Shawbrook Bank

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

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Shawbrook Bank

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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
RB1 **Regulated Bridging**	70% Lower of PP or MV	0.59% pm*	0.65% pm*	0.69% pm*	Interest-only rollup mortgage **No** minimum term, **No** minimum interest, **No** ERCs Maximum term 12 Months	1.95%
RB2 **Regulated Bridging – Refurbishment**		0.65% pm*	0.69% pm*	0.73% pm*		
Partner commission	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:
  i) Raising deposit funds
  ii) 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 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.**

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.

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
STL1 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 **No** 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.	1.95% Full fee added to the loan outside of max LTV's
STL2 Semi-Commercial	Up to 75% Lower of PP or MV	0.75% pm	0.75% pm	0.81% pm	0.91% per month		
STL3 Commercial	Up to 70% Lower of PP or MV	0.83% pm	0.83% pm	0.83% pm	N/A		
HR1 Residential Heavy Refurbishment	Up to 75% Lower of PP or MV	0.60% pm	0.65% pm	0.75% pm	N/A		
HR2 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		
Partner commission	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

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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

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

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 7% interest cover for Ltd companies and 8% for individual borrowers to assess overall gearing.

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

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 borowers 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

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.

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.

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			
RR1 **Residential refurb**	4.55% above 3 month LIBOR*	4.69% above 3 month LIBOR*	4.85% above 3 month LIBOR*	**Part Capital:** 3 year term, 5% capital repaid (1). 5 year term, 7.5% capital repaid (2). 10 year term, 10% capital repaid (3) **Interest Only:** 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.
RR2 **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

***Shawbrook Bank applies a minimum floor of 0.75% to the LIBOR rate. Please note that Shawbrook 3mth LIBOR is 0.95%.**

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

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

RI0 Range Simple Residential Investment

Term loans from £50k – £750k

Loan to value up to 75%

<table>
<tr><th rowspan="2">Product</th><th rowspan="2">UP TO 55% LTV</th><th rowspan="2">55.01-65% LTV</th><th rowspan="2">65.01-75% LTV</th><th colspan="2">Term & repayment</th><th rowspan="2">DSCR</th><th rowspan="2">Arrangement fee</th><th rowspan="2">ERCs</th></tr>
<tr><th>Variable</th><th>Fixed</th></tr>
<tr><td>RI0.1
Simple residential</td><td rowspan="2">2.99%
above 3 month LIBOR*</td><td rowspan="2">3.24%
above 3 month LIBOR*</td><td rowspan="2">3.39%
above 3 month LIBOR*</td><td colspan="2">Minimum term – 5 years
Maximum term – 30 years</td><td rowspan="3">Please refer to the DSCR Methodology within this Guide. Alternatively, please visit the Broker Hub to access our affordability calculator.</td><td rowspan="3">1.25%
arrangement fee

0.25%
payable upon acceptance of the offer

1.00%
added to the loan outside of LTV</td><td rowspan="3">(1) 3%, 3%, 3%, 3%, 1%
(2) 3%, 3%, 3%, 3%, 3%

*Please note, ERCs apply to the term of the mortgage, NOT the fixed rate period.</td></tr>
<tr><td>RI0.3
Multi Units</td><td rowspan="2">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).</td><td rowspan="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</td></tr>
<tr><td>RI0.2
HMO ≤ 6 beds</td><td>3.44%
above 3 month LIBOR*</td><td>3.74%
above 3 month LIBOR*</td><td>3.84%
above 3 month LIBOR*</td></tr>
<tr><td>Existing Customers</td><td colspan="3">0.25% discounts available on arrangement fees only for existing clients</td><td>Ex Pats</td><td>0.25% loading to be added to margin</td><td>Partners commission</td><td colspan="2">0.75% of the gross loan, paid on completion.</td></tr>
</table>

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
- Personal guarantees of directors always required where someone has more than 20% shareholding
- 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

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Please note that Shawbrook 3mth LIBOR is 0.95%.

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	Acceptable property types	Product specific criteria	Acceptable client profile		Eligibility for new legal fee scale
RI0.1 **Simple residential**	■ Up to a maximum of 4 properties on any one application – however please note max loan amounts ■ Simple residential assets (ex-local acceptable) ■ 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	■ No exceptions allowed ■ Maximum individual loan amount is £750,000 ■ 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 ■ Properties above or adjacent to commercial property would be unacceptable ■ Let to single household, private tenants ■ The property does not require any works prior to tenancy	■ Available for individuals, LLPs and UK limited companies only ■ 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		YES subject to meeting requirements details on Page 6 (Individual applicants only)
RI0.2 **HMO ≤ 6 beds**	■ Up to a maximum of 4 properties on any one application – however please note max loan amounts ■ Small HMO's up to 6 beds ■ HMO Hybrid or Commercial valuation required ■ 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	■ No exceptions allowed ■ Maximum individual loan amount is £750,000, ■ Maximum exposure on this product is £2,500,000 ■ Let to private tenants/ students ■ 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 ■ The property does not require any works prior to tenancy ■ Properties above or adjacent to commercial property would be unacceptable	**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 (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 5 BTL properties owned and let for a minimum of 12 months.	NO - full legal fees will apply
RI0.3 **Multi Units**	■ Freehold block of up to 4 flats in any one block ■ Freehold block of up to 4 flats with separate leaseholds already in place ■ Please note properties with up to 3 flats can be valued on 1 valuation, 4 flats will require 4 separate valuations. ■ Please note if the client plans to split the titles on completion they will not be eligible for this product ■ Commercial valuation required ■ 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	■ No exceptions allowed ■ Maximum individual loan amount is £750,000, no exceptions allowed ■ Maximum exposure on this product is £2,500,000 ■ Let on single AST - Please note number of tenants must not breach planning rules ■ The property does not require any works prior to tenancy ■ Properties above or adjacent to commercial property would be unacceptable	■ Available for individuals, LLPs and UK limited companies only ■ 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		
Ex Pats	■ 0.25% loading to above pricing ■ Any of the above security types are acceptable ■ 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	■ No exceptions allowed ■ Minimum income £50,000, no exceptions allowed	■ 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		

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			
RI1 **Specialist residential** **RI3** **Portfolios**	3.44% above 3 month LIBOR*	3.69% above 3 month LIBOR*	3.84% above 3 month LIBOR*	**Part Capital & Full Capital:** 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). **Interest Only:** 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.
RI2 **HMO/ Student lets**	3.89% above 3 month LIBOR*	4.09% above 3 month LIBOR*	4.24% above 3 month LIBOR*					
Existing Customers	0.25% discounts available on **margin or arrangement fees** for existing clients				**Ex Pats**	0.1% loading to be added to margin	**Partners commission**	1% of the gross loan, paid on completion.

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Please note that Shawbrook 3mth LIBOR is 0.95%.

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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 ■ Residential properties requiring works before they can be let out ■ 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

Acceptable client profile

- Available for individuals, LLPs, UK limited companies, Offshore companies (with UK directors & UK properties) and SIPP's
- We can also finance applicants looking to buy a simple residential asset without the required experience where they have a minimum income of £50,000 and a net worth of £500,000
- 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)	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 **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)	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

- Flat above commercial is acceptable @ 65% LTV (must be on a separate title to the commercial unit)
- Where the client has a portfolio of properties we will stress this at a notional 7% interest rate to consider overall gearing
- Personal guarantees of directors always required where someone has more than 20% shareholding
- 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			
LRI1 **Single dwellings** **LRI3** **Portfolios**	3.23% above 3 month LIBOR*	3.50% above 3 month LIBOR*	3.70% above 3 month LIBOR*	**Interest Only – up to 75% LTV:** 3 year (1) 5 year (2) 10 year (3) **Part Capital & Full Capital:** 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.	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.
LRI2 **HMOs/ Student lets**	3.44% above 3 month LIBOR*	3.70% above 3 month LIBOR*	3.80% above 3 month LIBOR*					
Partner commission	1% of the gross loan amount paid on completion							

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.

***Shawbrook Bank applies a minimum floor of 0.75% to the LIBOR rate.**
Please note that Shawbrook 3mth LIBOR is 0.95%.

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.

If the property is a Student Let and is a Cluster block then please note LCI1 pricing will apply.

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 – ALL PRODUCTS

- 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*
- Shawbrook as standard require full personal guarantees of directors where they have more than 20% shareholding, however we will consider limiting the amount of the guarantee for strong transactions
- Where the client has a portfolio of properties we will stress this at 7% interest cover to assess overall gearing for incorporated clients and 8% for individual clients
- 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.

CI1, CI2: Commercial Investment Product

Term loans from £75k – £15m

Loan to value up to 75% of vacant possession

Product	UP TO 55% LTV	55.01-65% LTV	65.01-75% LTV	Term & repayment		DSCR	Arrangement fee	ERCs
				Variable	Fixed			
CI1 **Commercial**	4.40% above 3 month LIBOR*	4.70% above 3 month LIBOR*	5.19% above 3 month LIBOR*	**Interest Only** CI1 up to 70% LTV CI2 up to 75% LTV 3 year (1) 5 year (2) 10 year (3) **Part Capital & Full Capital** 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.	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.
CI2 **Semi-commercial** ****50% residential by Value***	4.10% above 3 month LIBOR*	4.40% above 3 month LIBOR*	4.74% above 3 month LIBOR*					
Existing Customers	0.25% discounts available on **margin or arrangement fees** for existing clients				**Ex Pats**	0.1% loading to be added to margin	**Partners commission**	1% of the gross loan, paid on completion.

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.

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 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 within the original loan term).*

CI1 & CI2

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 (acceptable subject to good conduct).

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.

- Maximum LTVs on interest only can be considered, subject to valuer confirmation that letting and sales can be achieved within 6-9 months
- We will lend nationwide on Mixed Use Portfolios (please use CI2 pricing)
- Please note we are able to lend against Market Value where the property has multiple tenants and the valuer confirms that in the event of voids the property would be able to be rented again within 6 months. It is likely to be also be subject to an element of Capital & Interest
- Please note, 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

***Shawbrook Bank applies a minimum floor of 0.75% to the LIBOR rate.**
Please note that Shawbrook 3mth LIBOR is 0.95%.

Experience

CI1
Owned 2 commercial units for a minimum of 12 months **OR** Owned 1 commercial units for a minimum of 2 years **OR** 5 x residential investment properties for a minimum of 2 years where there is a fully repairing and insuring lease in place on completion
Where the property is to be let to a single tenant – we are unable to lend if the property is wholly vacant on completion. Where the property is let to multiple tenants and is not fully let out – we will only be able to proceed if the income from the fully let elements services our DSCR requirements.

CI2
Owned 2 semi-commercial for a minimum of 12 months **OR** Owned 1 semi-commercial for a minimum of 2 years **OR** 3 x residential investment properties for a minimum of 2 years where there is a fully repairing and insuring lease in place on completion
Where the property is let to multiple tenants and the commercial element will be vacant on completion – we will only be able to proceed if the income from the residential element services our DSCR requirements, subject to positive commentary on letting demand.

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
- Please note we are able to lend against Market Value where the property has multiple tenants and the valuer confirms that in the event of voids the property would be able to be rented again within 6 months
- The use of MV is likely to be subject to an element of Capital & Interest and a review of lease terms
- Acceptable fully repairing leases need to be in place on completion
- We offer the option to meet with the client/s

Key criteria

- Maximum LTVs on interest only can be considered, subject to valuer confirmation that letting and sales can be achieved within 6-9 months
- For CI1, 75% LTV available on loan sizes up to £1.25m; above £1.25m, max LTV of 70%
- We will lend nationwide on Mixed Use Portfolios
- Please note we are able to lend against Market Value where the property has multiple tenants and the valuer confirms that in the event of voids the property would be able to be rented again within 6 months. It is likely to be also be subject to an element of Capital & Interest
- Available in England, Scotland and Wales
- Loan size limit applies to client exposure
- Additional security accepted – this can enable us to effectively fund 100%
- Personal guarantees of directors always required where someone has more than 20% shareholding
- DSCR is based on the lower of market rent or passing rent
- If the client has any direct links with the tenants (family member or own business), if this makes up over 50% of the total security the Trading business rules apply around loan size. Where it is less than 50% of the total security we will require the business accounts and these will form part of the overall income assessment
- Leases - Fully repairing leases need to be in place on completion, If the lease term is shorter than the requested loan term, the valuer will need to confirm satisfactory demand for re-letting and sale (6-9 months)
- Where the client uses short licences rather than leases it is essential that occupancy rates/ track record are confirmed and these will be critical to our lending decision. Please note the Trading business rules apply around loan size
- We will require details on the tenants, i.e. how long they have been in situ, the strength of their business 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

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. 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	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*					
Product	**Sectors**	**Up to 60% LTV**								
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**		

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.

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 0.95%.

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)

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

Guidance notes on acceptable security

Property type	Points to note
Leisure properties	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.
Modern industrial/ warehouse/ factory units	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.
Offices	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.
Retail units	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.
Public houses (TB3)	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% OR 5.5%
HMO	**RR2, RI0.2, RI2 & LRI2**	175%	150%		160%	150%	
Semi Commercial	**CI2**	145%	130%		130%		All in rate + stress rate of 1%
Commercial	**CI1**	130%					
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, maximum age 80
- 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 ■ Freehold Flats ■ Grade 1/ Grade A Listed property	■ Care Homes ■ Investment Pubs ■ Football Clubs	■ Nightclubs ■ Equestrian ■ Purpose-built Gyms	■ Agricultural Properties ■ Places of Worship ■ Shopping Centres	■ Golf Clubs ■ Any property with specialist usage.	■ Gyms ■ Land	FY1, 2, 3, & 4 L6 & L7 AB

Key contact details			
New enquiries	**Sales Desk;** The Sales Desk is on hand to support with the initial discussions on any potential cases. If you have any applications that are not straightforward or there are elements you would like to discuss before submitting for IMO, then give the Sales Desk a call.	cm.broker@shawbrook.co.uk	**03301 234 521**
New applications **Pipeline applications**	**Lending Operations;** The team underwrite and process all applications from AIP through to completion. There are mandated Lending Managers that own the case throughout the process supported by Lending Officers ensuring there is a focused approach to obtaining all necessary information for proceeding to completion in the quickest timeframe possible.	cm.admin@shawbrook.co.uk	**03301 234 524**
Short term team	**Short Term Loan Team;** This dedicated STL team underwrite and process all STL applications from AIP through to completion. There are mandated Lending Managers who own the case throughout the process supported by Lending Officers ensuring there is a focused approach to obtaining all necessary information for proceeding to completion in the quickest time frame possible.	cm.stl@shawbrook.co.uk	**03301 234 523**

Fees and charges

<table>
<tr><th colspan="4">Fees</th></tr>
<tr><td>Valuation fee</td><td>■ Payable by applicant (can now be paid online)
■ Broker partner to confirm and instruct valuation via the panel manager on the Broker Hub</td><td>■ Please see the Valuation Fee Scale on the broker hub for guideline pricing
■ RR1 & RR2 – Re-inspection cost TBC – depending on the type of property and size</td><td>■ For business valuations – please contact Appraisers UK for costings
■ Any residential properties valued in excess of £2m will require a commercial valuation</td></tr>
<tr><td>Panel Managers</td><td colspan="3">Appraisers UK Ltd Tel: 01454 855444 www.appraisersuk.com</td></tr>
<tr><td>Lender arrangement fee</td><td colspan="3">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.</td></tr>
<tr><td>Lender legal fees – Standard Specialist pricing

Covering RI0.2, RI0.3, RI1-3, CI1-2, RR1-2, LRI1-3, STL1-3, HR1 and HR2 as standard

Covering RI0 range where;
■ Ltd Co
■ Ex-pat
■ Transfer of Equity</td><td colspan="3">
<table>
<tr><th>Loan size</th><th>Commercial & semi commercial property</th><th>Residential investment property</th></tr>
<tr><td>Up to £100k</td><td>£950 + VAT</td><td>£650 + VAT</td></tr>
<tr><td>£101k – £300k</td><td>£1250 + VAT</td><td>£750 + VAT</td></tr>
<tr><td>£301k – £500k</td><td>£1450 + VAT</td><td>£850 + VAT</td></tr>
<tr><td>£501k – £750k</td><td>£1650 + VAT</td><td>£950 + VAT</td></tr>
<tr><td>£751k – £1m</td><td>£1950 + VAT</td><td>£1050 + VAT</td></tr>
<tr><td>>£1m</td><td colspan="2">The fees are confirmed on a case by case basis depending on the structure of the application.</td></tr>
</table>
■ Plus disbursements including title insurance (costs range from £160 - £520) and any additional security being taken.
■ Legal fees deducted from loan advance.
■ 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).
■ £350 plus VAT per additional prope
</td></tr>
<tr><td>Lender Legal Fees –Simple Residential Investment pricing

Covering RI0.1 – please take note of exemptions.</td><td>■ Only eligible on RI0 products
■ Purchase up to £750k in individual name for UK residents
■ Refinance up to £750k in individual name for UK residents
■ £350 plus VAT per additional property</td><td>■ All plus VAT & disbursements
■ All electronic payments to be £35 (incl VAT) per payment</td><td>■ Excludes loans to corporate borrowers or non UK residents or non UK nationals
■ Excludes loans falling outside bank title insurance lending policy (i.e. auction sales, unregistered title, sales from mortgages/ receivers/ insolvency practitioners etc)</td></tr>
<tr><td></td><td>Loan size
Up to £200k
£201-£400k
£401k – £750k</td><td>Refinance
£350 + VAT
£425 + VAT
£495 + VAT</td><td>Purchase
£425 + VAT
£495 + VAT
£595 + VAT</td></tr>
<tr><td>Shawbrook's Panel Solicitors</td><td colspan="2">England and Wales
Pure Law – Tel: 01277 897 300 Email: enquiries@purelawllp.co.uk</td><td>Scotland
Wilson McKendrick – Tel: 0141 222 7950 Email: info@wilsonmckendrick.co.uk</td></tr>
<tr><td>Early repayment charges</td><td>Product – Term
1) 3 year term, 5% capital repaid
2) 5 year term, 7.5% capital repaid
3) 10-30 year terms, 70% capital repaid
4) 10-30 year terms, full capital repaid
5) Investment Loans – Up to 75% LTV, (75% on semi-commercial, 70% on commercial property), 3, 5, 10 year interest only

Product – STL
No minimum term. Maximum term 24 months on STL 4-9 products. Maximum term 18 months on STL 1-3 products.</td><td colspan="2">ERC
1) 3%, 3%,1% 2) 3%, 3%, 3%, 3%, 1% 3) 3%, 3%, 3%, 3%, 3% 4) 3%, 3%, 3%, 3%, 3%
5) for 3 year same as 1), for 5 year same as 2), for 10 year same as 4)

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:-
■ For Short Term products the client will not incur an early repayment charge
■ Overpayments will incur a £200 administration fee</td></tr>
</table>

Valuation methodology

	Residential					Commercial	Trading business	
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	HMOs Cluster blocks (max 20 units)	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)
Type of report	Residential	Commercial	Commercial	Residential or commercial*	Commercial	Commercial	Commercial	Business
Valuation definitions	**Market Value (MV)** – 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.	**MV** – 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.	**Aggregated Value (AV)** – The value of all individual units		**HMO 1** – The security can be used on a multi let basis but has C3 planning and the works to convert are minimal, and it is logical that an investor is more likely to purchase to complete the conversion than pay a premium. **(This will be valued on a C3 private dwelling basis.)**	**(MV)** – 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.	**(VP)** – Current value of the property with vacant possession and not subject to leases	**MV 1** – 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
	Vacant Possession (VP) – Current value of the property with vacant possession and not subject to leases	**VP** – Current value of the property with vacant possession and not subject to leases	**Single Investor Value (SIV)** – The value of the building if sold to 1 investor with tenants in place		**HMO 2** – The property has C3 planning and there is no article 4 directive with other properties sold on a PD basis. However, the fabric of the building has had significant change to be utilised as an HMO which would separate this from a PD. A valuation calculated from sustainable rental levels and yields may well show why there is a premium value over C3 of which the valuer must consider alongside other nearby C3 properties. **(MV as a PD is likely to be the basis of the valuation in most instances subject to any enhancement in value because of HMO use.)**	**(VP)** – Current value of the property with vacant possession and not subject to leases		**MV 2** – AS MV above, excluding goodwill but assuming no accounts are available but the business is still trading.
			Investment VP (IVP) – The value of the building if sold to 1 investor with vacant possesion		**HMO 3** – The property has C4 planning as there is an Article 4 directive in place and therefore there is likely to be a significant premium over C3 Value, due to planning restrictions preventing new C3 to C4 conversions. Good yield and sustainable rental evidence is essential. **(The valuer should consider local C3 values as a "sense check" but this should not be the basis of valuation as the C4 property is in a different Use Class.)**			**MV3** – As MV2 but the business is closed
What shawbrook lends against	**MV**	**MV**	**AV** – 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		**HMO 4** – Planning is in place for a specified Sui generis use as a HMO. Good yield and sustainable rental evidence is essential. **(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.)**	**MV** – When there is an Investment grade tenant or the property is multi let and subject to 1)Having a capital repayment element over a **3 year period** that reduces the loan to an LTV against the VP that is within the most up to date product range 2) Valuer confirming good demand for tenants 3) Loan against VP is no higher than 85% and not in excess of 180 day value. **VP – in other instances**	**VP**	**MV2**
LTV maximum calcuated 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 PD or MV	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.

***Depending on portfolio size and value**

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Shawbrook Bank

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.

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