

Telephone: 0118 937 2562

FLEXIBLE HOME IMPROVEMENT LOANS FOR RENTED PROPERTIES

KEY FEATURES

- Loans will be made for the purpose of improving the quality of accommodation for the tenants, or prospective tenants.
- Upon completion of the works funded by the loan the property must meet all relevant statutory requirements.
- Loans are secured by a first charge or, in some cases, a second charge.
- The maximum loan is the lesser of the cost of repairs/improvements, or 75% of the value of the property (if we are taking a second charge the total borrowings must not exceed 75% of value).
- Applicants must be able to demonstrate that the loan can be repaid from the net income from the property. Alternatively, we would lend to a landlord who can prove income from other sources sufficient to fund loan repayments.
- If necessary we can make stage payments as the work progresses and the value of the property increases.
- Credit checks will be made on all applicants although we will not necessarily decline a customer with bad credit history (we are unable to lend to customers who are currently bankrupt).
- The length of the loan will be agreed at onset, subject to a maximum term of 15 years.
- The interest rate is variable and will be 2% above Bank of England rate, subject to a minimum rate of 5% and a maximum of 7.5%.
- Repayments of capital and interest must be made monthly by direct debit.
- The loan may be repaid (in whole or part) at any time without penalty.
- The fee for registration of the legal charge and loan documentation will be £80.00 for loans up to £100,000 and £100.00 for loans between £100,001 and £200,000.
- There will be an annual charge of £15.00, added to the account, to cover the cost of loan administration and statements etc.
- Upon repayment of the loan there is a flat fee of £50.00 for cancellation of our registered charge.