

Product Guide

October 2021



This product guide is for intermediaries only.

Specialists in Buy to Let

At Castle Trust Bank, we are a specialist lender who understands all types of BTL property loans, including holiday lets, HMOs, MUFBs and residential Buy to Lets. We work closely with intermediaries to find bridging and term lending solutions for their property investor clients.

We can fund transactions up to £10m to provide your clients with a range of options to purchase investment properties with bespoke structured loans.

There isn't much in the BTL world that we haven't seen or considered before. We use our expertise and experience to consider cases that vanilla lenders wouldn't entertain. We'll work with you to find a solution for your clients – it's what makes us different.



"We can help you with residential, holiday lets, HMOs, multi-unit freehold blocks."

Rob Oliver | Director of Sales



Visit www.castletrust.co.uk

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Bridge to Let

Our Bridge to Let option combines the best of both products, providing short-term funding, plus a guaranteed exit option, should it be needed. With both options being underwritten from application, your client has certainty from the beginning of the transaction.

Our bridging products offer up to 80% gross day one LTV and up to 75% net LTV at term exit onto a fixed rate agreed at application. If there is no additional capital raising required, only one valuation fee is charged.



Bridging loan

- 80% LTV gross day one
- 9 months
- No mortgage payments required during the bridge period up to month 9
- Rolled up interest



Guaranteed exit option

Term loan

- 75% LTV net at term exit
- Fixed rates for the initial 2 or 5 years

Bridge to Let is ideal for:

- Buy to Let purchase/re-finance
- Holiday Lets
- Refurbishments for all types of purchase
- HMOs up to 6 beds

We'll consider applications from:

- Experienced landlords
- First-time landlords
- Limited companies, SPVs and offshore companies
- Ex-pats and foreign nationals (may be an extra charge)



Bridge to Let

Product	Maximum LTV	Minimum Loan	Maximum Loan	Minimum Property Value	Initial Bridge Rate	Product Fee	Term Rate	ERC
Bridge to Let	80% Gross	£50,000	£2,000,000	£75,000	0.67%pcm	2%	From 3.82%	No ERC after 3 months, 3 months' interest within the first three months

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	...60	61+
Interest	Rolled from 0.67%									Serviced						SVR
ERC	3 months interest min			No ERC									5%		No ERC	

No fees to convert to TermTen*; see Page 6 for term rates

Case study

The clients were two married investors, a British national and a foreign national, looking to raise funds to purchase a three-bed terraced house valued at £300,000 and convert it into a six-bed HMO.

The clients intended to use their own funds for the HMO conversion as well as some building improvements which fell under permitted development to significantly increase the property's value. They were looking for a short loan 80% LTV loan to fund the purchase the house, moving onto a longer term loans when the refurbishments were completed.

Using our Bridge to Let loan, we provided an 80% LTV gross day one bridging loan of £240,000 at 0.67% pcm on an interest roll up basis. After 3 months, the client switched without an ERC to a TermTen loan fixed at 4.74% for the first 5 years. The gross TermTen loan of £318,000 was for 75% LTV of the uplifted value of £425,000. The client was able to replenish the cash spent on the refurbishment and facilitate their next purchase.

*Subject to no additional borrowing; additional borrowing will result in product fees, a legal fee and valuation costs.

TermTen

Our ten year term product can be used for all types of BTL applications. Clients service the loan on interest only, with the maximum loan amount generated via ICR calculations. The product can be fixed for 2 or 5 years.

TermTen is ideal for clients looking for a longer term option. We have experience in lending to complex ownership structures and portfolio landlords who are looking to re-leverage assets or refinance into a Limited Company.

TermTen highlights

- 10 year term for residential properties only
- Fixed rates at 2 or 5 years
- Minimum loan £50,000, maximum loan £10m
- Maximum LTV 75%
- Interest only payments
- Product fees can be added to the loan
- Physical valuations
- 60 years remaining on leasehold at application.

We'll consider applications from:

- First-time landlords
- Complex structures – Ltd Co and overseas ownership
- Buy to let investors
- Portfolio landlords
- Ex-pats and foreign nationals (may be an extra charge)



Product	Maximum LTV	Maximum Loan	Product Fee	Reversion Rate	ERC
TermTen	75%	£10,000,000	2%	6.49%	5% in fixed period
LTV		2 years	5 years		5 years (2 year ERC)
50%		3.82%	4.22%		Not available
60%		3.92%	4.32%		Not available
65%		4.06%	4.46%		4.74%
70%		4.24%	4.64%		4.90%
75%		4.34%	4.74%		4.94%

TermTen: Holiday Lets

Our ten year term product can be used for holiday lets. Clients can service on interest only, with max loan amount generated via ICR calculations. The product can be fixed for 2 or 5 years.

We assess affordability based on holiday let income, not AST income. We do this by looking at the confirmed number of weeks the property is used as a holiday let and take an average of high, medium and low rental income.


Product	Maximum LTV	Maximum Loan	Product Fee	Reversion Rate	ERC
TermTen	75%	£10m	2%	6.49%	5% in fixed period
LTV		2 years	5 years		5 years (2 year ERC)
50%		3.82%	4.22%		Not available
60%		3.92%	4.32%		Not available
65%		4.06%	4.46%		4.74%
70%		4.24%	4.64%		4.90%
75%		4.34%	4.74%		4.94%

Case study

Our clients were an ex-pat couple living in Switzerland, who owned two AST Buy to Let properties in the UK and were looking to make their first UK holiday let investment. With their eye on a holiday let property in the Lake District with promising yields, the couple were looking for a lender who would take into account their existing letting experience in the UK so they could purchase the property. We provided a TermTen loan of £315,000, a LTV of 75%, fixed for 2 years at 4.34%. This gave the clients the opportunity to purchase the property in a popular location and make the most of the growing UK holiday market.

Bespoke Solutions

For individual clients with low yielding assets, we can provide flexible bespoke products. These products provide a blend of rolled and serviced interest to create a unique solution for your clients. We offer loans from £25,000 up to £10m.



We'll consider applications from:

- Foreign nationals
- First-time landlords
- Low yielding, high value properties
- Complex structures – Ltd Co and overseas ownership

We'll build a solution to suit your client's needs

Our BDMs have years of experience working with cases that need something unique created to meet clients' needs. Get in touch with your local BDM to discuss a case (Page 10).

Our bespoke solutions can help a wide range of cases:

- Buy to Let purchase/re-finance – we can also top-slice UK income for stress coverage
- Multiple Units – including those held under a single freehold
- Complex ownership structures, including overseas ownership
- Portfolio refinance into Ltd Co
- Portfolio re-leveraging
- Holidays Lets – we use holiday let income, not AST
- Development exits
- HMOs over six beds

Standard valuation fees

All fees quoted are per property. If a specialist valuation is required you will be advised of the relevant fee on application.

Estimated property value	General Valuation Fee (inc VAT)	Bridging Valuation Fee* (inc VAT)	HMOs Valuation Fee (inc VAT)
		General	
Up to £100,000	£234	£450	£450
Up to £150,000	£234	£515	£515
Up to £200,000	£234	£515	£515
Up to £300,000	£399	£585	£585
Up to £400,000	£499	£645	£645
Up to £500,000	£599	£705	£705
Up to £600,000	£599	£760	£760
Up to £700,000	£699	£830	£830
Up to £800,000	£799	£940	£940
Up to £900,000	£899	£1,065	£1,065
Up to £1,000,000	£999	£1,185	£1,185
Over £1,000,000	Individual (by quote)	Individual (by quote)	N/A

Note that loans must be complete within 90 days of valuation.

*Applies to Bridging loans where refurbishment is taking place.

Contact us

If you wish to find out more information about our products and services, please do not hesitate to contact your local Business Development Manager; their specialist expertise will help you to find the best solution for your clients.



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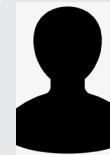
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Castle
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