



Residential Refurbishment Mortgage BTL & HMO (England & Wales)

September 2015

Quote Product Code RRM-1

Refurbishment product for residential properties. This is a 2-stage product with initial short-term finance to enable the property to be purchased, or refinanced, where refurbishment, or conversion is required. Upon completion of the works, the short-term loan can switch to a longer term mortgage. There are two classifications for the extent of refurbishment work to be carried out - Light Refurbishment and Heavy Refurbishment

Stage 1 - Up to 75% LTV Short-Term Finance

- Designed to buy, renovate/refurbish, then rent.
- Loans available from £50,000 to £3m
- Maximum loan up to 75% of purchase price
- Built-in guaranteed switch to a longer term mortgage (see page 2 below)
- Applicants to provide evidence of capital to fund the improvement works
- No 1st time landlords
- Applicants should be able to evidence good personal net worth
- Experience in similar projects is useful but not essential
- Fast application process

	Residential Investment Property – BTL & HMO				
	Light Refurbishment			Heavy Refurbishment	
Maximum LTV	50%	65%	75%	50%	65%
Interest Rate	0.64% p.mth	0.79% p.mth	1.04% p.mth	1.04% p.mth	1.14% p.mth
ERC	None, but 1% if not switching to longer term mortgage				
Completion Fee	£295				
Facility Fee	2% of loan amount (minimum £2000)				

Definitions

Light Refurbishment	Heavy Refurbishment
Applicable where no planning permission or building regulations are required, or change of use to the overall use/nature of the premises is required.	Applicable where planning permission and/or building regulations are required, or change of use to the overall use/nature of the premises is required.

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Stage 2 – Up to 90% of purchase price + cost of works (max 75% LTV)

- Mortgage agreed in principle at stage 1
- Fast on-line application process
- Choice of repayment or interest only
- Fixed rate available with low reversionary rate

Products		Residential Investment Property		Fees
Maximum LTV		70% LTV	75% LTV	
Variable Rate (margin over LIBOR*)	Loan Size			
	£50k - £250k		5.20%	
	Over £250k - 500k		4.85%	
	Over £500k - 1m	4.95%	n/a	1.75%
3-year Fixed Rate	£50k - £600k		5.89%	2.50%
	£50k - £1m	5.89%	n/a	

E&OE

*LIBOR is currently 0.60%

Loans over £1m by negotiation

Fixed rate reverts to 4.95% above LIBOR

Early Repayment Charges	Year 1	Year 2	Year 3	Year 4	Year 5
Variable Rate Products*	3%	3%	3%	2%	2%
3-year Fixed Rate	7%	7%	7%		

Early repayment charge is expressed as a percentage of loan repaid

*10% of mortgage balance can be repaid per annum without incurring the charge

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