

FORWARD FUNDING FACILITY

Paragon can underwrite professional portfolio landlords to include their future plans and provide them with a facility letter to cater for those needs. The result being that future transactions can be processed with the minimum of delay, thereby placing the landlord in a stronger position in any negotiations.

The facility, which costs nothing to set up, helps reduce uncertainty, for instance where transaction time is sensitive such as bidding at an auction or where negotiating an early completion date. It increases the opportunity for repeat business to be written on a simplified basis. Funds may be used to finance purchases for portfolio expansion, remortgaging property to Paragon and for releasing equity on property already mortgaged to Paragon.

The professional portfolio landlord benefits from an abbreviated Subsequent property application form which helps reduce the level of information required.

To apply for a Forward Funding Facility, we require:

- A fully completed application form
- Last two years' accounts for both self-employed income and property rental income, prepared by a qualified member of an accountancy body acceptable to us; or last two years' self-assessment tax returns (SA302) together with a corresponding Tax Year Overview
- Last three months' rental bank statements
- Business plan
- Net worth statement
- Cash flow forecast
- Property portfolio schedule
- An email confirming the amount of facility required

In addition, where the aggregate lending inclusive of the Forward Funding Facility is in excess of £2,000,000:

- An interview with a Senior Underwriter

Facility terms letter:

Once the facility is agreed, a facility terms letter detailing the amount available and the validity period will be sent to the landlord. A copy of the facility terms letter will also be sent to the intermediary, along with a PDF of the Subsequent property application form, on which all applications under the facility must be made.

Subsequent applications:

- Facilities are normally valid for six months. Subsequent applications during this period will usually be subject only to the property meeting our valuation and other property criteria and an acceptable up to date credit search
- Renewal of the facility for a further period, or requests for an increase in the overall credit limit, will be considered according to individual circumstances. Please contact your Regional Sales Manager to discuss this
- Please note that if anything changes in the landlord's personal or financial circumstances, you must make us aware of this immediately, as this may affect any subsequent applications

We will assess the affordability of a mortgage based on the expected monthly income generated from letting the property to a tenant. The actual income generated may be different and can be influenced over time by changes within the rental market. The applicant(s) will remain responsible for meeting the costs of the mortgage and the additional costs associated with letting the property for the duration of ownership.

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