experience	Demonstrate experience of successful planning applications.
Planning	Residential planning applications.
Charge	1st charge
Tenure	Freehold, and leasehold with 60+ years left on the lease.
Credit	For credit profile criteria see the <i>Requirements</i> page.



Development



Unregulated loans for residential and semi-commercial projects, located in England, Wales and Scotland. The borrower must have previous experience of similar projects.

Key features

Common uses	Large-scale development of an existing property or ground up builds.		
Max loan size	£7,500,000	Loan term	From 1 to 24 months
Min loan size	£500,000	Arrangement fee	2%
Max loan to value (land)	70% (including interest)	Max single unit GDV	£1,000,000
Max LTC	90%	Max per square ft GDV	£1,200
Valuation fees	Market rate	Legal fees	Market rate
Interest method	Rolled		

Reduced rates

	Option 1	Option 2
Annual interest rate from	7.98%	9.00%
Max loan to GDV	65% (including interest)	70% (including interest)
Exit fee	2%	2%

Criteria

Applicant experience	Demonstrate experience of similar projects.
Charge	1st charge
Tenure	Freehold, and leasehold with 60+ years left on the lease.
Drawdown	Based on works completed with monitoring surveyor sign off.
Credit	For credit profile criteria see the <i>Requirements</i> page.
Exit fee	Based on gross loan amount. Not included in max LTGDV calculation.



Development Exit



For development projects that have reached practical completion – replace higher cost development finance with flexible, low-cost funding. Available for properties located in England, Wales and Scotland.

Key features

Common uses	Replace higher cost development finance on a finished development being held for sale.
Monthly interest rate from	0.70%
Repayments during loan term	Sell units to repay our facility and receive up to 20% of net disposal proceeds, subject to the lender's consent.

Max loan size	£5,000,000	Loan term	From 1 to 12 months
Min loan size	£250,000	Arrangement fee	2%
Max loan to value	70%	Early repayment charge	None
Valuation fees	Market rate	Legal fees	Market rate
Max unit value	£1,000,000	Interest method	Rolled or serviced

Criteria

Property	Residential property, with new build warranty in place.
Charge	1st charge
Tenure	Freehold, and leasehold with 80+ years left on the lease.
Applicant	UK residents or UK Companies.
Credit	For credit profile criteria see the <i>Requirements</i> page.
Minimum number of units	Two units. Single units can only be funded by a bridging loan.



Buy-to-Let



Fast and flexible finance for professional buy-to-let landlords. Available for properties located in England, Wales and Scotland. *Available via intermediaries only.*

Key features

- Specialist underwriting on all applications.
- Easy to use online broker portal.
- The same interest rates applied across individual and limited company applications and different property types, including HMOs.
- Flexibility available on interest cover calculations to enable higher LTVs at the underwriter's discretion.
- Flexible underwriting for portfolio landlords.

Property types

- ✓ Houses
- ✓ New builds
- ✓ Flats
- ✓ Maisonettes
- ✓ Apartments including new builds
- ✓ HMOs
- ✓ Flats in blocks up to 5 storeys¹
- ✓ High rise flats over 5 storeys²
- ✓ Ex-local authority flats considered³

Borrower types

UK individuals, limited companies and limited liability partnerships only. Company SIC code must relate to property management, investment or development. New SPVs are accepted.

Interest coverage ratios and assessment rates

Applicant	Single properties	HMOs and other property types
Basic rate taxpayer (20%)	125%	130%
Limited company or LLP	125%	130%
Higher rate taxpayer (40%)	140%	145%
Additional rate taxpayer (45%)	140%	145%
Refinance (no additional capital raised)	125%	135%

We apply an ICR rate of 5.5% to our loans, with an exception for those of 5 years or more. For the latter, there are two options: a lower rate assessed at 5.5%, or a higher rate assessed at the pay rate. See overleaf for details. Refinances that do not raise additional capital are assessed at the reversion rate.

¹ Must have a lift if over 3 storeys. ² In Greater London accepted subject to market conditions. ³ If in a privately owned block (Greater London only).



LendInvest offers two pricing tiers. Tier 1 rates are available to individual and corporate borrowers where all the applicants meet the tier 1 credit criteria, and are applicable to both standard and HMO properties. Tier 2 rates apply to individual and corporate borrowers when one or more of the applicants does not meet the tier 1 credit criteria.

Tier 1

Defaults: 0 in last 60 months
CCJs: 0 in last 60 months
Missed mortgage/secured payments: 0 in last 36 months
Unsecured arrears: No more than 2 in last 36 months.
Bankruptcy: No history of bankruptcy or IVA

	LTV up to 75%				LTV up to 80%			
Fixed period	2 year	3 year	5 year		2 year	3 year	5 year	
Initial rate	3.39%	3.79%	3.79%	4.19%	4.19%	4.59%	4.59%	4.99%
ICR rate	5.50%	5.50%	5.50%	4.19%	5.50%	5.50%	5.50%	4.99%
Reversion rate	LIBOR* + 4.59%							
Min. loan	£50,000							
Max. loan	£2m at 60% LTV, £1.5m at 65% LTV, £1m at 70% LTV, £750k at 75%, £500k at 80% LTV							
Loan term	5-30 years							

Tier 2

Defaults: 0 in last 12 months, 2 in last 24 months
CCJs: 0 in last 12 months, 1 in last 24 months (max £5,000 and must be satisfied)
Missed mortgage/secured payments: 0 in last 12 months, 1 in last 36 months
Unsecured arrears: Not counted
Bankruptcy: No history of bankruptcy or IVA

	LTV up to 75%				LTV up to 80%			
Fixed period	2 year	3 year	5 year		2 year	3 year	5 year	
Initial rate	3.99%	4.39%	4.39%	4.79%	4.69%	4.79%	4.79%	5.19%
ICR rate	5.50%	5.50%	5.50%	4.79%	5.50%	5.50%	5.50%	5.19%
Reversion rate	LIBOR* + 4.69%							
Min. loan	£50,000							
Max. loan	£2m at 60% LTV, £1.5m at 65% LTV, £1m at 70% LTV, £750k at 75%, £500k at 80% LTV							
Loan term	5-30 years							

*LIBOR: 3 month LIBOR variable rate at the end of the fixed period.

Fees

Fixed period	Product fee	Early repayment charge** (Year 1 / 2 / 3 / 4 / 5)
2 year	1.49%	3% / 2%
3 year	1.49%	3% / 2% / 2%
5 year	1.49%	3% / 2% / 2% / 2% / 1%

**You can repay up to 10% of the outstanding loan balance in any 12-month period (calculated by taking the balance at completion and each anniversary thereafter) without incurring an early repayment charge.



Valuation & legal fees



Valuation fees

We will carry out an independent valuation report in order to calculate how much we can lend to your client. The fee will be variable and will depend on the value of the borrower's property.

Legal fees

We will instruct solicitors to act for us in relation to your client's mortgage. The cost of this work will typically be charged directly to the borrower by the solicitor.

The fee will be variable, depending on each borrower's case, and will be additional to any charges made by solicitors working on their behalf.

Residential

Property value not exceeding	Mortgage valuation including VAT
£300,000	£480
£400,000	£530
£500,000	£630
£600,000	£685
£700,000	£755
£800,000	£855
£900,000	£905
£1,000,000	£1,005
£1,500,000	£1,455
£2,000,000	£1,855
£3,000,000	£2,655

Commercial valuation fees will be arranged on a case-by-case basis.



Requirements



Individual requirements

Minimum age	21
Maximum age	75 (at end of term)
Max number of applicants	4

Residential status

Resident in the UK for 36 months or more. If not, please get in touch. For Tier 1 Bridging and Development Exit, individuals must have resided in the UK for a minimum of 36 months and must currently be UK tax resident.

Nationality

UK/EEA acceptable. Non-EEA subject to underwriter approval. For Tier 1 Bridging and Development Exit: UK only.

Corporate requirements

Max number of applicants	4 (directors/members)
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Company origin

UK limited companies. Non-UK possible. Please get in touch. For Tier 1 Bridging and Development Exit: UK companies only, including UK LLPs.

Director's nationality

UK/EEA acceptable. Non-EEA subject to underwriter approval. For Tier 1 Bridging and Development Exit: UK only.

Security

Debenture or other fixed and floating security required.

Personal guarantees

UK companies: full personal guarantee required from all directors and shareholders holding more than 25% of shares in the company.

Non-UK companies: full personal guarantees required from the principal or beneficiary of the company.

General requirements

Servicing: Bridging and Development

Underwriters must be satisfied that the borrower has the means to service the monthly interest (where interest is not retained). Evidence may be requested.

Exit strategy

Applicants must be able to demonstrate a realistic exit strategy.

Solicitors

LendInvest will instruct its own solicitor to act on its behalf and you will be liable for their costs. The solicitor acting for you (to be acceptable to LendInvest) must have at least three SRA (Solicitors Regulatory Authority) approved managers. Please note, licensed conveyancers are not acceptable.

Valuers

LendInvest will instruct a valuer from its valuation panel to value the security being offered. You will be required to pay the valuer's fee direct to the firm instructed when requested.

Deposit

On all purchase cases the source of deposit must be disclosed. LendInvest may request that evidence of the deposit is produced.

Refurbishment

Details of any refurbishment and the related costs must be disclosed as part of your application. For major refurbishment/development you must supply details of your previous development experience to support your application.

For Tier 1 Bridging and Development Exit: no heavy refurbishment: no structural, conversion or extension work (internal or external); no planning permission requirements.

HMOs

Properties being refinanced that are operating as an HMO must have all appropriate licences in place at the time of application. Properties being purchased with an intention to use as an HMO should have licences in place as soon as practical

after completion. For Tier 1 Bridging and Development Exit: not accepted.

Identity verification

Passport or UK driving licence. Non-UK residents, please contact us.

Address verification

Utility bill, bank statement or tax demand dated within the last three months.

Non-UK residents, please contact us.

Personal credit profile

Bankruptcy/IVA

No bankruptcy/IVA in the last three years. If bankruptcy/IVA occurred in the last six years, a full explanation is required. For Tier 1 Bridging and Development Exit: no bankruptcy.

County Court Judgements (CCJs)

All CCJs must be satisfied and should not exceed £5,000. If more than one CCJ is present in the last six years the LTV is restricted to 60%. If more than three CCJs are present in the last six years the case will be declined. An explanation of any CCJ recorded is required in all cases.

For Tier 1 Bridging and Development Exit: if more than three CCJs are present in the last three years, case will be denied.

Mortgage/secured loans

All secured loans should be up to date at the time of application with no arrears greater than one monthly payment in the last 36 months.

Unsecured loans/revolving credit

Any arrears or defaults in the last 24 months are at the underwriter's discretion to disregard.

Criminal convictions

Not permitted unless relating to motoring offences, or at the underwriter's discretion.

Corporate credit profile

Bankruptcy or liquidation

No bankruptcy or winding up petition in the last six years.

County Court Judgements (CCJs)

No CCJs unless by underwriter discretion.



Speak to our experts today

Call 020 7118 1133

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Visit intermediaries.lendinvest.com