



Criteria guide

Bridging finance

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Intermediaries only.

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Bridging product definitions

Product type	Definition	Example uses
Standard bridging	Where short-term finance is required and is secured on a property in a habitable condition and does not require any improvement works.	- Chain break finance - Buying property at auction - Meeting tight transaction deadlines - Landlords looking to make a quick purchase - Cash flow funding for short-term requirements.
Light refurbishment	Suitable for properties where: - Works do not require planning permission or building regulations - There's no change to the overall use or nature of the property - Works are being completed under Permitted Development Rights with no change to the property footprint.	- Properties deemed uninhabitable by long-term lenders - Works to replace or update building components and non-structural alterations including: - redecorations - replacements of kitchen - replacement or creation of additional bathrooms - replacement of flooring, windows, roof cladding, electrical, heating and plumbing systems - non-structural alterations to accommodation layout - other equivalent work as agreed by us. - Properties currently at 'wind and watertight' stage that require completion.
Heavy refurbishment	Suitable for properties where: - Planning permission or building regulations are required - There's no change to the overall use or nature of the property - Works are being completed under Permitted Development Rights with change to the property footprint.	- Extensions - Loft conversions - Single unit to multi-unit conversions - Multi-unit to single unit conversions - Barn conversions - Landlords looking to change the use of a residential property to a small HMO up to 10 lettable rooms - Landlords looking to change the use of a commercial unit to a maximum of 4 flats - Landlords looking to change the use of a residential property to a maximum of 6 flats. A new homes warranty from an accepted warranty provider or professional consultants certificate must be provided at completion for conversions to flats.

Applicant criteria

Applicant profile

Minimum age	25
Maximum age	85 at the end of the term.
Maximum number of applicants	4
First-time buyers	Can be considered on a case-by-case basis. First-time buyers are individuals who've not owned a UK property within the last 18 months.
Criminal convictions	Criminal convictions must be spent, as defined under the Rehabilitation of Offenders Act.

Maximum allowable adverse

Individuals	Bankruptcy	Not accepted
	Individual Voluntary Arrangement (IVA)	Not accepted
	Repossession or secured mortgage default:	Not accepted
	Debt Management Plan (DMP):	Not accepted
	County Court Judgement (CCJ)	Must normally be satisfied or settled in full and explanation provided as to the background for the arrears event. Unsatisfied CCJ's can be considered, subject to there being a satisfactory explanation and rationale to support the arrears event.
	Defaults	Must normally be satisfied or settled in full and explanation provided as to the background for the arrears event. Unsatisfied defaults can be considered, subject to there being a satisfactory explanation and rationale to support the arrears event.
Limited companies	Secured / unsecured arrears	Normally up to date and no more than status 3 ever and explanation provided as to the background of the arrears event. Accounts currently in arrears can be considered, subject to there being a satisfactory explanation and rationale to support the arrears event.
	Bankruptcy orders	Not accepted
	Winding-up petitions	Not accepted
	Insolvency	Not accepted

Applicant criteria (continued)

Nationality and residency

Residential status	We require two years of UK residential address history.
EEA and Swiss Nationals	EU citizens are acceptable, providing they have two years of UK residential address history and must provide valid evidence that a settled status has been granted under the EU Settlement Scheme. A pre-settled status can be considered, where there is more than one applicant and at least one applicant has either a settled status or indefinite rights to reside in the UK. The evidence can be a Residence Card or via the View and Prove Your Immigration Status Online Checking Service provided by the UK Home Office. To use the UK Home Office checking service, the applicant must obtain and provide a 'Share Code' that will allow us to check the applicant's settlement status. Visit https://www.gov.uk/view-prove-immigration-status. A UK Government Home Office letter confirming settlement status cannot be used as evidence.
Non-EEA nationals	Non-EEA nationals must have been resident in the UK for the last two years and have permanent rights to reside in the UK.
Diplomatic immunity	Not accepted if diplomatic immunity applies to immunity from UK law.

Limited company applicants (Non-regulated applications only)

Acceptable company types	Registered Limited Companies including those set up with the specific purpose of buying property (SPVs).
Company location	Business must have a UK registered address and must operate entirely within the UK.
Guarantees	In all applications, personal guarantees and additional forms of guarantees, where deemed acceptable, will be required from all directors and/or shareholders party to the application.
Directors/shareholders	Maximum four qualifying directors/shareholders, none of which may be another limited company. The application will be assessed on the strength of the directors/shareholders as if they are applying for lending facilities on a personal basis. Therefore, personal credit searches will be conducted against each director/shareholder.

Loan criteria

Loan term

Minimum term	1 month
Maximum term	Regulated - 12 months. Non-regulated - 18 months.

Loan amount

Minimum loan	£100,000
Maximum loan	£10million

Loan repayment method

Rolled interest.

Loan security

- First charge.
- First and second charge additional security.

Loan purpose

- Regulated applications can be accepted for the purchase or remortgage of owner-occupier residential property.
- Non-regulated applications can be accepted for the purchase or remortgage of investment property.
- Basement digs are not accepted.

Maximum LTV

Maximum LTV is dependent on both the loan purpose and loan size

Loan purpose: LTV is based on the Open Market Value and is inclusive of all fees and interest

Standard bridging	Maximum 75% LTV
Light refurbishment	Maximum 75% LTV
Heavy refurbishment	Maximum 70% LTV

Loan size: LTV is based on the lower of purchase price or Open Market Value

Up to and including £1million	Maximum 75% LTV
£1million to £3.5million	Maximum 70% LTV
£3.5million to £10million	Maximum 65% LTV

We reserve the right to release payments in stages depending on the nature of the loan requirements.

HMO criteria (Non-regulated applications only)

HMO Definition	A property is considered an HMO if the following conditions apply: • At least three tenants reside at the property, forming more than one household • Toilet, bathroom or kitchen facilities are shared with other tenants.
Applicant experience	• Must have a minimum 12 months' experience operating a buy to let property. • Not available to first-time buyers and first-time landlords.
Maximum bedrooms	Properties with up to 6 bedrooms accepted. Properties with more than 6 bedrooms considered on a case-by-case basis.
Valuation	• £150,000 minimum valuation inside M25 • £100,000 minimum valuation elsewhere. The capital valuation will be assessed on a comparable residential basis.
HMO license requirements	• Where applicable, an application for any HMO licence required by the local authority must have been made before completion. • The terms of the licence must be complied with at all times. • We reserve the right to request proof of a licence throughout the mortgage term.

MUFB criteria (Non-regulated applications only)

MUFB Definition	MUFB properties are single structures that contain separate flats or units that are not subject to individual leases and the property is on one freehold title. All individual units must be completely self-contained and meet the current property criteria, including minimum valuation figures and rental calculations.
Applicant experience	• Must have a minimum 12 months' experience operating a buy to let property. • Not available to first-time buyers and first-time landlords.
Maximum units	Blocks with up to 6 units accepted. Blocks with more than 6 units considered on a case-by-case basis.
Valuation	• MUFBs will be valued on an aggregate basis as opposed to block value. • Each unit must also meet our minimum unit value requirement. • Minimum unit value: – £150,000 minimum unit valuation inside M25 – £50,000 minimum unit valuation elsewhere.
Tenancy	Each unit must have a separate tenancy agreement.
Minimum floor area	30m ² per unit/flat.
New builds and conversions	Properties built/converted in the last 12 months and/or not previously occupied can be considered on a case-by-case basis.
Adverse planning restrictions	Properties where adverse planning restrictions could prevent leases from being created are not accepted.
Tenure	Multiple houses on one freehold title not accepted.

General property criteria

Minimum property values

Standard single dwellings	• £150,000 minimum valuation inside M25 • £75,000 minimum valuation elsewhere.
HMOs	• £150,000 minimum valuation inside M25 • £100,000 minimum valuation elsewhere.
MUFBS	• £150,000 minimum unit valuation inside M25 • £50,000 minimum unit valuation elsewhere.

Property location

Acceptable locations	• All properties must be situated in mainland England and Wales. • Properties in Scotland, Northern Ireland, Channel Islands, Isle of Man and Isle of Wight will not be considered.
Background portfolio	Properties in the applicant's background portfolio can be located anywhere in the United Kingdom.

Property tenure

Freehold	• Acceptable for houses. • Not acceptable for flats or maisonettes unless: – lending is on a multi-unit property; or – conversion to an acceptable leasehold will be undertaken simultaneously with completion of the loan.
Leasehold	Leasehold acceptable subject to there being a minimum of 50 years unexpired on the lease at the end of the mortgage term. Lending for the purpose of extending the lease is acceptable where this is simultaneous with completion of the loan.
Commonhold	Not accepted.

Flats and maisonettes

Minimum floor area	30m ²
Facilities	Flats must be self-contained with private facilities.
Access	Flats must have access to the highway.
Ex-local authority flats	Acceptable where the block is owner occupied.
Above/adjacent to commercial	Considered on a case-by-case basis. Flats directly above public houses or fast-food premises not accepted.
Maximum storeys in block	Up to 20 storeys accepted. Blocks exceeding 20 storeys considered on a case-by-case basis.
Studio flats	Considered on a case-by-case basis.

General property criteria (continued)

Unacceptable property types

- ⊗ Properties designated defective under part XVI Housing Act 1985 or pre-cast reinforced concrete (PRC) property, irrespective of whether repaired under a licensed repair scheme.
- ⊗ Properties constructed with high-alumina cement.
- ⊗ Timber framed properties with no brick skin or masonry cladding.
- ⊗ Character period properties are considered on individual merits where buildings insurance is available on conventional terms.
- ⊗ Properties where material environmental hazards are present.
- ⊗ Any property deemed unsuitable security by the valuer.
- ⊗ Any property where there is on-going movement or monitoring is required.
- ⊗ Freehold flats or maisonettes unless lending is on a multi-unit property or conversion to an acceptable leasehold will be undertaken simultaneously with completion of the loan.
- ⊗ Flats or maisonettes in blocks exceeding 20 storeys.
- ⊗ Flats directly above public houses or fast-food premises.
- ⊗ Non-standard construction.
- ⊗ Mobile homes and houseboats.
- ⊗ Grade I and grade II* listed properties.
- ⊗ Properties where saleability may be adversely affected by local planning or an unsatisfactory mining search.
- ⊗ Properties which are affected by Japanese knotweed.

New build properties

Properties aged less than 10 years must benefit from one of the following warranties, which must exist upon completion of the property and cannot be applied retrospectively:

- | | |
|--------------------------------------|---|
| • Advantage HCI | • International Construction Warranties (ICW) |
| • Aedis Warranties | • LABC |
| • Ark Residential New Build Warranty | • NHBC Guarantee |
| • BOPAS | • One Guarantee |
| • Build Assure | • Premier Guarantee Scheme |
| • Building Life Plans | • Professional consultants certificate (previously architect's certificate) |
| • Buildzone | • Protek |
| • Checkmate (Castle 10) | • The Q Policy |
| • Global Home Warranties | • Zurich Municipal 'New Build' |

This list is not exhaustive. Please contact us for clarification if a warranty provider is not listed above.

General property criteria (continued)

Modern methods of construction

Applications where the property has been constructed using modern methods of construction can be accepted where the valuer is satisfied that the property represents suitable security. In addition, the property must have been constructed by one of the following:

- Barratt Developments
- Berkeley
- Bellway
- Bloor Homes
- Bovis Homes
- CALA Homes
- Crest Nicholson
- Galliford Try
- Persimmon
- Redrow
- Taylor Wimpey

This list is not exhaustive. Please contact us for clarification if a developer is not listed above.

Exit strategies

Acceptable exit strategies

The following exit routes are considered acceptable:

- **Refinance** - through long-term remortgages or alternative funding
- **Sale of security** - evidence of comparable sales required with a timescale in line with the loan term
- **Sale of other assets** - evidence required to ensure this is feasible.

Ready to discuss a case?

If you have a bridging case to discuss, find out how we can help you to provide the right solution for your client. Get in touch today.



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