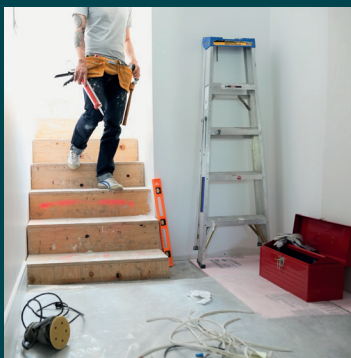




# Commercial mortgages product booklet

Our network of professional  
Broker Partners bring insight  
to our products and better  
outcomes for their customers.



**Proudly  
different.**

**active**  
investments 

 0118 945 2288  
 [info@active-investments.co.uk](mailto:info@active-investments.co.uk)  
 [www.active-investments.co.uk](http://www.active-investments.co.uk)

## Contents

Regulated Products	Page
Regulated Bridging Mortgages (RB1 & RB2)	<b>3</b>
Unregulated Products	
Short Term Finance (STL1, STL2 & STL3 and HR1, HR2)	<b>4-5</b>
Residential Refurbishment Product (RR1 & RR2)	<b>6</b>
Simple Residential Investment (RIO.1, RIO.2 & RIO.3)	<b>7-8</b>
Specialist Residential Investment (RI1, RI2 & RI3)	<b>9-10</b>
Large Loan Residential Investment Products (LRI1, LRI2 & LRI3)	<b>11-12</b>
Commercial and Semi-Commercial Investment Products (CI1, CI2 and CC1)	<b>13-14</b>
Trading Business (TB1, TB2 & TB3)	<b>15-16</b>
DSCR Methodology	<b>17</b>
Key Criteria and Contacts	<b>18</b>
Fees and Charges	<b>19</b>
Valuation Methodology	<b>20</b>

# Regulated Products

## RB1, RB2 – Regulated Bridging Products

Product	Max LTV	Up to 45% LTV	Up to 55% LTV	55%-70% LTV	Term & repayment	Arrangement fee
<b>RB1</b> Regulated Bridging	70% Lower of PP or MV	0.59% pm*	0.65% pm*	0.69% pm*	Interest-only rollup mortgage	1.95%
<b>RB2</b> Regulated Bridging – Refurbishment		0.65% pm*	0.69% pm*	0.73% pm*	<b>No</b> minimum term, <b>No</b> minimum interest, <b>No</b> ERCs  Maximum term 12 Months	
<b>Partner commission</b>	1.50% of gross loan amount paid on completion					

### General

- Interest is calculated on a rolled up interest basis. We will include the cost of the rolled up payments when calculating LTV (i.e. we will lend a maximum of 70% LTV including the predicted rolled up interest costs for the term)
- Interest is charged daily and applied monthly
- As these products are **regulated**, we will only accept applications where an advised sale has taken place and the brokerage has the correct permissions to give that advice
- These products are only available to individual clients that are UK nationals residing in the UK
- Properties must be located in England and Wales only
- Minimum loan - £50,000 - Maximum Loan - £2,500,000. Please note, we will consider larger loans by exception
- Minimum age 21, maximum age 80 at the end of the term
- No adverse credit
- We will always require a first charge against at least one property
- We can look to lend 100% of the Purchase Price where there is a charge (1st or 2nd) across another property/ies
- If a 2nd charge is offered on one of the securities the LTV on this 2nd charge will be limited to a maximum of 70% LTV
- Where exit is the sale of an alternate property we will require a 2nd charge against this property
- Where the client is looking for additional capital to be released as part of the transaction - this is acceptable for the following purposes:
  - Raising deposit funds
  - Completing refurbishment works (RB2)
- We reserve the right to request an on-site post completion client visit

### Loan purpose

- Chain breaks, Down-sizing, Auction purchase
- Light refurbishment acceptable (on either the previous property or new property) – please refer to the Refurbishment information for further details
- We will **NOT** allow any element of unsecured debt consolidation as part of our application

### Exit

- We always require a detailed repayment strategy for the loan as we will not agree to term extensions on these products
- If there is any shortfall of funds to facilitate full redemption, then we will not be able to proceed
- We will always require a charge on the property that is being offered as our exit. If there is already a first charge in place then we will require a 2nd charge

### Exit = Sale

- If the exit is **sale** and no refurbishment work is being completed to the property, the valuer will need to provide good commentary on demand and we will need to see evidence that the property is currently being marketed
- If the exit is sale and refurbishment work is being completed to the property we will need the valuer to confirm there is good demand and we will also require valuer's comments on the timescales for work to be completed and the property to be sold

### Exit = Remortgage

- We will assess whether their current financial position would mean there is sufficient affordability to raise the level of mortgage required
- The income used is to be evidenced by way of Payslips/P60 or Accounts/SA302

### Refurbishment

Please note we will lend against the current Market Value, not the Afterworks Value.

- We will always require a charge on the property being refurbished
- Light Refurbishment can be carried out on either the current property or the new property
- Refurbishment must be non-structural in nature and not require any planning permission or building regulation approvals

Eligible Works;

- Redecoration throughout, Replacing current facilities, such as kitchen or bathrooms, Central heating – install, update or replace, Electrics – upgrade, rewire, etc. Specialist works to remedy issues

No change of use, structural alterations or works requiring planning permission are permitted. Where heavier refurbishment is required, Shawbrook can only support where the works are being completed on a property that the client does not have an intention to live in and this will need to be done on our standard unregulated short term loan product.

**\*Once offered, the rate will remain fixed at the offered rate for the term of the loan.**

## SHORT TERM LOANS, LIGHT & HEAVY REFURBISHMENT - STL1, 2, 3 AND HR1, 2 LOAN SIZES £50K TO £15M

Product	Max LTV	Up to 50% LTV	50.01-65.00% LTV	65.01-75.00% LTV	75.01-85.00% LTV Lending for Refurbishment Costs Only	Term and repayment	Arrangement fee
<b>STL1</b> Residential	Up to 75% Lower of PP or MV	0.43% pm	0.53% pm	0.70% pm	0.8% per month	Maximum term 24 months <b>No</b> minimum interest or ERCs Interest Fully Rolled Up, Part-Rolled Up or Serviced (subject to affordability) The net advance will be less total potential interest over the term with the gross loan calculated as interest for the entire term and the arrangement fee added.	<b>1.95%</b> Full fee added to the loan outside of max LTV's
<b>STL2</b> Semi-Commercial	Up to 75% Lower of PP or MV	0.75% pm	0.75% pm	0.81% pm	0.91% per month		
<b>STL3</b> Commercial	Up to 70% Lower of PP or MV	0.83% pm	0.83% pm	0.83% pm	N/A		
<b>HR1</b> Residential Heavy Refurbishment	Up to 75% Lower of PP or MV	0.60% pm	0.65% pm	0.75% pm	N/A		
<b>HR2</b> Commercial and Semi-Commercial Heavy Refurbishment	Up to 70% Lower of PP or MV	0.83% pm	0.83% pm	0.83% pm	N/A		
<b>Partner commission</b>	1.50% of gross loan amount paid on completion						

### Shawbrook Light Refurbishment Loan – Lending for Refurbishment Costs on STL1 or STL2 Applications

#### Available on Light Refurbishments Only

Up to 100% of the refurbishment costs can be funded but the total loan cannot exceed 85% of the day one purchase price/value or 70% of the post works value (whichever is lower)

#### Likely scenarios for STL1,2,3 - standard STL and light refurbishment

- To purchase or refinance residential or commercial property quickly including auction purchases
- Refurbishing a property to then let or sell, for example new kitchens or bathrooms
- Converting single dwellings to small, simple HMOs where only light works are required
- Specialist property client buying a property with a known issue with the intention to remedy the issue and then rent/sell the property

#### Likely scenarios for HR1 and 2 - heavy refurbishment

- Single dwelling – used where the client sees the opportunity to add value by increasing the usable space in the property, perhaps with an extension or internal restructure
- HMOs – either an existing HMO that requires structural changes to maximise the space available or conversions of single dwellings to HMOs that require planning
- Multi-units – either complete refurbishment of multiple flats or where planning exists to convert a single dwelling into flats/ maisonettes to increase rental revenue and/ or value
- Semi Commercial – likely to be the conversion of the commercial element to residential or some heavier refurbishment to the existing residential element of the security
- Commercial – likely to be either under permitted development rights OR where planning permission has already been granted to convert a commercial property to residential or mixed use. Please note no demolition can take place throughout the course of our loan

\*Once offered, the rate will remain fixed at the offered rate for the term of the loan.

## STL1, STL2 & STL3 - STANDARD STL & LIGHT REFURBISHMENT

### Loan purpose

- Light Refurbishment of single dwellings, MUBs (multi-unit blocks) and HMOs up to 6 bedrooms
- Auction Purchases
- Capital Raising to fund further purchases
- Development Exit - time to sell newly built properties
- Adding value through planning
- Buying to add value and sell or retain as an investment
- Purchasing or refinancing property quickly

### Experience

- Applicants **do not** require experience for Residential and Semi-Commercial property where there are no works or a light refurbishment being carried out and no refurbishment costs are being borrowed
- If borrowing for refurbishment costs, applicants require at least 1 similar scale project completed within the last 5 years
- Applicants for full Commercial property need to demonstrate experience of managing similar investment properties

**Unacceptable Works** - please note that we cannot consider the addition of storeys, basement excavations or ground up development on our STL products

### Bridge to Let

**If the client is intending to hold the property for rental, please consider our term products. The existing customer discount WILL be applied if applicable and there will be £0 arrangement fee on the term product.**

### Existing clients

We are pleased to offer a **0.25%** discount on the margin **OR** a **0.25%** reduction in the arrangement fee for any clients who have been party to a Shawbrook savings account, open for 6 months or more with a £100+ balance, or a formally sanctioned Shawbrook loan.

### Key criteria

**EXIT** - Once refurbishment is complete, Shawbrook can consider a term mortgage exit. For BTL, Multi-Units and Large HMOs the completion of the refurbishment is sufficient experience to consider the mortgage application. For other property types, the term mortgage product experience criteria applies. We will ask the valuer to confirm estimated market rent and comment on local demand. For alternative exits, a detailed repayment strategy is required.

**LEGALS** - Our solicitors can be instructed at any point in the process with an undertaking letter.

**HIGH VALUE SINGLE ASSETS** - 75% available on units up to £1.5m but LTV restrictions may apply above this, please contact us to discuss. Where there are multiple properties or flats in a block this applies to each individual asset.

**COMMERCIAL** - If the property will be vacant upon completion please contact us to discuss.

**PLANNING** - Where we are being asked to lend on the value with planning, there must be a minimum of 6 months planning remaining at the end of the loan term.

**PORTFOLIO** - Where the client has a portfolio of properties we will stress this at 5.5% looking for 125% rental cover to assess long term affordability.

**DEPOSIT** - Additional security considered in lieu of cash deposits. Where the borrower is offering a 2nd charge, this is limited to residential security only and a maximum of 70% LTV in total

**PERSONAL GUARANTEES** - A personal guarantee equal to 25% of the loan size will be required from all directors where they have more than a 20% shareholding, subject to a minimum of £50,000, unless there is an element of refurbishment where the guarantee would need to be equal to 100% of the loan size

### Refinances:

- Where all profit is being removed on day one and 75% LTV is required, please contact us to discuss
- We require an overview of the property history (purchase price, works, existing finance), an outline of the borrowers objectives and why a short term loan is the solution
- We can consider refinancing an existing bridging loan but please contact us to discuss in the first instance

## HR1 & HR2 - HEAVY REFURBISHMENT

**Definition of Heavy Refurbishment** - any works that require planning permission, building regulations or structural works - for example extensions and loft conversions. Conversions to large HMOs (7+ bedrooms) will fall under heavy refurbishment.

### Eligible works

- Extensions/loft conversions
- Removing internal walls
- Works requiring planning consent
- Where the client is taking advantage of Permitted Development Rights, evidence of prior approval from council is required
- We can **NOT** support projects that include complete demolition of a security but may consider where a small element of demolition is required (eg single storey extension or garage)

### Experience

- Applicants should provide evidence of a track record of a project (similar scale and cost) within the last 5 years detailed in the Previous Projects Schedule and/ or supporting evidence
- Commercial to Commercial refurbishments considered for applicants with a proven track record of this type of project - please call us to discuss

**SLAs** - Our dedicated team are committed to being able to process new applications within a maximum of **4 hours** and post within **24 hours**. You are able to run your own illustrations from our online broker hub.

## RR1, RR2: Residential Refurbishment

Term Loans from £50k to £2.5m

Loan to value up to 75% of the after-works value

Product	UP TO 65% LTV	65.01-70% LTV	70.01-75% LTV	Term & repayment		DSCR	Arrangement fee	ERCs
				Variable	Fixed			
<b>RR1</b> Residential refurb	4.55% above 3 month LIBOR*	4.69% above 3 month LIBOR*	4.85% above 3 month LIBOR*	<b>Part Capital:</b> 3 year term, 5% capital repaid (1). 5 year term, 7.5% capital repaid (2). 10 year term, 10% capital repaid (3)  <b>Interest Only:</b> 3 year (1). 5 year (2). 10 year (3)	3, 4, 5, 7 and 10 year fixed periods available.  If the Fixed period expires before the mortgage term, the product reverts to the standard product margin + 3 month LIBOR* for remainder of mortgage term.  See website for current pricing details.	Please refer to the DSCR Methodology within this Guide. Alternatively, please visit the Broker Hub to access our affordability calculator.	1.50% 0.25% payable upon acceptance of the offer  1.25% added to the loan	(1) 3%, 3%, 1% (2) 3%, 3%, 3%, 3%, 1% (3) 3%, 3%, 3%, 3%, 3%  *Please note, ERCs apply to the term of the mortgage, NOT the fixed rate period.
<b>RR2</b> HMO refurb	4.65% above 3 month LIBOR*	4.75% above 3 month LIBOR*	4.99% above 3 month LIBOR*					
Partner commission	1% of the gross loan amount paid on completion (paid in two instalments)					Discounts available on margin OR arrangement fee for existing clients		
NB Interest is charged on the gross loan INCLUDING retained funds								

We are pleased to offer a **0.25%** discount on the margin **OR** a **0.25%** reduction in the arrangement fee on loans up to £750,000 for any clients who have been party to a Shawbrook savings account, open for 6 months or more with a £100+ balance, or a formally sanctioned Shawbrook loan.

### RR1 & RR2

#### Loan purpose

This product has been developed for clients purchasing or refinancing residential property with the intention of completing **light refurbishment** before letting out the property. This is a 3/ 5 or 10 year option for the client where we will lend 75% of the lower of purchase price and market value with a retention held for up to 75% of the after works figure (released after subsequent valuation provided and confirmation that the property is tenanted).

Our definition of light refurbishment is as follows:

- No planning permission required
- Property must be habitable
- Client has no intention of changing the use of the property during the course of the Shawbrook advance. The only exception to this is where the client is planning to convert the property to a HMO (RR2)
- No structural changes to be made to the property
- Refurbishment works must be non-structural and must not require any planning permission or building regulations approvals

#### Key criteria

- **Client will pay interest on the full** balance from completion
  - This product is available on residential property only
  - RR1 - Clients must have experience in completing similar renovations in the past, defined as completing 1 similar project within the last 12 months **AND** must be experienced investors with strong personal net worth, defined as owning 1 investment property for a minimum of 12 months
  - RR2 - Where the client is converting the property to a HMO, they must have completed a minimum of 2 similar conversions within the last 2 years **AND** they must be experienced in the management of similar size HMO's (hold at least 1 within their portfolio or hold 5 x investment properties)
  - Market rent after works as confirmed by valuer must cover our DSCR requirements
  - Please note, the property must be habitable on completion, so a kitchen and bathroom need to be in place, regardless of condition
  - Please ensure the property is in an area with strong rental demand and the valuers commentary confirming positive location and rental demand is essential
  - Valuer to comment on the schedule of works and whether the budgeted cost is appropriate
  - A satisfactory re-inspection will be required once all works are completed
  - We will require evidence of the cash required to support level of refurbishment planned if it is not coming from our advance
  - Clients to evidence independent material income which must support the interest on the facility as well as other personal and business commitments
  - The works must be completed and a signed tenancy agreement in place within 6 months of completion. If we are not in receipt of a new satisfactory valuation and tenancy agreement within this time frame the retention amount will not be released to the client, it will be applied to their account balance
  - A full personal guarantee equal to 100% of the loan amount is required by limited company borrowers
- Please refer to Page 18 for Key Criteria that applies to all products.

**\*Shawbrook Bank applies a minimum floor of 0.75% to the LIBOR rate.  
Please note that Shawbrook 3mth LIBOR is 0.85%.**

**THIS DOCUMENT IS FOR PROFESSIONAL INTERMEDIARIES ONLY AND SHOULD NOT BE SHOWN TO POTENTIAL CLIENTS**

## RI0 Range Simple Residential Investment

Term loans from £50k – £750k

Loan to value up to 75%

Product	UP TO 55% LTV	55.01-65% LTV	65.01-75% LTV	Term & repayment		DSCR	Arrangement fee	ERCs
				Variable	Fixed			
RI0.1 Simple residential	2.99% above 3 month LIBOR*	3.24% above 3 month LIBOR*	3.39% above 3 month LIBOR*	Minimum term – 5 years Maximum term – 30 years		Please refer to the DSCR Methodology within this Guide. Alternatively, please visit the Broker Hub to access our affordability calculator.	1.25% arrangement fee	(1) 3%, 3%, 3%, 3%, 1% (2) 3%, 3%, 3%, 3%, 3%
RI0.3 Multi Units				Interest Only: 5 year term (1) 6 – 30 year term (2)  Part Capital & Full Capital: 5 year term, 7.5% capital repaid (1). 10-30 year terms, 70% capital repaid or full capital repaid (2).	3, 4, 5, 7 and 10 year fixed periods available.  If the Fixed period expires before the mortgage term, the product reverts to the standard product margin + 3 month LIBOR* for remainder of mortgage term.  See website for current pricing details			
RI0.2 HMO ≤ 6 beds	3.44% above 3 month LIBOR*	3.74% above 3 month LIBOR*	3.84% above 3 month LIBOR*					
Existing Customers	0.25% discounts available on <b>arrangement fees only</b> for existing clients			Ex Pats		0.25% loading to be added to margin	Partners commission	0.75% of the gross loan, paid on completion.

### Key criteria

- Available in England, Scotland & Wales
- Unacceptable adverse - unsatisfied CCJ's in the last 24 months, mortgage arrears, business adverse in the last 36 months, unsatisfied defaults over £100 in the last 24 months, and instances of multiple missed credit card, loan payments or arrangements to pay
- An Assured Short hold Tenancy is to be in place on completion to private tenants/students subject to a minimum term of 6 months and a maximum term of 36 months
- Our DSCR is calculated on the lower of passing rent or market rent confirmed by the valuer
- We are pleased to offer a 0.25% discount on the arrangement fee for loans up to £750,000 for any clients who have been party to a formally sanctioned loan with Shawbrook
- A personal guarantee equal to 25% of the loan size will be required from all directors where they have more than a 20% shareholding subject to a minimum guarantee value of £50,000
- Please refer to page 18 for key criteria applying to all products
- Please note that there are LTV restrictions on ex-local authority flats depending on % privately owned (Contact the Sales Desk for more information)
- For clients looking to process multiple RI0.1/2/3 cases – We would advise that we will have to consider concentration risks and which valuation we need to work off, and may well decide due to the level of exposure to place on an alternative product. Please discuss with the Sales Desk for more guidance
- We have a minimum individual property value of £50k and the valuer's comments on condition and demand to sell portfolio/ multiple units in a block will be paramount

\*Shawbrook Bank applies a minimum floor of 0.75% to the LIBOR rate.  
Please note that Shawbrook 3mth LIBOR is 0.85%.

	Acceptable property types	Product specific criteria	Acceptable client profile		Eligibility for new legal fee scale
<b>RI0.1</b> Simple residential	<ul style="list-style-type: none"><li>■ Up to a maximum of 4 properties on any one application – however please note max loan amounts</li><li>■ Simple residential assets (ex-local acceptable)</li><li>■ Where the property has increased by more than 20% from the original purchase price within the last 12 months please provide the valuer with a schedule of works to ensure the valuer comments that the increase in value is down to the works completed</li></ul>	<ul style="list-style-type: none"><li>■ No exceptions allowed</li><li>■ Maximum individual loan amount is £750,000</li><li>■ Maximum exposure on this product is £2,500,000 - Please note, where the properties are situated close to previous transactions or in the same block, concentration will need to be considered</li><li>■ Properties above or adjacent to commercial property would be unacceptable</li><li>■ Let to single household, private tenants</li><li>■ The property does not require any works prior to tenancy</li></ul>	<ul style="list-style-type: none"><li>■ Available for individuals, LLPs and UK limited companies only</li><li>■ Experienced property professionals only, defined as owning 1 investment property for a minimum of 12 months OR evidence of owning a previous portfolio of properties</li><li>■ First Time Landlords - may be considered subject to £50k minimum income and where sufficient outside income can be demonstrated to meet potential voids and costs</li></ul>		YES subject to meeting requirements details on Page 6 (Individual applicants only)
<b>RI0.2</b> HMO ≤ 6 beds	<ul style="list-style-type: none"><li>■ Up to a maximum of 4 properties on any one application – however please note max loan amounts</li><li>■ Small HMO's up to 6 beds</li><li>■ HMO Hybrid or Commercial valuation required</li><li>■ Where the property has increased by more than 20% from the original purchase price within the last 12 months please provide the valuer with a schedule of works to ensure the valuer comments that the increase in value is down to the works completed</li></ul>	<ul style="list-style-type: none"><li>■ No exceptions allowed</li><li>■ Maximum individual loan amount is £750,000,</li><li>■ Maximum exposure on this product is £2,500,000</li><li>■ Let to private tenants/ students</li><li>■ Adjusted gross rent needs to fully cover DSCR requirements. Adjusted gross rent = gross rent minus Council Tax, utility bills or for extraordinary services or amenities. Please note, the valuer will be asked to provide us with this figure within his valuation</li><li>■ The property does not require any works prior to tenancy</li><li>■ Properties above or adjacent to commercial property would be unacceptable</li></ul>	<b>HMO 1 Value (see p21 for definition)</b>	<b>HMO 2 (see p21 for definition)</b>	NO - full legal fees will apply
			Experienced property professionals with a successful track record in the HMO/Student Let sector, defined as owning at least 1 similar sized HMO/Student Let for a minimum of 12 months <b>OR</b> 1 other investment property plus an annual income of £30k to cover potential void periods To support the above the following is expected: <ul style="list-style-type: none"><li>■ Evidence of annual income</li><li>■ Suitable specialist management agent to be in place for letting</li><li>■ All HMO refinances will be subject to the client having an HMO licence</li><li>■ All HMO Purchases will be subject to the client having applied for a licence and valuation report (hybrid) will need to confirm the property is a viable HMO</li><li>■ Understand why the client has chosen the area (client conversation with LM will be required)</li></ul>	Experienced property professionals with a successful track record in the HMO/Student Let sector, defined as owning at least 1 similar sized HMO/Student Let for a minimum of 12 months <b>OR</b> 5 BTL properties owned and let for a minimum of 12 months.	
<b>RI0.3</b> Multi Units	<ul style="list-style-type: none"><li>■ Freehold block of up to 4 flats in any one block</li><li>■ Freehold block of up to 4 flats with separate leaseholds already in place</li><li>■ Please note properties with up to 3 flats can be valued on 1 valuation, 4 flats will require 4 separate valuations.</li><li>■ Please note if the client plans to split the titles on completion they will not be eligible for this product</li><li>■ Commercial valuation required</li><li>■ Where the client has completed recent light refurbishment on the property - the definition of light refurbishment is that the works must have cost less than 15% of the original property value, the works must not have been structural, or required planning or building regulation approvals. If the property has increased in value by more than 25% then this will also be excluded (no structural changes, or changes requiring planning or building reg approvals acceptable)</li></ul>	<ul style="list-style-type: none"><li>■ No exceptions allowed</li><li>■ Maximum individual loan amount is £750,000, no exceptions allowed</li><li>■ Maximum exposure on this product is £2,500,000</li><li>■ Let on single AST - Please note number of tenants must not breach planning rules</li><li>■ The property does not require any works prior to tenancy</li><li>■ Properties above or adjacent to commercial property would be unacceptable</li></ul>	<ul style="list-style-type: none"><li>■ Available for individuals, LLPs and UK limited companies only</li><li>■ Experienced property professionals only, defined as owning 1 multi-unit investment property for a minimum of 12 months OR evidence of owning a previous portfolio of properties</li><li>■ First Time Landlords - may be considered subject to £50k minimum income and where sufficient outside income can be demonstrated to meet potential voids and costs</li></ul>		
<b>Ex Pats</b>	<ul style="list-style-type: none"><li>■ 0.25% loading to above pricing</li><li>■ Any of the above security types are acceptable</li><li>■ Where the property is a HMO, the client must have other HMO's in their portfolio we will require specialist HMO managing agents to be in place for completion</li></ul>	<ul style="list-style-type: none"><li>■ No exceptions allowed</li><li>■ Minimum income £50,000, no exceptions allowed</li></ul>	<ul style="list-style-type: none"><li>■ Individual clients who have a UK passport but reside abroad OR UK Ltd Co's where Directors/Shareholders are UK citizens but are living abroad</li><li>■ Clients must have a UK bank account</li><li>■ Hold a minimum of 2 UK investment properties; one must have a mortgage outstanding that has been serviced for the last 12 months</li></ul>		

## RI1, RI3, RI2: Specialist Residential Investment

Term loans from £50k – £750k

Loan to value up to 75%

Product	UP TO 55% LTV	55.01-65% LTV	65.01-75% LTV	Term & repayment		DSCR	Arrangement fee	ERCs
				Variable	Fixed			
<b>RI1</b> Specialist residential	3.44% above 3 month LIBOR*	3.69% above 3 month LIBOR*	3.84% above 3 month LIBOR*	<b>Part Capital &amp; Full Capital:</b> 3 year term, 5% capital repaid (1). 5 year term, 7.5% capital repaid (2). 10-30 year terms, 70% capital repaid or full capital repaid (3).  <b>Interest Only:</b> 3 year. 5 year. 10 year term (4).	3, 4, 5, 7 and 10 year fixed periods available.  If the Fixed period expires before the mortgage term, the product reverts to the standard product margin + 3 month LIBOR* for remainder of mortgage term.  See website for current pricing details	Please refer to the DSCR Methodology within this Guide. Alternatively, please visit the Broker Hub to access our affordability calculator.	1.50% arrangement fee 0.25% payable upon acceptance of the offer  1.25% added to the loan	1) 3%, 3%, 1% 2) 3%, 3%, 3%, 3%, 1% 3) 3%, 3%, 3%, 3%, 3%  4) For 3 year same as 1), for 5 year same as 2) for 10 year same as 3)  *Please note, ERCs apply to the term of the mortgage, NOT the fixed rate period.
<b>RI3</b> Portfolios								
<b>RI2</b> HMO/ Student lets	3.89% above 3 month LIBOR*	4.09% above 3 month LIBOR*	4.24% above 3 month LIBOR*					
<b>Existing Customers</b>	0.25% discounts available on <b>margin or arrangement fees</b> for existing clients				<b>Ex Pats</b>	0.1% loading to be added to margin	<b>Partners commission</b>	1% of the gross loan, paid on completion.

\*Shawbrook Bank applies a minimum floor of 0.75% to the LIBOR rate.  
Please note that Shawbrook 3mth LIBOR is 0.85%.

## Acceptable property types

### RI1

#### Specialist residential

- Multiple leasehold units in one block or on one title
- Leasehold flats where the client owns part/all the freehold
- New build/newly converted flats within last 12 months
- Flats above and adjacent to commercial property
- Company Lets
- Property let to the Council or Housing Association in part/whole
- Multi-units are valued on the basis of the aggregate value. Please note - this is subject to the valuer's guidance that if the units were re-sold the market would not be restricted to investors only as one unit

### RI2

#### HMO/ Student lets

- Small HMOs fall outside RI0.2 criteria
  - Large HMOs (Sui Generis)
- Please note, cluster block student lets will be priced as a commercial property, not residential.

### RI3

#### Portfolios

- 2 or more properties on separate titles that are being purchased/ re-mortgaged at the same time
- We have a minimum individual property value of £50k and the valuers comments on condition and demand to sell portfolio/ multiple units in a block will be paramount

### Ex Pats

- Any of the above security types are acceptable
- Where the property is a HMO, we will require specialist HMO managing agents to be in place for completion

## Key criteria

- Available in England, Scotland & Wales
- Loan size limit of £15,000,000 applies to client exposure
- An Assured Short hold Tenancy is to be in place on completion subject to a minimum term of 6 months and a maximum term of 36 months
- For loans over £750,000 please refer to our Large Loan products
- Our DSCR is calculated on the lower of passing rent or market rent confirmed by the valuer
- We are pleased to offer a **0.25%** discount on the margin **OR** a **0.25%** reduction in the arrangement fee on loans up to £750,000 for any clients who have been party to a Shawbrook savings account, open for 6 months or more with a £100+ balance, or a formally sanctioned Shawbrook loan
- Additional security accepted – effectively, this enables us to lend to 100% LTV
- Flats above commercial properties are acceptable subject to positive valuer commentary

**THIS DOCUMENT IS FOR PROFESSIONAL INTERMEDIARIES ONLY AND SHOULD NOT BE SHOWN TO POTENTIAL CLIENTS**

## Acceptable client profile

- Available for individuals, LLPs, UK limited companies, Offshore companies (with UK directors & UK properties) and SIPP's
- First Time Landlords - may be considered subject to £50k minimum income and where sufficient outside income can be demonstrated to meet potential voids and costs
- Applications where additional security is used in lieu of cash deposit
- Applicants should have experience of holding at least 1 investment property for at least 12 months

### HMO 1 Value (see p21 for definition)

Experienced property professionals with a successful track record in the HMO/Student Let sector, defined as owning at least 1 similar sized HMO/Student Let for a minimum of 12 months

#### OR

1 other investment property plus an annual income of £30k to cover potential void periods

To support the above the following is expected:

- Evidence of annual income
- Suitable specialist management agent to be in place for letting
- All HMO refinances will be subject to the client having an HMO licence
- All HMO Purchases will be subject to the client having applied for a licence and valuation report (hybrid) will need to confirm the property is a viable HMO
- Understand why the client has chosen the area (client conversation with LM will be required)

### HMO 2, 3 or 4 (see page 21 for definition)

Experienced property professionals with a successful track record in the HMO/Student Let sector, defined as owning at least 1 similar sized HMO/Student Let for a minimum of 12 months

- Experienced property professionals with a successful track record in the sector whose current portfolio is sensibly geared and there is sufficient income within the portfolio to cover management costs and voids

- Individual clients who have a UK passport but reside abroad **OR** UK Ltd Co's where Directors/ Shareholders are UK citizens but are living abroad
- Clients must have a UK bank account
- Hold a minimum of 2 UK investment properties; one must have a mortgage outstanding that has been serviced for the last 12 months
- Minimum income £50,000

- A personal guarantee equal to 25% of the loan size will be required from all directors where they have more than a 20% shareholding subject to a minimum guarantee value of £50,000
- Where the client has a portfolio of properties we will stress this at 5.5% looking for 125% rental cover to assess long term affordability.
- Where the rental income covers payment on an interest only basis only but the client would like some form of amortisation, we can consider utilising any additional income that is available and verifiable. (Not eligible on RI0)
- Where the property is 50+ miles away from a major town/ city we will be sensitive to the rental demand for that property

Please refer to Page 19 for Key Criteria that applies to all products.

## LRI1, LRI2, LRI3: Large Loan Residential Investment

Term loans from £750k – £15m

Loan to value up to 75%

Product	UP TO 55% LTV	55.01-65% LTV	65.01-75% LTV	Term & repayment		DSCR	Arrangement fee	ERCs
				Variable	Fixed			
<b>LRI1</b> Single dwellings	3.23% above 3 month LIBOR*	3.50% above 3 month LIBOR*	3.70% above 3 month LIBOR*	<b>Interest Only – up to 75% LTV:</b> 3 year (1) 5 year (2) 10 year (3)  <b>Part Capital &amp; Full Capital:</b> 3 year term, 5% capital repaid (1) 5 year term, 7.5% capital repaid (2) 10-30 year terms, 70% capital repaid or full capital repaid (3)  Bespoke amortisation available.	3, 4, 5, 7 and 10 year fixed periods available.  If the Fixed period expires before the mortgage term, the product reverts to the standard product margin + 3 month LIBOR* for remainder of mortgage term.  See website for current pricing details	Please refer to the DSCR Methodology within this Guide. Alternatively, please visit the Broker Hub to access our affordability calculator.	<b>1.50%</b>  0.25% payable upon acceptance of the offer  1.25% added to the loan	(1) 3%, 3%, 1% (2) 3%, 3%, 3%, 3%, 1% (3) 3%, 3%, 3%, 3%, 3%  *Please note, ERCs apply to the term of the mortgage, NOT the fixed rate period.
<b>LRI3</b> Portfolios								
<b>LRI2</b> HMOs/ Student lets	3.44% above 3 month LIBOR*	3.70% above 3 month LIBOR*	3.80% above 3 month LIBOR*					
<b>Partner commission</b>	1% of the gross loan amount paid on completion							

### LOANS FROM £750,000 – £15,000,000

#### LRI1, LRI2 & LRI3

##### Scenario

##### Single residential dwellings

Likely to be considered 'trophy assets'

Where the property is low yielding (normally central London), we can take into account surplus income when calculating affordability.

*Please note; the location of the property will have an impact on the level of lending available.*

##### Blocks

Valuers commentary is key regarding demand and concentration risks.

As a guide the maximum is 10 in a block where the asset is strong. We can and have considered larger blocks.

##### HMOs & Student Lets

Clients must have direct experience in managing these.

As a guide the maximum is 20 units in a student block where the asset is strong. We can and have considered larger blocks.

##### Large Residential Portfolios

Lending nationwide. Please note we will be sensitive to concentration.

#### Key criteria

- As standard we will lend up to £15,000,000 – although loans in excess of this amount on LRI are considered
- Loan size limit applies to client exposure
- We will also consider low yielding assets, where surplus income is available
- A personal guarantee equal to 25% of the loan size will be required from all directors where they have more than a 20% shareholding
- Where the client has a portfolio of properties we will stress this at 5.5% looking for 125% rental cover to assess long term affordability.
- Additional security accepted
- Clients interview always required
- The property must have the correct planning permission approvals (where applicable) in place
- Bespoke amortising available

Please refer to Page 18 for Key Criteria that applies to all products.

*Please note; we do not offer existing client discounts to be applied on term loans over £750,000.*

**\*Shawbrook Bank applies a minimum floor of 0.75% to the LIBOR rate.  
Please note that Shawbrook 3mth LIBOR is 0.85%.**

**THIS DOCUMENT IS FOR PROFESSIONAL INTERMEDIARIES ONLY AND SHOULD NOT BE SHOWN TO POTENTIAL CLIENTS**

## CI1, CI2, CC1: Commercial Investment Product

Term loans from £50k – £15m

Loan to value up to 75% of vacant possession or market value (subject to criteria)

Product	UP TO 55% LTV	55.01-65% LTV	65.01-75% LTV	Term & repayment		DSCR	Arrangement fee	ERCs
Commercial				Variable	Fixed			
CI1.1 Commercial loans up to £100k	4.8% above 3 month LIBOR	5.1% above 3 month LIBOR	5.8% above 3 month LIBOR	3 - 25 Year Term  Interest Only - Commercial up to 70% LTV, Semi-Commercial up to 75% LTV  Part Capital & Full Capital Commercial and Semi-Commercial up to 75% LTV  Bespoke amortization available.	3, 4, 5, 7 and 10 year fixed periods available.	Please refer to the DSCR Methodology within this Guide. Alternatively, please visit the Broker Hub to access our affordability calculator.	1.50%  0.25% payable upon acceptance of the offer  1.25% added to the loan	2 Year Term - 3%, 3% 3 Year Term - 3%, 3%, 1% 4 Year Term - 3%, 3%, 3%, 3% 5 Year Term - 3%, 3%, 3%, 3%, 1% Terms in excess of 5 years - 3% for the first 5 years, 0% thereafter *Please note, ERCs apply to the term of the mortgage, NOT the fixed rate period.
CI1.2 Commercial loans above £100k	4.4% above 3 month LIBOR	4.7% above 3 month LIBOR	5.0% above 3 month LIBOR		If the Fixed Period expires before the mortgage term, the product reverts to the standard product margin + 3 month LIBOR for the remainder of the mortgage term.			
Semi-Commercial								
CI2.1 ** Semi-Commercial loans up to £100k	4.5% above 3 month LIBOR	4.8% above 3 month LIBOR	5.2% above 3 month LIBOR					
CI2.2 ** Semi-Commercial loans above £100k	4.05% above 3 month LIBOR	4.15% above 3 month LIBOR	4.50% above 3 month LIBOR		See website for current pricing details.			
Commercial and Semi-Commercial Up to 70% LTV								
CC1 Complex Commercial	5.2% above 3 month LIBOR			2, 3, 4 or 5 year terms available. Interest Only or Part-Capital - bespoke amortization available.	3, 4 and 5 year fixed periods available.			
Existing Customers	0.25% discounts available on the arrangement fee for existing clients				Ex-pats	0.1% loading to be added to the margin	Partner commission	1% of the gross loan, paid on completion

### Existing clients

We are pleased to offer a **0.25%** reduction in the arrangement fee on loans for any clients who have been party to a Shawbrook savings account, open for 6 months or more with a £100+ balance, or a formally sanctioned Shawbrook loan. Any future lending has a streamlined process. We require only a short form application form and valuation report to be able to proceed to formal mortgage offer. Updated bank statements will only apply if 12 months have passed since the first application or if there is a material change on the updated credit search that requires further investigation. However a face to face interview may be required.

**\*Shawbrook Bank applies a minimum floor of 0.75% to the LIBOR rate. Please note that Shawbrook 3mth LIBOR is 0.85%.**

### Loan purpose

Our funding is ordinarily used to finance a purchase or to refinance existing commercial or semi-commercial portfolio/property because the client is looking to release capital or facing non-renewal from an existing lender.

CI1 – Commercial security – wholly commercial or where the residential element is less than 50% by value.

CI2 – Semi commercial – \*\*The residential element needs to amount to more than 50% of the total valuation and have its own separate access. Please note we do not offer personal regulated mortgages.

CC1 – Complex Commercial security – we are able to consider applications where the client has an alternative strategy to a traditional long term FRI lease. This could include serviced offices, multiple units let on licences or commercial property that will be vacant upon completion. This is not an exhaustive list, please contact us to discuss your clients requirements.

- We will lend nationwide on Mixed Use Portfolios
- We offer the option to meet with the client/s on transactions over £750,000, but reserve the right to request these on any application

## Experience

### Commercial CI1 and Semi-Commercial CI2

Owned at least 1 investment property for a minimum of 12 months AND security property has a maximum of one commercial FRI lease in place with 2 years before the next break

OR

2 years relevant sector experience. If unsure, please contact us to discuss.

### Complex Commercial CC1

2 years relevant sector experience. If unsure, please contact us to discuss, each case is likely to require a bespoke approach, given the nature of the customer needs this product is designed for.

**First Time Landlords** - may be considered on CI1 and CI2 products subject to £50k minimum income and where sufficient outside income can be demonstrated to meet potential voids and costs.

### Expats

- Property must be managed by a specialist Commercial Letting Agent on behalf of the client.
- Individual clients who have a UK passport but reside abroad OR UK Ltd Co's where Directors/ Shareholders are UK citizens but are living abroad
- Clients must have a UK bank account
- Clients must hold a minimum of 2 UK investment properties; 1 **must** have a mortgage outstanding that has been serviced for 12 months.
- Minimum income £50,000

### For large commercial cases above £750k

- We will require more diligence on the tenants, looking at the spread, the sectors they are in and therefore the probability of default. Where the property has a single tenant the underlying client's strength is essential. We will also assess that the client has the cash flow available to fund voids and any potential rent free periods for new tenants
- We offer the option to meet with the client/s

### Complex Commercial (CC1) specific criteria

#### Serviced Offices and Multi-Lets on Licences

- 150% DSCR required based on the lower of net passing rent or new market rent
- If no trading history is available, we will rely on the surveyor to provide guidance on the management costs
- We will require a client interview

#### Vacant Commercial

- We will require affordability of the loan during the vacant period to be demonstrated
- Typical scenarios may include experienced landlords identifying strong property before a tenant is available, holding commercial property to achieve planning permission for later conversion (please note, no works are permitted during the term of our loan without our prior consent), holding commercial property whilst re-configuring the leases

### Key criteria

- A personal guarantee equal to 25% of the loan size will be required from all directors where they have more than a 20% shareholding subject to a minimum guarantee value of £50,000
- For CC1 applications, a full 100% personal guarantee will be required
- Loan size limit applies to client exposure
- Additional security accepted - this can enable us to effectively fund 100%
- DSCR is based on the lower of market rent or passing rent
- Leases - property will need to be let before completion on the CI1 and CI2 products
- We will require details on the tenants, i.e. how long they have been in situ, and establish, if they left, how easily a new tenant could be found. Where the property has a single tenant the underlying client's strength is essential
- Unacceptable adverse - unsatisfied CCJ's in the last 24 months, mortgage arrears in the last 12 months, business adverse in the last 36 months. Satisfied personal CCJ's and defaults within the last 24 months can be considered by exception with an acceptable explanation
- Where the borrower or a member of the borrowers direct family runs a business from the security and this business contributes more than 30% of the rental income, we will assess the loan on trading business terms but, subject to a lease being in place, a CI1 or CI2 product can be offered

### Valuation Approach

We can consider lending against market value where the following requirements are met:

- an investment grade tenant or multi-let
- the surveyor confirms the property could be re-let in a maximum of 6 months (with a maximum rent free period of 6 months) and could be sold within 12 months
- an element of capital repayment will be required to reduce the balance to a maximum of 75% of the vacant possession value during the loan term and the day one advance cannot exceed 85% of the VP value

# Access to the below products is available via our strategic partners only

## TB1, TB2, TB3: Trading Business

Term loans from £150k – £2.5m

Loan to value up to 75%

65% on loans over £750,000

Product	Sectors	Up to 50% LTV	50.01-60% LTV	60.01-70% LTV	70.01-75% LTV	Term & repayment		DSCR	Arrangement fee	ERCs
						Variable	Fixed			
TB1 Commercial	All trading business, leisure, retail & industrial	5.30% above 3 month LIBOR*	5.40% above 3 month LIBOR*	5.90% above 3 month LIBOR*	6.50% above 3 month LIBOR*	Part Capital & Full Capital 10-20 year terms, 70% capital repaid or full capital repaid	3, 4, 5, 7 and 10 year fixed periods available.	Please refer to the DSCR Methodology within this Guide. Alternatively, please visit the Broker Hub to access our affordability calculator.	1.50%  0.25% payable upon acceptance of the offer  1.25% added to the loan	3%, 3%, 3%, 3%, 3%  *Please note, ERCs apply to the term of the mortgage, NOT the fixed rate period.
TB2 Semi-commercial		4.90% above 3 month LIBOR*		5.15% above 3 month LIBOR*	5.90% above 3 month LIBOR*		If the Fixed period expires before the mortgage term, the product reverts to the standard product margin + 3 month LIBOR* for remainder of mortgage term.			
Product	Sectors	Up to 60% LTV					See website for current pricing details.			
TB3 Pubs	Public houses only	6.40% above 3 month LIBOR*								
Partner commission	1% of the gross loan amount paid on completion							0.25% discounts available on margin OR arrangement fee for existing clients		

Minimum Loan size £150,000

Submission by SP's only

Full pack submission required (without valuation) at AIP stage

### Existing clients

We are pleased to offer a **0.25%** discount on the margin **OR** a **0.25%** reduction in the arrangement fee on loans up to £750,000 for any clients who have been party to a Shawbrook savings account, open for 6 months or more with a £100+ balance, or a formally sanctioned Shawbrook loan.. Any future lending has a streamlined process. We require only a short form application form and valuation report to be able to proceed to formal mortgage offer. Updated bank statements will only apply if 12 months have passed since the first application or if there is a material change on the updated credit search that requires further investigation. However a face to face interview may be required. *Please note: this discount does not apply to Shawbrook refinances (where you replace one Shawbrook loan with another on the same security).*

### Loan purpose

Our funding is typically used to finance the purchase of new premises for the client's business or raising working/ investment capital by refinancing an existing business property.

TB1 – Commercial

TB2 – Semi commercial - any residential element of the security must have its own separate access to be considered as semi-commercial. Please note we do not offer personal regulated mortgages.

TB3 – Public Houses

**\*Shawbrook Bank applies a minimum floor of 0.75% to the LIBOR rate.**  
**Please note that Shawbrook 3mth LIBOR is 0.85%.**

### Key criteria

- Clients must be currently running the same or a connected business. We will not process any new business start-ups or lifestyle purchases
- We require full accounts to evidence a minimum of 1 years trading history (2 years on TB3). However if the accounts are over 6 months old we will also require the management accounts to evidence the more recent trading history
- Max loan size related to total exposure to the client. Loans over £750k are considered by exception
- We will lend up to 90% of the purchase price where our applicant is a sitting tenant (subject to standard LTV restrictions)
- Good credit conduct on secured and unsecured lending. We will also look at the credit profile of any business that they are associated with
- We will work off MV2 valuation. Please see the valuation methodology page for more information
- Where the clients are raising additional funds, we will require a thorough breakdown of how these funds are to be used and how they will benefit the growth of the business
- A business valuation will be required on leisure properties and we will lend against MV2 assumptions (TB3 max 60% LTV)
- A personal guarantee equal to 100% of the loan size will be required from all directors where they have more than a 20% shareholding

Please refer to Page 18 for Key Criteria that applies to all products.

### Guidance notes on acceptable security

Property type	Points to note
<b>Leisure properties</b>	The strength of the application is in the clients. We want to see sufficient experience in the trade and the application summary should refer to this. The property needs to be in a good location in a satisfactory condition. We will lend against MV2. The summary should provide detail on their business model confirming how the clients market their services and any functions it may also run. Please note we will not consider lifestyle purchases.
<b>Modern industrial/ warehouse/ factory units</b>	The location of the property and the demand for properties for rental purposes within this area are essential. As a guide, the property should be modern or alternatively well maintained and in a good condition. The summary should provide detail on their business model, location is important and the surveyor should comment as to whether there is suitable demand for the property. We also need to understand how the clients market their product/ services and their plans for the future.
<b>Offices</b>	The business will need to be established and able to demonstrate its performance with full accounts. The property will need to be in a good location with strong demand and in a satisfactory condition. Where the client uses short licences rather than AST's it is essential that occupancy rates/ track record are confirmed and these will be critical to our lending decision.
<b>Retail units</b>	We will lend to all types of retail units including hot food establishments with or without accommodation above. The property must be in a busy primary or secondary location with plenty of passing trade and be in good condition with a demand for the product or service that is sold. The client needs to be experienced in the trade.
<b>Public houses (TB3)</b>	Public houses are a higher risk category, but one where we have an appetite to lend on strong performing pubs. The pub needs to be trading currently and we need to understand how it performs throughout the year. The client's experience is essential. Where a client is moving their pub business to new premises, the premises cannot be closed currently, even if the client is based locally. We will only consider public houses that have a current acceptable trading history.

# DSCR Methodology

		5+ year fixed rate on 10 year + term only			All variable term loans up to 30 years and all fixed rate up to 5 years total term		
		Payrate DSCR cover			Stress rate DSCR cover		
Property type	Product type	Personal application	Ltd company application	Stress rate	Personal application	Ltd company application	Stress rate + product margin
Residential, Multi Units, Portfolios	RR1, RI0 1&3, RI &3 & LRI1&3	155%	125%	Pay Rate Only	140%	125%	The higher of the All in rate + stress rate of 2%
HMO	RR2, RI0.2, RI2 & LRI2	175%	150%		160%	150%	OR 5.5%
Semi Commercial	CI2	145%	130%		130%		All in rate + stress rate of 1%
Commercial	CI1	130%			150%		
	CC1	N/A			125%		
Trading Business	TB	125%			125%		
Outside portfolio stress		Outside portfolio stress					N.B.
This relevant stress will be applied to all portfolio(s) held by the applicant		Income to cover 125% @ 5.5% of total portfolio debt.					We will need to consider applications that do not meet the minimum outside portfolio stress cover on a case by case basis, and will take into account the merits of the case.

# Key criteria and Contacts

## Key criteria

- First legal charge over acceptable freehold or long leasehold title (minimum Leasehold on application is 85 years. Please note, Leaseholds that have less than 85 years but more than 55 years remaining at the end of the term may require a specialist report. Please speak to our sales desk or BDM to find out more) property in England, Scotland and Wales.
- All loans are available for individuals, LLPs, UK limited companies and mainstream offshore limited companies. Loans to trusts must be submitted via a Strategic Partner and have a minimum loan size of £1,000,000. Please note all offshore transactions will have a minimum loan size of £500,000 with other UK assets and the directors/beneficiaries must be resident in the UK and over the age of 21. They must operate in a mainstream jurisdiction, i.e. Channel Islands, Isle of Man, and Gibraltar. (Please also note that where the jurisdiction is Gibraltar the maximum loan available is £1,000,000). We do not accept offshore applications or where the parent company ownership structure is incorporated in the Cayman and British Virgin Islands (BVI). Max loan size relates to total exposure to client.
- Loans to trusts must be submitted via a Strategic Partner and have a minimum loan size of £1,000,000
- The purpose of the loan can be for purchase, transfer of equity, refinance or capital raising (detailed and satisfactory explanation required)
- A1 credit profile on secured and unsecured lending. We will also look at the credit profile of any businesses that clients are associated with. We will take a pragmatic view of any small blemishes in their credit conduct
- Minimum age 21. Loan term should end before the youngest applicants 80th birthday but exceptions considered where a clear succession plan can be demonstrated.
- Personal guarantees are always required from all directors with more than 20% share holding
- Variable mortgage products track 3 month London Interbank Offer Rate (LIBOR). This will be reset 1st January, 1st April, 1st July, 1st October
- Please note that Shawbrook Bank applies a minimum floor of 0.75% to the LIBOR rate. If and for so long as the LIBOR rate falls below 0.75%, LIBOR will be deemed to be 0.75%
- Interest is calculated daily and charged monthly in arrears
- All mortgages must be paid by Direct Debit
- Non-regulated mortgage contracts only
- SIPP applications accepted - please note minimum loan size £500,000

Unacceptable property types						Unacceptable property postcodes
Any specialised property types where usage means the market is limited.	■ Holiday/ Caravan Parks	■ Care Homes	■ Nightclubs	■ Agricultural Properties	■ Golf Clubs	FY1, 2, 3, & 4 L6 & L7 AB
	■ Freehold Flats	■ Investment Pubs	■ Equestrian	■ Places of Worship	■ Any property with specialist usage	
	■ Grade 1/ Grade A Listed property	■ Football Clubs	■ Purpose-built Gyms	■ Shopping Centres	■ Land	

# Fees and charges

Fees			
Valuation fee	<div><div><div><div><div></div><div>Payable by applicant (can now be paid online)</div></div><div><div></div><div>Broker partner to confirm and instruct valuation via the panel manager on the Broker Hub</div></div></div><div><div><div></div><div>Please see the Valuation Fee Scale on the broker hub for guideline pricing</div></div><div><div></div><div>RR1 &amp; RR2 – Re-inspection cost TBC – depending on the type of property and size</div></div></div><div><div><div></div><div>For business valuations – please contact Appraisers UK for costings</div></div><div><div></div><div>Any residential properties valued in excess of £2m will require a commercial valuation</div></div></div></div></div>		
Panel Managers <div>Appraisers UK Ltd    Tel: 01454 855444    www.appraisersuk.com</div>			
Lender arrangement fee	Please see product terms as these will be specific to each product. These range from 1.25% - 1.95%. 0.25% is collected on offer as a commitment fee, the balance is added to the loan, outside of LTV's.		
Lender legal fees – Standard Specialist pricing <div>Covering RI0.2, RI0.3, RI1-3, CI1-2, RR1-2, LRI1-3, STL1-3, HR1 and HR2 as standard</div> <div>Covering RI0 range where;<div><div>Ltd Co</div><div>Ex-pat</div><div>Transfer of Equity</div></div></div>	Loan size	Commercial & semi commercial property	Residential investment property
	Up to £100k	£950 + VAT	£650 + VAT
	£101k – £300k	£1250 + VAT	£750 + VAT
	£301k – £500k	£1450 + VAT	£850 + VAT
	£501k – £750k	£1650 + VAT	£950 + VAT
	£751k – £1m	£1950 + VAT	£1050 + VAT
	>£1m	The fees are confirmed on a case by case basis depending on the structure of the application.	
<div><div>Plus disbursements including title insurance (costs range from £160 - £520) and any additional security being taken.</div><div>Legal fees deducted from loan advance.</div><div>Applicants require their own solicitor to act for them on purchase applications (including transfer of equity). On re-mortgages, individual applicants can proceed without separate solicitors (Non-Rep).</div><div>£350 plus VAT per additional prope</div></div>			
Lender Legal Fees –Simple Residential Investment pricing <div>Covering RI0.1 – please take note of exemptions.</div>	<div><div>Only eligible on RI0 products</div><div>Purchase up to £750k in individual name for UK residents</div><div>Refinance up to £750k in individual name for UK residents</div><div>£350 plus VAT per additional property</div></div>	<div><div>All plus VAT &amp; disbursements</div><div>All electronic payments to be £35 (incl VAT) per payment</div></div>	<div><div>Excludes loans to corporate borrowers or non UK residents or non UK nationals</div><div>Excludes loans falling outside bank title insurance lending policy (i.e. auction sales, unregistered title, sales from mortgages/ receivers/ insolvency practitioners etc)</div></div>
	<div>Loan size</div> <div>Up to £200k</div> <div>£201-£400k</div> <div>£401k – £750k</div>	<div>Refinance</div> <div>£350 + VAT</div> <div>£425 + VAT</div> <div>£495 + VAT</div>	<div>Purchase</div> <div>£425 + VAT</div> <div>£495 + VAT</div> <div>£595 + VAT</div>
Shawbrook’s Panel Solicitors	England and Wales <div>Pure Law – Tel: 01277 897 300    Email: enquiries@purelawllp.co.uk</div>		Scotland <div>Wilson McKendrick – Tel: 0141 222 7950    Email: info@wilsonmckendrick.co.uk</div>
Overpayments	For term products, the client can pay up to 10% of the outstanding balance of the loan during each year of the term without incurring an early repayment charge. If the client wishes to pay more than 10% in any year, this will be viewed as a partial redemption and an early repayment charge will become due on the full amount overpaid in that year, the charge will be as follows:- <div><div>For Short Term products the client will not incur an early repayment charge</div><div>Overpayments will incur a £200 administration fee</div></div>		

# Valuation methodology

	Residential				Commercial	Trading business		HMOs
Acceptable property types	Single Residential Properties up to £1 million Studio Flats more than 30sqm Up to three flats on separate leasehold titles Ex Local Authority Flats	Single Residential Properties over £1 million Maisonette split into two flats	Multi Residential unit in a block (Max 5 storeys and 10 flats)	Portfolios	Offices Modern Industrial/Warehouse units/ Factory units  Retail units with or without accommodation	Offices Modern Industrial/ Warehouse units/ Factory units Retail units with or without accommodation	Hotels Gueshouses Bed and Breakfast Purpose build Restaurants Public Houses (TB3 60% of MV2 max)	HMO's are valued on a number of different basis depending on the property being valued. The valuation basis are shown below with the value Shawbrook will lend against shown in bold.
Type of report	Residential	Commercial	Commercial	Residential or commercial*	Commercial	Commercial	Business	Residential, HMO or Commercial
Valuation definitions	<b>Market Value (MV)</b> – The current value for which the property should exchange on the day of valuation excluding goodwill, fixtures & fittings etc. between a willing buyer and a willing seller.	<b>MV</b> – The current value for which the property should exchange on the day of valuation excluding goodwill, fixtures & fittings etc. between a willing buyer and a willing seller.	<b>Aggregated Value (AV)</b> – The value of all individual units		<b>(MV)</b> – The current value for which the property should exchange on the day of valuation excluding goodwill, fixtures & fittings etc between a willing buyer and a willing seller.	<b>(VP)</b> – Current value of the property with vacant possession and not subject to leases	<b>MV 1</b> – The current value for which the property should exchange on the date of valuation including the goodwill, fixtures and fittings etc between a willing buyer and seller	Residential or HMO Valuation <b>HMO 1</b> – “Single dwelling” – The works to convert are minimal and it is logical that an investor is more likely to purchase a cheaper property and convert than pay a premium price.
	<b>Vacant Possession (VP)</b> – Current value of the property with vacant possession and not subject to leases	<b>VP</b> – Current value of the property with vacant possession and not subject to leases	<b>Single Investor Value (SIV)</b> – The value of the building if sold to 1 investor with tenants in place		<b>(VP)</b> – Current value of the property with vacant possession and not subject to leases		<b>MV 2</b> – AS MV above, excluding goodwill but assuming no accounts are available but the business is still trading.	HMO or Commercial Valuation <b>HMO 2 MV</b> – Most appropriate valuation methodology selected by the surveyor, which in some instances may be a yield based approach. In other instances the value may be determined by the original purchase price or value, with consideration of a premium to reflect the adaptations made to the property to meet the HMO legislation. For example, these adaptations could include changes to room sizes, or the additions of ensuite facilities. There must be viability for the property to be operated and sold as a HMO with demand evident in the comparable market.
			<b>Investment VP (IVP)</b> – The value of the building if sold to 1 investor with vacant possession				<b>MV3</b> – As MV2 but the business is closed	
What shawbrook lends against	<b>MV</b>	<b>MV</b>	<b>AV</b> – Subject to the valuer confirming a strong sales demand exists on an individual basis whereby enough units could be sold within a 12 month period. Other definitions considered		<b>MV</b> – where the following requirements are met: ■ an investment grade tenant or multi-let ■ the surveyor confirms the property could be re-let in a maximum of 6 months (with a maximum rent free period of 6 months) and could be sold within 12 months ■ an element of capital repayment will be required to reduce the balance to a maximum of 75% of the vacant possession value during the loan term and the day one advance cannot exceed 85% of the VP value. <b>Otherwise - VP</b>	<b>VP</b>	<b>MV2</b>	Commercial Valuation <b>HMO 3 MV</b> – An Article 4 is in place and therefore the property is clearly viable as a HMO investment. There would be the demand to justify paying a premium for this in order to get the higher returns. Valuer to consider comparables and yields.
LTV maximum calculated on	up to 75% of the lower of the Purchase price or MV	Up to 75% of the lower of the Purchase price or MV	Up to 75% of the lower of the Purchase price, AV, SIV, IVP		Up to 75% of the lower of the Purchase price or MV or VP	Up to 75% of the lower of purchase price or VP	Up to 75% of lower of the purchase price or MV2 (NB TB3 restricted to 60% LTV).  Tenants purchasing at a discount can borrow up to 90% of the purchase price subject to not exceeding 75% (60% TB3) of MV2, providing they have been in the property for more than 12 months.	<b>Commercial Valuation</b> <b>HMO 4</b> – Planning is in place for a specified Sui generis use as a HMO. Good yield and sustainable rental evidence is essential. <b>(Such property may only be valued in accordance with the existing specified planning use and this is likely to be yield based from sustainable rent comparisons.)</b>  Up to 75% of the lower of the Purchase price or MV.



## Notes



**Shawbrook Bank Limited**

Registered office: Lutea House, Warley Hill Business Park, The Drive, Great Warley, Brentwood, Essex, CM13 3BE.  
Registered in England and Wales – Company Number 388466. Shawbrook is authorised by the Prudential Regulation Authority and Regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

20190425\_B2B\_COLLATERAL\_GUIDES&FORMS\_PRODUCTGUIDE\_GC\_FP