

The following is a summary of Drawbridge Finance's General Lending Criteria. Other terms may also apply.

**This document is strictly for the use of mortgage intermediaries and other professionals only.**

## GENERAL CRITERIA - Applies to all products unless otherwise stated

### Loan Purpose

Purchase or remortgage in England only on an Interest Only basis. Capital raising for any legal reason considered.

### Exit Route

Drawbridge Finance require every loan to have a viable exit (repayment) route. If we do not feel that the client will be able to repay the full loan facility, the application will be declined or LTV reduced accordingly.

### Individual Applicants

Minimum age: 21yrs old. Maximum Age: 65 at inception of our loan. First time buyers will be considered on an individual basis. We typically require all applicants to have no CCJs, Defaults or missed mortgage payments, however these will be considered on an individual basis

### Company Applicants

Drawbridge Finance will lend to UK Limited and Offshore Companies. We may require a debenture over the Companies assets. Personal Guarantees are required for all shareholders that hold 20% or more shares in the company. Guarantor and majority shareholder age requirements are:- Minimum age: 21yrs old. Maximum Age: 65 at inception of our loan. Where we are lending to an offshore entity, we will take legal opinion of the entity at the client's expense. All bearer shares and beneficial owners must be disclosed and identifiable. Company accounts may also be required.

### Bank accounts

All applicants will require a UK Bank Account. This must be evidenced by way of statement dated within the last 60 days of application

### Broker Fees

Broker Fees may be charged and deducted from the Loan advance and will be disclosed on the facility letter.

### Documentation required

Drawbridge Finance require an application form and Assets and Liabilities statement completed and signed by all applicants. We will also require 2 recent utility bills (not mobile phone) dated within the last 3 months and a copy of the client's passport certified by their acting solicitor who must be a partner.

### Credit Reports

All loan applications must be supported by a credit report for each applicant. If one is unavailable then Drawbridge will order the report from a relevant credit bureau. If the application is in the name of a Limited Company, then we require a report on all Directors, major shareholders (>20% shareholding) and the Company Secretary.

### Evidence of Serviceability

Where applicants intend to service any portion of their loan, we will require proof of affordability. This will be in the form of the past 3 months Bank statements and payslips. For the Buy To Let & Houses of Multiple Occupancy (HMO) products, affordability will need to be evidenced via the applicants bank statements and a copy of the most recent AST. We will also require the surveyor to confirm the monthly achievable rental income.

### New Build Properties

Drawbridge Finance will not generally lend on new build flats where there are more than 14 flats in the block. New Build is defined as any property completed in the last 2 years or not having previously been owned/occupied.

### Valuations

All security properties will need to be professionally valued by one of Drawbridge Finance's independent surveyors. If you already have a valuation which is less than 3 months old, we may be able to accept it subject to the surveyor meeting our internal valuation criteria. All residential valuations will need to be typed on the BridgeCo Limited form on Quest or xit2. We will insist on a new full valuation on all purchases at undervalue. We may also instruct our Asset Manager to visit the property prior to completion. Please note that all valuations need to be addressed in favour of BridgeCo Limited.

### Property concentration and exposure limits

Drawbridge Finance will consider its overall exposure by applicant, geographical area and development when assessing applications. The maximum number of securities that can be considered per development is:

- 1-6 units: up to 6 units (With Freehold)
- 7-50 units: 25%, rounded down to the nearest unit
- >50 units: We would not typically lend on a block with more than 50 units.

The exposure is per applicant and includes securities mortgaged to other lenders.

### Borrowers Solicitors

Borrowers solicitors must have a minimum of 2 partners and be registered with the Law Society. We reserve the right to ask the clients to change their acting solicitor.

### Insurance

Property will only form an acceptable security if insurance cover, under normal terms including subsidence and flood cover is confirmed. We also require the interest of BridgeCo Limited noted on the policy.

### Unacceptable Security

Drawbridge Finance will not generally lend on any of the following:

- Land with or without planning
- Ex Local Authority property except houses and flats in conversions or small blocks where it can be demonstrated that more than 70% of the building has been purchased privately will be acceptable
- Concrete construction
- 100% timber construction
- Steel frame construction (except new build properties)
- Flats above or adjacent to food premises
- Properties with restrictions as regards to occupancy e.g. agricultural, retirement flats
- Less than 10 years old without NHBC/Zurich Municipal guarantees or architects certificate
- Not wholly owned by the borrower (shared ownership)
- Unlicensed Multiple Occupancy Housing – e.g. student residence or nurse residence
- Mobile homes/house boats/caravans
- Leasehold flats where lease is less than 70 years remaining
- Care homes/nursing homes
- Equestrian centres with or without residential
- Properties with Agricultural classification/ Working Farms
- Deemed as unacceptable security by the appointed valuer unless the purpose of the loan is to rectify the issues raised at our exclusive discretion
- Properties where planning permission is required where there is less than 1 year remaining on the planning permission at the end of our loan term
- Public Houses
- Football Stadiums
- Leisure parks

### Repaying other Bridging Loan Companies

Drawbridge Finance will not remortgage a loan where the current mortgage is provided by another Bridging Finance Company.

## BRIDGING LOANS - Applies to Bridging Loans only

### Solicitors Costs

All applicants must have their own solicitors to act on their behalf. All client solicitors must have a minimum of 2 or more partners within the practice, with a Law Society membership of 5 years or more. Drawbridge Finance will always instruct their own solicitors, and will require an undertaking in advance for these costs. The following legal fee scale applies in respect of Drawbridge Finance cases:

#### Legal Fee Scale for Remortgages

Loan amount	Individual	Company
Up to £500,000	£650	£750
£500,001 - £1M	£750	£850
>£1M	By arrangement	By arrangement

#### Legal Fee Scale for Purchases

Loan amount	Individual	Company
Up to £500,000	£750	£850
£500,001 - £1M	£850	£950
>£1M	By arrangement	By arrangement

### Assumptions

- UK registered companies only
- Single registered title property taken as security by way of first charge.
- No owner/occupier cases.
- Fees quoted exclusive of VAT and any disbursements.
- Fees quoted do not include any work in relation to a sub-charge.

*Please note that the above fees are a guide and may vary according to the circumstances of each case.*

## BUY TO LET LOANS - Applies to Buy To Let Loans only

### Rental Income

Conventional income multiples are not used. Rental income will need to be evidenced and calculated by way of 3 months banks statements and a signed AST. We also require the surveyor to confirm the achievable rental income. For full rental coverage requirements, please see individual product sheets.

### Remortgages

When the application is for a remortgage of a property that has been purchased within the last 6 months, we may reduce the LTV to a maximum of 85% of the purchase price paid, unless the client can demonstrate a genuine reason for the uplift in value.

### First Time Landlords

First time landlords are permitted however the applicant must own their own home (with or without a mortgage) at the time of application.

### Further Advances

May be considered on an individual basis. Further advances will be subject to revaluation in all instances. The minimum amount for further advances is £25,000.