



RECOGNISING YOUR PROPERTY LENDING NEEDS

Lending product guide

Bridging Loan

	Residential	Commercial
Loan Amount	£250K - £10M	£250K - £7.5M
Max LTV	Up to 75%*	Up to 70%*
Interest Rate	Fixed rates from 0.60% per month* Margins from 3.5% for Base Rate linked loans	Fixed rates from 0.75% per month* Margins from 4.0% for Base Rate linked loans
Loan Term	Up to 24 Months	Up to 24 Months
Arrangement Fee	Up to 2% of the gross loan amount, from which any procurement fee (up to 2%) will be paid to the Broker	
No Admin Fees or Exit Fees	(subject to a minimum 3 months interest charge)	

*All enquiries will be assessed on a case-by-case basis by the Business Development and Credit Underwriting teams to determine both leverage and pricing. The Interest Rates are indicative of the typical pricing range. We aim to provide a credit reviewed Heads of Terms within 48 hours of receipt of the required information.

Required Documents

For Heads of Terms:

- Information about the Borrower, the Property and a transaction overview, including borrowing requirements and proposed exit strategy
- Any current/historic credit issues should be highlighted at an early stage

For Full Application:

- Recognise Bank Borrower Application Form
- Minimum 2 Years Full Financial Accounts
- Management Information
- 6 Months' business and personal bank statements -copies or through the provision of Open Banking
- Recognise Asset & Liabilities/Income & Expenditure Form
- I.D. & Proof of Address (certified by the broker or other official)

Key Lending Criteria

Purpose	Purchase or refinance of Residential & Commercial Property (including light refurbishment) and Land in England, Wales or Scotland.
Entities	Sole Traders, Partnerships, Limited Companies, PLCs, LLPs, Trusts, SIPPS and SSASs that are registered and based in the UK.
Affordability	Assessment of Bridging Loan repayment is focused on a clear exit position, property security value and personal recourse to the borrower's available assets.
Primary Security	First Legal charge over Property, Debenture over assets and Personal Guarantees (if Limited Company Borrower).
Credit Profile	No Bankruptcy, CVA or IVA within 3 years.
Exclusions	Subordinated or Mezzanine Debt Lending, Regulated Lending, and non UK domiciled counterparties.
Search Indemnity	We will consider search indemnity on all bridging transactions.
Bridge to Term	We will consider the borrower's exit position when assessing the enquiry. Subject to agreed milestones, satisfactory affordability and overall risk profile, we will consider transferring a bridging loan on to a term loan facility at exit.
Interest Servicing	We will usually request interest is deducted from the gross loan at drawdown, but in certain circumstances will allow a Borrower to service interest monthly by direct debit.

Commercial Property Loan

	Owner Occupied	Investment
Loan Amount	£250K- £7.5M	£250K - £7.5M
Max LTV	Up to 70%*	Up to 70%*
Interest Rate	Fixed and Variable Rate options are available	Fixed and Variable Rate options are available
Repayment Profile	Up to 25 years Interest only Considered: <ul style="list-style-type: none"> 10 Years < 50% LTV 5 Years 50% - 65% LTV (vacant possession value) 	Up to 25 years Interest only Considered: <ul style="list-style-type: none"> 5 Years < 65%(investment value)
Arrangement Fee	1.5% of the gross loan amount typically split 50/50 with the broker	

*All enquiries will be assessed on a case-by-case basis by the Business Development and Credit Underwriting teams to determine both leverage and pricing. The Interest Rates are indicative of the typical pricing range. We aim to provide a credit reviewed Heads of Terms within 48 hours of receipt of the required information.

Required Documents

For Heads of Terms:

- Information about the Borrower, the Property and a transaction overview
- Affordability (adjusted EBITDA/rental income)
- Additional sources of income
- Any current/historic credit issues should be highlighted at this point

For Full Application:

- Recognise Bank Borrower Application Form
- Minimum 2 Years Full Financial Accounts (LTD Company or LLP only)
- Management Information
- 6 Months' business and personal bank statements - copies or through the provision of Open Banking
- Recognise Asset & Liabilities/Income & Expenditure Form
- I.D. & Proof of Address (certified by the broker or other official)

Key Lending Criteria

Purpose

We will consider lending to support the purchase, refinance, or capital raise of most types of commercial property. Properties must be located in England, Wales or Scotland.

Entities

Sole Traders, Partnerships, Limited Companies, PLCs, LLPs, SIPPS and SSASs that are registered and based in the UK.

Affordability

Minimum 2 Years trading performance demonstrating an ability to meet debt service ability over the term of the loan to meet the following:

- Interest Cover ratio of 150%
- Debt Service Cover ratio of 130%
- We will also consider utilising any available surplus income from alternative sources.

Primary Security

First Legal charge over the Property(ies), and Debenture (if the Borrower is a Limited Company.)
When lending to a Limited Company, a Personal Guarantee will also be required in most cases.

Credit Profile

No Bankruptcy, CVA or IVA within 3 years.

Exclusions

Subordinated or Mezzanine debt, Regulated Lending, Lending and non UK domiciled counterparties.

Early Repayment Charges

On a case-by-case basis.

Revert Rate

For all fixed rate loans, the interest rate will revert to the Recognise Commercial Standard Variable Rate at the end of the fixed rate period. The option to take up a new fixed rate (pricing confirmed at expiry of the initial rate) will also be made available at this point

Professional Buy to Let Loan

Loan Information

Loan Amount

£250K - £10M

Max LTV

Up to **75%***

Interest Rate

Various Interest Rate options are available including;

- 2 & 3 Year Fixed Rates
- 2 Year BoE Base Rate Tracker

Loan Term

Up to **10 Years**

Arrangement Fee

2.00% of the gross loan amount
typically split **50/50** with the broker

Repayment Profile

Up to 25 years amortising:
Interest Only Considered:

- 10 Years < 65% LTV
- 5 Years 65% - 75% LTV

*All enquiries will be assessed on a case-by-case basis by the Business Development and Credit Underwriting teams to determine both leverage and pricing. The Interest Rates are indicative of the typical pricing range. We aim to provide a credit reviewed Heads of Terms within 48 hours of receipt of the required information.

Required Documents

For Full Application:

- Recognise Borrower Application Form
- Minimum 2 Years Full Financial Accounts
- Management Information
- 6 months' business and personal bank statements -copies or through the provision of Open Banking
- Recognise Asset & Liabilities /Income & Expenditure Form
- I.D. & Proof of Address (certified by the broker or other official)

Key Lending Criteria

Purpose	For professional landlords, who own 4 or more properties. We will consider lending to support the purchase, refinance or capital raise of most types of residential property. The properties must be located in England, Wales or Scotland.
Entities	Sole Traders, Partnerships, Limited Companies, PLCs, LLPs, Trusts, that are registered and based in the UK
Affordability	<p>Minimum 2 Years trading performance demonstrating an ability to meet debt service ability over the term of the loan. Income from rental properties to meet the following:</p> <ul style="list-style-type: none"> • Interest Cover ratio of 150% • Debt Service Cover ratio of 130% • We will consider utilising any available surplus income from alternative income sources but also carry out a sensitivity analysis to make a decision.
Primary Security	First Legal charge over the Property(ies), and Debenture (if the Borrower is a Limited Company.) When lending to a Limited Company, a Personal Guarantee will also be required in most cases.
Credit Profile	No Bankruptcy, CVA or IVA within 3 years.
Early Repayment Charges	ERC's are applicable on all Interest Rate options.
Revert Rate	For all fixed rate loans, the interest rate will revert to the Recognise Residential Standard Variable Rate at the end of the fixed rate period. The option to take up a new fixed rate (pricing confirmed at expiry of the initial rate) will also be made available at this point
Exclusions	Subordinated or Mezzanine debt Lending, Regulated Lending, and non UK domiciled counterparties.

Property Security Requirements

- Any leasehold property forming part of the security has a minimum unexpired lease term of 50 years at the date of final repayment
- Each property has a valid Energy Performance Certificate with a rating between A and E inclusive
- Any properties subject to an Estate Rent Charge to have a mortgage notification clause included in the Rent Charge
- Any leasehold property meets the following criteria in respect of Ground Rent:
 - The Maximum Annual Ground rent at the start of the lease term is the greater of £500 or 0.1% of the property value
 - The Ground Rent must be reasonable, increase in-line with RPI or a similar index and; be reviewed no more frequently than every 10 years and;
 - Double no more frequently than every 20 years
- Any property that has been built or converted within the past 10 years has the benefit of a warranty from an acceptable industry provider (to be confirmed post credit approval)
- Any issue highlighted in the valuation report will require remediation or a plan to be put in place



Thank you for considering Recognise Bank's property lending products. We look forward to supporting both you and your clients.

www.recognisebank.co.uk

"Excellent" Rating



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