

Product Guide

Residential First Charge

LTV (up to)	60% of OMV or purchase price, whichever is the lower
Max Loan	£500,000
Min Loan	£25,000
Arrangement Fee	2%
Interest Rate	0.99% per month
Min Term	One month
Max Term	Twelve months

Residential Second Charge

LTV (up to)	60% of OMV minus redemption figure of first charge
Max Loan	£250,000
Min Loan	£25,000
Arrangement Fee	2%
Interest Rate	1.5% per month
Min Term	One month
Max Term	Nine months

Commercial & Development First Charge

LTV (up to)	60% OMV or purchase price, whichever is the lower
Max Loan	£1,000,000
Min Loan	£50,000
Arrangement Fee	2%
Interest Rate	1.25%
Min Term	One month
Max Term	Twelve months

Notes

Procuration fee

In all cases half of the arrangement fee will be paid to the introducer as their commission.

Early repayment charges

There are no exit fees or early repayment charges on any of Southern Bridging Ltd's products.

Interest payments

Southern Bridging Ltd charges interest on a daily basis.

Valuation fees

All valuation fees must be paid upfront. The fee covers the cost of an external valuation and an in-house appraisal. See valuation fee scale for details.

A decision on whether a retype is acceptable is made on a case by case basis.

Legal fees

The legal work will only commence on receipt of the legal fees. If the case aborts, a pro-rata refund will be made to the borrower. This is subject to a minimum charge equal to half the legal fees plus disbursements.

The initial fee quote is based on the information that has been provided to us. If the case turns out to be more complex or time consuming than the case manager could reasonably have expected, Southern Bridging Ltd reserves the right to increase the cost of the legal fees.

Please note that in most cases the majority of the legal work is carried out within the first 72 hours of receipt of fees.

Large loans

The information provided in this product guide applies to loans under £500,000. Individual terms apply for all larger loans.

Underwriting Guidelines

These guidelines apply to both residential and commercial loans unless otherwise stated.

Fees

Southern Bridging Ltd does not charge any upfront fees. Prior to drawdown of the loan the only costs that the borrower will be responsible for are the valuation and legal fees.

Security

Located in England and Wales. Minimum 75 years remaining for leasehold properties.

Unacceptable types of securities

Farms
Nightclubs
Pubs
Hotels
Petrol Stations
Land without planning permission
Health care properties (i.e. nursing homes)

Applicant

Minimum age is 18 years at date of application. No maximum age, although older applicants may be required to seek independent legal advice.

Loans to corporate entities will often need to be supported by personal guarantees from the owners and a debenture.

Exit Routes

Confirmation regarding a satisfactory exit route is required for all cases. The case manager must be confident regarding the feasibility of the exit prior to the bridging loan completing.

Reason for needing a short term loan

It is the responsibility of the borrower or their introducer to explain why a short term bridging loan is required.

This must be clearly explained in full. Any omission may lead to Southern Bridging Ltd refusing to continue with the loan.

Fee limit

Combined broker fees, commission and proc fees must not exceed 5% of the loan value.

Broker fees

Southern Bridging Ltd is willing to deduct any pre-agreed broker fees from the advance. 48 hours prior to completion Southern Bridging Ltd will require a signed broker fee agreement. This document is available on request.

Second charge lending

For all second charge loans Southern Bridging Ltd will require a Building Society Questionnaire (BSQ) to be completed by the first charge lender. In most cases Southern Bridging Ltd will also need consent from the first charge lender in order to proceed.

It is the borrower's responsibility, prior to instructing Southern Bridging Ltd, to ensure that the first charge lender is willing to grant consent for a second charge.

Payment options

Interest will either need to be serviced by the borrower monthly or deducted from the advance.

A decision on this will be made by the underwriter on a case by case basis.