

# Commercial Term

## Unregulated

### Loan criteria

Suitable properties	Let commercial investments and owner-operated properties located in mainland UK
Exclusions	Owner-occupied, vacant property, development and/or planning risks
Loan size	£0.50m–£25.00m
Loan term	2–5 years
Interest rate per annum	From 4.50% plus SONIA Both variable and fixed rates available. Margins commensurate with risk
Loan to Value (LTV)	Max 70%
Amortisation	Interest only to 65% LTV
Arrangement fee	1.5% of which 1.0% typically paid as Introducer commission
Interest cover ratio (ICR)	Minimum of 1.0x for the duration of the loan
LTV Covenant	Set reflecting underlying risk throughout the facility term
Early Repayment Charges	Fixed: 4% / 3% / 3% / 2% / 1% for repayment in 1 <sup>st</sup> / 2 <sup>nd</sup> / 3 <sup>rd</sup> / 4 <sup>th</sup> / 5 <sup>th</sup> year; Variable: make-whole provision for first 24 months, nil thereafter
Repayments	Up to 10% repayment permitted each year without triggering ERC's
Personal Guarantees	Personal guarantees at 55% LTV or higher, capped at typically 15% 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 to 65% LTV:** Interest only allows the borrower to retain surplus income; a key customer motive for holding investment property
- **1.0 ICR Covenant:** Based on net rental income at all times 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

**Complete** FS  
Your specialist packager distributor

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