

Bridging Lending Guide

Q2 2024

Contact Us

Get in touch below about your query,
however complex it might be.

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About Us

MFS have been in the specialist finance arena for over 16 years, and as such, have created a range of fit-for-purpose bridging loans and buy-to-let mortgages that prioritise flexibility for your project.

Bespoke underwriting means that we can consider even the most complicated circumstances, moving quickly, with a promised response time of just four hours and funds available in as little as three days.



Flexibility:

We will always look to lend, regardless of the complexity of the case.



Expertise:

With over 16 years in the market, we know specialist lending inside out.



Reliability:

When we say yes, we mean it. There's no backing out of an agreed deal here.



Speed:

We work to the client's timescales, so they don't lose their opportunity.



Transparency:

Underwriting from day one means we can be truly transparent on rates and fees upfront.



Simplicity:

We aim to make the process as simple as possible for client and broker alike.

How We Operate

We operate with a common-sense approach to each and every case. We therefore assess each case on its own merit, rather than using tick box criteria - always looking for ways to say yes.

We underwrite from day one, meaning that we are transparent from the outset, and you can be sure that **when we say yes, we mean it.**



1 | Loan enquiry and indicative terms

Once the loan enquiry is received, indicative terms are provided with full transparency from the start.



2 | Decision in Principle (DIP) issued

This is where we do an in-depth analysis of the client and their requirements and provide a decision in principle (DIP).



3 | Valuation instructed

Valuers are instructed to visit the property or properties in question. This is what allows us to confirm the terms detailed on the DIP.



4 | Lawyers issue legal paperwork

The lawyers will do all the necessary paperwork for both us and the client to progress the case.














5 | Loan drawn down

We are able to provide funds in as little as three days, depending on the circumstances.

Variable Rates Table

Version: MFS/04-2024/2

! Full valuation refund on completion

Our Products	Residential Investment /BTL Single Property	Residential Investment /Large Single Property	Residential Investment /BTL Portfolio	Developer Exit Bridge (Multiple Units)	Permitted Development Bridge	Light Development Finance	Semi-Commercial	Semi-Commercial Large Loan	Commercial	Commercial Large Loan	Residential/ Commercial/ Semi-Commercial Second Charge
Coupon Rate: 50% LTV	0.49%	0.59%	0.55%	0.55%	0.55%	0.55%	0.55%	0.59%	0.55%	0.59%	0.59%
Coupon Rate: 60% LTV	0.59%	0.69%	0.65%	0.65%	0.65%	0.65%	0.65%	0.69%	0.65%	0.69%	0.69%
Coupon Rate: 70% LTV	0.69%	0.79%	0.70%	0.70%	0.70%	0.70%	0.70%	0.79%	0.70%	0.79%	0.79%
Coupon Rate: 75% LTV	0.79%	0.89%	0.85%	0.85%	0.85%	0.85%	0.85%	0.89%	0.85%	0.89%	N/A
											
Max. LTV	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	70%
Min. Loan	£100,000	£3m	£100,000	£100,000	£100,000	£100,000	£100,000	£2m	£100,000	£2m	£100,000
Max. Loan	£3m	£20m	£50m	£30m	£20m	£20m	£2m	£15m	£2m	£15m	£5m
Charge Type	1 st	1 st	1 st	1 st	1 st	1 st	1 st	1 st	1 st	1 st	2 nd
Min. Term (months)	3	3	3	3	3	3	3	3	3	3	3
Max. Term (months)	21	24	24	24	24	24	21	21	21	21	21
Arrangement Fee (from)	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Exit Fee	POA	POA	POA	POA	POA	POA	POA	POA	POA	POA	POA

* Bridging valuation fee refund is applicable to one standard lender valuation per security property, max aggregate value £10m. Loan must receive a credit-backed DIP by the end of April 2024 and complete before 31st May 2024. At MFS discretion if the stated deadlines are extended. Valuation fee refunded within 28 days of drawdown to borrower's nominated bank account.

Note: The monthly rate mentioned is the Coupon Rate only. Current BoE Base Rate (5.25% PA) will be added.

The interest rate is therefore calculated each month as follows:

Total monthly rate = Current BoE Base Rate (5.25%) / 12 (0.44%) + Coupon Rate as shown in the table.

This document is for potential clients only.

All rates are indicative and subject to be re-priced based upon individual circumstances.

Maximum Loan-To-Value is based on 180 day Value (Open Market Value will be considered on a case-by-base basis).

No admin fees.

Commitment fee refunded on draw-down.












Fixed Rates Table

! Full valuation refund on completion

Version: MFS/04-2024/2

Our Products	Residential Investment /BTL Single Property	Residential Investment /Large Single Property	Residential Investment /BTL Portfolio	Developer Exit Bridge (Multiple Units)	Permitted Development Bridge	Light Development Finance	Semi-Commercial	Semi-Commercial Large Loan	Commercial	Commercial Large Loan	Residential/Commercial/Semi-Commercial Second Charge
Rates: 50% LTV	0.95%	1.10%	1.05%	1.05%	1.05%	1.05%	1.05%	1.10%	1.05%	1.10%	1.05%
Rates: 60% LTV	1.05%	1.20%	1.15%	1.15%	1.15%	1.15%	1.15%	1.20%	1.15%	1.20%	1.15%
Rates: 70% LTV	1.15%	1.30%	1.25%	1.25%	1.25%	1.25%	1.25%	1.30%	1.25%	1.30%	1.25%
Rates: 75% LTV	1.25%	1.35%	1.30%	1.30%	1.30%	1.30%	1.30%	1.35%	1.30%	1.35%	N/A

* Bridging valuation fee refund is applicable to one standard lender valuation per security property, max aggregate value £10m. Loan must receive a credit-backed DIP by the end of April 2024 and complete before 31st May 2024. At MFS discretion if the stated deadlines are extended. Valuation fee refunded within 28 days of drawdown to borrower's nominated bank account.

											
Max. LTV	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	70%
Min. Loan	£100,000	£3m	£100,000	£100,000	£100,000	£100,000	£100,000	£2m	£100,000	£2m	£100,000
Max. Loan	£3m	£20m	£50m	£30m	£20m	£20m	£2m	£15m	£2m	£15m	£4m
Charge Type	1 st	1 st	1 st	1 st	1 st	1 st	1 st	1 st	1 st	1 st	2 nd
Min. Term (months)	3	3	3	3	3	3	3	3	3	3	3
Max. Term (months)	21	24	24	24	24	24	21	21	21	21	21
Arrangement Fee (from)	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Exit Fee	POA	POA	POA	POA	POA	POA	POA	POA	POA	POA	POA

This document is for potential clients only.

All rates are indicative and subject to be re-priced based upon individual circumstances.

Maximum Loan-To-Value is based on 180 day Value (Open Market Value will be considered on a case-by-base basis).

No admin fees.

Commitment fee refunded on draw-down.

Criteria

For further criteria detail, please visit the Bridge Criteria section on our website



Applicants:

- Individuals
- Self-employed
- Limited Companies
- LLPs
- SPVs
- Foreign Nationals
- Offshore Companies
- Trusts
- Age 21- 85



Locations:

- England
- Wales



Nationality:

- All applicants considered from any country, other than a sanctioned/blacklisted country



Interest Payment:

- Fully retained
- Part retained & serviced monthly
- Serviced monthly



Complex Circumstances:

- Tight deadlines for auction purchases
- Multiple properties or a whole portfolio
- Large residential House in Multiple Occupation (HMOs)
- Transferring from an individual to company
- Capital raising
- Replacing existing property finance
- Replacing existing development finance
- Non-renewal from an existing lender
- Business cash flow
- Short-term working capital
- Purchasing a company that owns a property
- Politically Exposed Person (PEP) considered
- Diplomats considered



Simple Circumstances:

- Broken chains
- Gifted deposits
- Probate/executors
- Tax, Liabilities, Inheritance Tax (IHT), Capital Gains Tax (CGT), VAT
- Divorce settlements
- Defaults
- Annulment of bankruptcy
- Discharging adverse credit
- Exiting Individual Voluntary Arrangements (IVAs)
- Repairing County Court Judgements (CCJs)
- Missed mortgage payments

Residential Bridging Loans



Our residential bridging loans are for properties that will be lived in by a tenant. They are available for property investors, portfolio landlords, first time landlords and companies wishing to purchase a residential property.

We can provide finance for:

- Simple residential investments
- Acquisition of Buy-To-Let (BTL) properties
- House in Multiple Occupation (HMOs)
- New build houses & flats
- Standard construction, bungalows, ex-council & maisonettes
- Newly converted flats
- Ex-local authority properties
- Freehold and leasehold properties
- Multiple leasehold portfolios
- Leasehold > 30 years
- Company-owned residential properties
- First-time landlords
- Acquiring from receiver
- Buying at auction
- Refinancing to let
- Refinancing portfolios
- Light/medium residential refurbishments
- Light development to purchase or refinance with intent to let or re-mortgage



Loan Amount:

£100k - £50m

Loan-To-Value:

Up to 75%

Term Length:

3-24 months

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Large Bridging Loans



A large bridging loan is a financial solution where the gross loan amount is over £2m or £3m depending on whether the property is residential or commercial. The process and timeline for large bridging loans are the same as our other products, with the only difference being the amount of the loan. Our multitude of funding lines mean we are able to facilitate requirements of this size quickly and easily.

We can provide finance for:

Residential:

- Finance for luxury properties
- Single high value residential properties
- Large House in Multiple Occupation (HMOs)
- Student accommodation
- Blocks of flats
- Large property portfolios

Commercial:

- Commercial offices
- Leisure centres
- Shopping malls
- Large property portfolios
- Refinancing to consolidate portfolios



Loan Amount:

£2m - £50m

Loan-To-Value:

Up to 75%

Term Length:

3-24 months

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Auction Bridging Loans



We know that the 28-day deadline, often set by auction houses can place pressure on clients to find finance fast. Our auction bridging loans are used to meet these tight deadlines, allowing the opportunity for borrowers to then find replacement long-term finance, or purchase, renovate and sell the property.

We can provide finance for:

- Meeting short deadlines
- Bidding certainty
- Refurbishment of auction purchases to 'flip'
- Residential auction purchases
- Commercial and semi-commercial auction purchases



Loan Amount:

£100k - £20m

Loan-To-Value:

Up to 75%

Term Length:

3-24 months

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Developer Exit Bridging Loans



Developer exit bridging loans offer short term finance for property developers, which they can use to repay their development finance. This provides extra time to finish works, secure long term finance, or find the right buyers for the properties.

We can provide finance for:

- Properties from 4 units - 100 units
- Small or large residential developments
- Borrowers paying off existing development finance
- Raising finance on completed development projects
- Borrowers needing additional time to sell the properties
- Bridging the gap between completion and securing long term finance



Loan Amount:

£100k - £30m

Loan-To-Value:

Up to 75%

Term Length:

3-24 months

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Permitted and Light Development Bridging Loans



We can lend to borrowers looking to improve their current assets through renovation, conversion and refurbishment. We can provide finance for medium and heavy renovation work where planning permission has either been approved or is not required.

We can provide finance for:

- Permitted developments
- Refurbishment projects and upgrades
- Renovations
- Light developments
- Property conversions
- Change of use
- Projects with planning permission
- Applied planning permission
- Short leases > 30 years
- Applicants wishing to purchase or refinance
- Residential properties
- Semi-commercial/commercial properties



Loan Amount:

£100k - £20m

Loan-To-Value:

Up to 75%

Term Length:

3-24 months

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Semi-Commercial Bridging Loans



Our semi-commercial bridging loans are available to property investors looking to add mixed-use properties to their portfolios or re-finance an existing mixed-use asset. Our most popular property type for semi-commercial loans are multiple flats above retail units.

We can provide finance for:

- Mixed-use property portfolios
- Acquisitions from the receiver
- Freehold & leasehold properties
- Acquisition of semi-commercial property
- Semi-commercial investment properties
- Freehold student lets with retail units below
- Freehold trading businesses with flats
- Shops with flats above
- Multi-leasehold with flats above



Loan Amount:

£100k - £15m

Loan-To-Value:

Up to 75%

Term Length:

3-21 months

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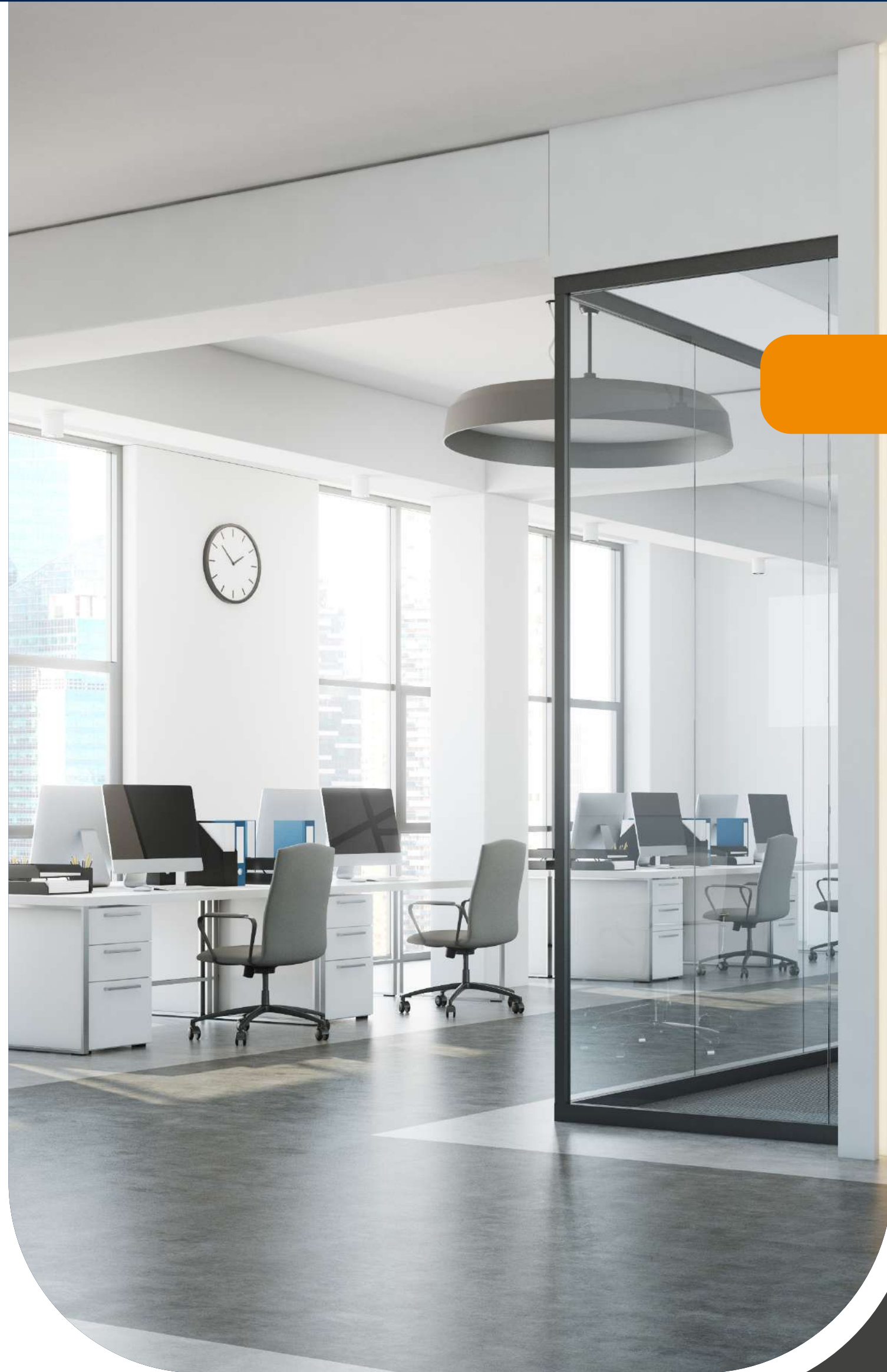
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Commercial Bridging Loans



Property investors or companies can use our commercial bridging loans for a range of commercial circumstances including: the purchase of new property, raising capital from a current asset, or spanning the gap between purchase and sale of two properties.

We can provide finance for:

Commercial Properties:

- Permitted developments
- Conversion to residential
- Office spaces - serviced offices & office blocks
- Warehouses & light industrial properties
- Barns & outbuildings
- Care homes, Hotels, B&B (B&M value)
- Trading businesses
- Shopping centres

D1 Commercial:

- Student lets
- Student accommodation blocks
- Houses in Multiple Occupation (HMOs)
- Light industrial units
- Commercial investment properties



Loan Amount:

£100k - £15m

Loan-To-Value:

Up to 75%

Term Length:

3-21 months

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Second Charge Bridging Loans



Second charge bridging loans are available for borrowers to utilise on properties that already have a mortgage, or other financial security, placed on them. We are able to provide a second charge loan for residential, semi-commercial and commercial properties, as well as against the borrower's home of residence.

We can provide finance for:

- First-time landlords
- Buy-To-Let (BTL) properties
- New build houses & flats
- Newly converted flats
- Freehold & leasehold properties
- Company-owned residential properties
- Multiple leasehold portfolios
- Standard construction, bungalows, ex-council & maisonettes
- Light/medium residential refurbishments
- Student accommodation blocks
- Commercial investment properties
- House in Multiple Occupation (HMOs)
- Conversion to residential
- Office space - serviced offices & office blocks
- Warehouses & light industrial properties
- Barns & outbuildings
- Care homes, hotels, B&B (B&M value)
- Trading businesses
- Student lets



Loan Amount:

£100k - £5m

Loan-To-Value:

Up to 70%

Term Length:

3-21 months

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