

# Commercial Term

## Unregulated

### Key features

Suitable properties	Let commercial investments and owner-operated properties located in mainland UK
Exclusions	Owner-occupied
Term	2-5 years
Interest	5.5% p.a. fixed for the duration of the loan
Amortisation	Nil – interest only
Loan size	£0.35m – £3m
Loan to value (LTV)	Maximum 65%
Arrangement fee	1.5% – 2.0% of the gross loan amount
Introducer commission	0.5% below the arrangement fee
Interest cover ratio (ICR)	Minimum of 1.0x for the duration of the loan
Repayments	Up to 10% repayment permitted each year without triggering ERCs
Early repayment charges	3.0% for the first two years only
Personal guarantees	Personal guarantees at 55% LTV or higher, capped at 10% of the property value

### The big print

- We will consider all types of let commercial investment properties across the UK except owner-occupied
- This is a fixed term product for which we calculate and charge interest on a daily basis
- When we come to value the property we will use a valuer and valuation methodology appropriate for the type of asset that we are lending on

### The interesting stuff

- **Interest-only:** Interest only allows the borrower to retain surplus income; a key customer motive for holding investment property
- **Fixed interest for duration of loan:** Irrespective of what happens to LIBOR or Base Rates, borrowers' interest payments don't change
- **No ERCs after two years:** By imposing ERCs for two years only, we allow the customer complete freedom to sell or refinance their asset thereafter
- **1.0 ICR Covenant:** Based on net rental income and throughout the facility term
- **Payment holiday available:** This option is available should there be breaks or expiries during the facility term

Questions?  
We're here to help

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