



Loan secured against UK Residential and Commercial Property

Operating within an overall policy of providing medium term finance, the Bank will consider proposals for facilities secured against UK residential and commercial realty on the terms below. Our locally managed credit process means that communication lines are short, allowing us to provide speedy responses, and we pride ourselves in our ability to provide flexible, tailored solutions to a wide variety of borrowers.

A loan may be provided for investment purposes to assist with the acquisition of a property, refinance of a previous facility or for equity release.

Product terms

Minimum facility	£1,000,000
Term	3 – 5 years (terms up to 10 years may be considered – please enquire)
Repayment terms	Interest only or amortising quarterly
Interest frequency	Quarterly
Security	First legal charge over residential or commercial property situated in the UK*
Minimum interest cover	125% (Residential) and 150% (Commercial) (by net rental income or other demonstrable means)

*Where the borrower is a company or a trust the Bank will ordinarily seek recourse by way of a personal guarantee from the ultimate beneficial owner or principal, as applicable. The requirement for a personal guarantee can exceptionally be waived however a higher interest rate may then apply.

Maximum Loan to Values (LTV) - based upon the lowest of acquisition price or professional valuation

	Residential Property	Commercial Property
Interest only loans	65%	60%
Amortising loans	65% – 75% (please ask for further information)	60%

The Bank reserves the right to review individual circumstances when applying these maximum LTV criteria.

Variable Interest Rates and Fees

	Residential Property	Commercial Property
Loan up to 3 Years	1 Month LIBOR + 2.95% per annum 1% Arrangement Fee	(Please contact your Relationship Manager for further information)
Loans greater than 3 Years (up to 5 Years)	1 Month LIBOR + 3.25% per annum 1% Arrangement Fee	

Fixed Interest Rate quotations are available on request.

Legal Requirements

The Bank will always appoint a firm of lawyers to undertake the legal work required in connection with a loan facility secured against UK property. The lawyer's primary responsibility is to take every step necessary to protect the Bank's legal position, therefore the questions raised may sometimes seem quite extensive. Key requirements are as follows:

- Investigate title to the property, to ensure that the borrower's ownership is valid, without prior encumbrances of which the Bank is not already aware, and that any assumptions made by the Bank's valuer are correct;
- Conduct searches, as necessary, to ensure that there are no external factors which might affect the property or prejudice the Bank's security, and that all planning permissions and building regulations have been complied with;
- Review any leases, tenancy agreements or licences to occupy the property, and ensure that there are no matters which might affect the Bank's ability to rely upon or realise its security;
- Ensure that the property is comprehensively insured against all normal risks, including terrorism;
- Ensure that a company borrower has complied with all necessary requirements under the laws and of its jurisdiction of incorporation and own corporate governance. Where possible the Bank will rely upon a Director's Certificate in this respect, but exceptionally, a legal opinion may be sought from an approved lawyer in the jurisdiction concerned.

It is recommended that the borrower appoints its own lawyer, to liaise with the Bank's appointee.

Additional criteria

- A valuation of the property, by a surveyor appointed by the Bank, must be undertaken prior to drawdown and triennially thereafter. (The Bank maintains a panel of appropriately qualified surveyors for such purpose).
- If a residential property is being purchased for owner occupation then a loan will normally only be considered if the transaction is structured through a company.

The Bank reserves the right to amend the above terms and to make loans available in the jurisdiction of its choosing. Where individual circumstances fall outside these product criteria, we welcome the opportunity to discuss your particular requirements, in order to work out bespoke solutions on appropriate terms.

The terms applicable to each individual facility will be set out in a formal commitment letter. All professional fees will be for the account of the borrower.

Please contact your Relationship Manager for further information and to clarify what the Bank will need from you in order to consider an application.

Contact us

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Important Information

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This document is not designed to be distributed to UK residents and must not be acted on or relied on by persons who are UK residents.

We are not tax advisers and therefore suggest that you seek independent tax advice from an accountant or other suitably qualified adviser as to your own tax position. Levels of, bases for and reliefs from taxation can change in the future and depends on the individual circumstances of the client.

Telephone calls may be recorded.

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