UTB Mortgages

Mortgages
Buy to Let
& Bridging

Bridging Loans

HANDY TIPS



CREDIT PROFILE | PURCHASE | TYPES OF CUSTOMERS | EXIT & REPAYMENT | PROPERTIES | LEASEHOLD | AUTOMATED VALUATIONS | REFURBISHMENT

Hints and Tips

Minimum Loan	Minimum loan size: £100,000 Minimum security property valuation: £125,000 (£100,000 where multiple properties are provided as security).
Maximum Loan	Regulated: £5,000,000 (larger considered) Non-regulated: £3,000,000
Term	Minimum 1 Month. Maximum 12 months (regulated loans) or 24 months (non-regulated loans)
Repayment Method	We offer rolled loans (rolled interest) across all products.
Location	England, Wales and mainland Scotland
Maximum LTV	Maximum LTV: 75% (first charge) Maximum LTV: 70% (second charge)

Purchase

Purchase Price
Maximum loan is calculated against the lower of the purchase price or valuation.

Undervalue Purchase
The Bank will consider assisting with the purchase of property(ies) below market value, where the following criteria has been met:

- The applicants are contributing at least 10% towards the purchase price, or they are providing additional security to offset;
- We are satisfied with the rationale for the reduced purchase price;
- Where the asset being purchased undervalue is the sole security for the loan, a full valuation must be undertaken (i.e. no AVMs or desktops).
- Our solicitors provide a suitable indemnity policy

Where a full valuation has been undertaken on the property being purchased at undervalue, the LTV can be based off of the market value. Where additional security is being provided and an alternative valuation has been used, the LTV must be calculated using the purchase price.

Exit/Repayment strategies

Acceptable	Unacceptable (sole)
Sale of some or all of the security properties	Inheritance where the person is not yet deceased
Sale of non-security properties	Refinance based on projected profits or earnings from a new business
Refinance of some or all of the security properties	Sale of a customer's sole residential home where the purpose of the loan is to inject capital into a business, unless it is clear that the customer's decision to sell their home was made prior to the need/ requirement for the capital injection
Refinance of non-security properties	Where probate has not yet granted
Proceeds of sale of shares or interest in a business	
Monies from an inheritance where Probate has been granted	
Pension lump sums (up to 25%)	
Proceeds from the sale or maturity of investments	
A combination of the above	

Exit Strategy (for over 85s only)

We will consider lending to:	We will not consider lending to:
Straightforward purchase to downsize / purchase of a retirement home	Any loan purpose outside of a straightforward bridge to sale e.g. payment of care home fees, medical fees etc.
Second home / investment purchase	Advances where non-borrowing parties are full / partial beneficiaries of loan monies including POAs e.g. to fund an extension / equity release for a family member.
Exit only permitted from a single property sale ONLY – i.e. no reliance on second property sale / retirement home is permitted	Any repayment strategies reliant on refinance.
	Any other purpose / exit not outlined in the Acceptable Loan Purpose / Exit section

Types of Customers

We will consider lending to:	We will not consider lending to:
UK citizens	The financing of schools, sports and religious organisations.
Foreign Passport holders who have a residential, family or business connection with the UK.	Finance where the repayment is solely reliant upon the raising of equity of quasi-equity.
UK companies - As a minimum, a personal guarantee equal to 25% of the gross loan or £50,000 (whichever is higher and subject to a maximum 100% of the loan size) will be required from all directors where they have a shareholding of 25% or more (or in the absence of such, the largest shareholder).	Financing of businesses or industries whose activities we would wish to avoid on ethical grounds.
Offshore companies with a connection to the UK	Financing of elective surgery under a Consumer Credit Act facility.
Trustees of a trust with a connection to the UK	Any borrower where there has been a financial crime, but not limited to, fraud and money laundering.
	Any undischarged bankrupt

Property Exclusions and Restrictions

Unacceptable security types

- Commercial properties.
- Semi-commercial properties, where more than 40% of the property is, or could be, used for business purposes.

Where the Land Registry Search indicates:

- Possessory title, where an indemnity policy is not in place.
- Property with agricultural restrictions.
- Working farms or small holdings.

Properties that:

- Are classed as uninhabitable and no works are being carried out.
- Are indicated as unmortgageable, through neither conventional nor specialist lenders, and no works are being carried out.
- Are located on contaminated land.
- Are listed as defective and unrepaired.
- Are rated unsuitable within an EWS1 form, unless there is an agreed and funded remediation plan in place and our securities leaseholder is free of liability.
- Are affected by an invasive growth such as Japanese Knotweed where a report from a PCA Qualified Technician, along with an insurance backed guarantee, is not provided.
- Are PRC (Precast Reinforced Concretes) listed as defective under Part XVI of the Housing Act 1985, unless they have been repaired and a valid Certificate of works provided at application.
- Are Shared Ownership, unless the final share is being purchased resulting in 100% ownership upon completion.
- Have been built without planning permission.
- Cannot be deemed a “permanent” building, such as mobile homes and houseboats.
- The valuer only provides a cash value and no works are being carried out.
- Require remediation as part of the Building Safety Act 2022, where there is no remediation plan, or evidence work has commenced.
- Have a gross internal area of less than 30 sq metres (excluding outbuildings that are not habitable).
- Have asbestos in the main walls.
- Contain Mundic Block materials unless classified as Class A.
- Are Grade 1 (Grade A in Scotland) listed buildings.
- Are live / work units.
- Are overseas.
- Are a Freehold Flat.
- Are subject to onerous ground rent terms, e.g. rise every 5/10 years to significant levels.
- Have spray foam insulation (consider if works were being undertaken to remove).
- Are >20% single skin (if the customer is carrying out works on the property to remedy this as part of the application we can consider this, but if not then must meet this rule).

Construction criteria and exceptions

- Wimpey No-fines are acceptable; other no-fines systems are unacceptable.
- Laing Easiform built after 1945 are acceptable.
- Steel Framed Dwellings are acceptable if readily marketable and mortgageable.
- Large Panel Systems (LPS) are unacceptable.
- Timber Framed Dwellings built prior to 1970 are unacceptable. Properties built after 1970 but without brick/rendered block external facings are considered on their individual merits.

Leasehold

In respect of leasehold properties with a remaining tenor of less than 70 years, the following parameters will apply:

Leaseholds in central & greater London	≥ 25 year with and LTV ≤ 60%
Leaseholds outside of central & greater London	≥ 50 year with and LTV ≤ 60%

Automated Valuations

Used on eligible properties for loans:	Specific exclusions include, but are not limited to:
With a maximum net loan size £1m	Semi Commercial
A maximum gross LTV up to 75%, and	HMO
A maximum value per security property of £1.5m each in London and the South East. Elsewhere in the UK the maximum cap is £1m.	Grade 1 Listed Properties
	Non-working farms
	Non-standard Construction
	New build or newly converted in the last 2 years
	Leasehold properties with less than 50 years remaining on the lease
	Holiday lets
	Thatched roofs
	Where medium or heavy works are being carried out
	Re Bridge application(s)
	Properties where an AVM is suspected as not suitable (see below regarding further due diligence)

Automated Valuation Model

A minimum confidence score will be required for each LTV banding as set out below:

Max LTV	Confidence Levels
≤60%	4
>60%≤70%	5
>70%≤75%	6

Desktop Valuations

Used on eligible properties for loans:	Non-Eligible properties
Residential properties only	Heavy refurbishment
Maximum property value: £1m	Semi Commercial
Purchases or refinances	
Light refurbishment	
Capital Raising (inc onward transactions)	
Individual and corporate borrowers	

Contact Us

Our Team, always on hand to help



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