



# Bridging Underwriting Criteria

Intermediary use only  
Correct as of 10th September 2019



## Bridging & Refurbishment Loans

At Lendco we aim to take a grown up approach to underwriting loans for experienced property professionals. Our credit team have decades of experience in approving loans for all types of assets and structures.

Our Bridging product range is designed to provide FAST solutions to financing requirements where a short term loan is the most appropriate.

### What do we do?

We provide first charge, non-regulated loans that can be secured on residential, commercial or mixed use assets located in England or Wales.

Our financing can be granted for the acquisition or refinance of an asset either for standard bridging purposes or for the refurbishment of a property. We do not lend on land alone or provide loans for ground-up development.

Borrowing can be structured on a rolled or serviced interest basis to a maximum gross loan of 75% LTV at the end of the loan term. Term lengths can be flexed to suit and vary from our two month minimum to a maximum of 18 months.

Where the exit is a refinance onto a term buy to let product a Lendco buy to let mortgage can be considered and will be underwritten at the same time as the bridge.

### Our process

All loans are priced individually on a deal-by-deal basis and weighted by property risk and borrower experience.

Our sales team aim to produce Heads of Terms as soon as preliminary credit approval has been granted, we aim to provide this within 24 hours. You can convert these to a full application on our secure origination system. We will underwrite the deal upon receipt of a signed application form and deal summary, valuation and legal due diligence can be instructed immediately. A Lendco panel Solicitor will act for us in all instances although dual representation is available if required in certain circumstances.

## Loan Parameters

- 75% Gross LTV to £1M loan size
- 70% Gross LTV to £2M loan size
- 65% Gross LTV to £3M loan size

Interest can be rolled or serviced monthly; a rolled facility switching mid-term to a serviced interest basis is permissible.

- 18 month maximum term - 2 months minimum
- Product fees - negotiable up to 2% of the facility amount and can be paid upfront or deducted from the gross loan on completion
- Non-regulated first charge loans ONLY

### Acceptable borrower types

- Individuals
- SPVs
- LLPs
- Trading Businesses
- Trusts
- Offshore companies (restrictions apply)
- Expats
- Foreign nationals (restricted to certain nationalities)

### Acceptable security

- Residential property
- Semi commercial
- Commercial property
- Newly built property - development finance exit
- Portfolios
- HMOs and MUFBs
- Offices with PD rights or residential planning permission
- Development sites with planning (no land only and permanent structure must be on site)

### Standard Bridging

The following product information should be used as a guide, deal specific pricing is available upon request. Product pricing starts from 0.55% pm.

Initial Rate (PM) from	Max Gross LTV	Max Loan Size	Min Term	Max Term
0.55%	55%	£3,000,000	2 months	18 months
0.60%	60%	£3,000,000	2 months	18 months
0.65%	65%	£3,000,000	2 months	18 months
0.70%	70%	£2,000,000	2 months	18 months
0.75%	75%	£1,000,000	2 months	18 months

### Packaging Requirements

Residential and commercial property assets.

We will review the application form, borrower track record and intended exit, alongside the credit search before the valuation is instructed. Additional pieces of information specific to the case such as personal or business bank statements may also be required.

### Refurbishment Bridging

The following product information should be used as a guide, deal specific pricing is available upon request. Product pricing starts from 0.65% pm.

Initial Rate (PM) From	Max Gross LTV	Max Loan Size	Min Term	Max Term
0.65%	55%	£3,000,000	2 months	12 months
0.70%	60%	£3,000,000	2 months	12 months
0.75%	65%	£3,000,000	2 months	12 months
0.80%	70%	£2,000,000	2 months	12 months
0.85%	75%	£1,000,000	2 months	12 months

Heavy refurbishment defined as projects requiring planning consent.

Light refurbishment defined as projects where only cosmetic updating is required, projects should not require planning.

### Maximum terms

- Heavy refurbishment - 12 months
- Light refurbishment - 18 months
- Borrowing is based upon current value

A schedule of works and associated costs will be requested and provided to our valuer for commentary on end value.

Commercial Bridging		The following product information should be used as a guide, deal specific pricing is available upon request. Product pricing starts from 0.70% pm.		
Initial Rate (PM) From	Max Gross LTV	Max Loan Size	Min Term	Max Term
0.75%	55%	£3,000,000	2 months	18 months
0.80%	60%	£3,000,000	2 months	18 months
0.85%	65%	£3,000,000	2 months	18 months
0.90%	70%	£2,000,000	2 months	18 months
0.95%	75%	£1,000,000	2 months	18 months

- All types of commercial property considered
- Properties can be occupied or vacant

## Legal Process

- Lendco panel Solicitor to act for us in all instances
- Dual representation is available subject to qualification
- We will look to use Title Insurance where appropriate
- Guarantees are required

Indicative legal costs are as follows

Based on Loan Amount (not exceeding)	Single Rep		Dual Rep	
	individuals	Corporate	Individuals	Corporate
£250,000	£825	£1025	£1325	£1525
£500,000	£1200	£1450	£1700	£1950
£750,000	£1450	£1750	£1950	£2250
£1,000,000	£1700	£2050	£2200	£2500
£1,500,000	£2025	£2450	not available	not available
£2,000,000	£2500	£2900	not available	not available
£2,500,000	£2750	£3150	not available	not available
£3,000,000	£3075	£3550	not available	not available

Fees quoted include disbursements but exclude VAT.

### Security valuation

We understand that the valuation of the proposed security is a critical aspect of any property based lending. At Lendco we have a panel of over 100 surveying practices so we can make sure we get the right surveyor into the right property. Specialist property requires specific expertise and we have built our panel to ensure that we get this right.

The security is assessed at application and an appropriate valuation and surveyor will be invited to submit a quotation for the job at hand.

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Lendco Limited is a company registered in England & Wales with company registration number 11177105.  
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