### Loan Types

<table>
<thead>
<tr>
<th>Loan Types</th>
<th>Limited Companies (UK Residents only)</th>
<th>Minimum Loan</th>
<th>£75,000</th>
</tr>
</thead>
</table>

### Minimum Age

<table>
<thead>
<tr>
<th>23</th>
<th>Maximum Loan</th>
<th>£1,000,000</th>
</tr>
</thead>
</table>

### Maximum Age

<table>
<thead>
<tr>
<th>State Pension Age (at Loan Maturity)</th>
<th>Minimum Term</th>
<th>6 Months</th>
</tr>
</thead>
</table>

### Property Type

<table>
<thead>
<tr>
<th>Freehold/Leasehold within England &amp; Wales</th>
<th>Term</th>
<th>6, 12 or 18 Months</th>
</tr>
</thead>
</table>

### Loan Purpose & Uses

- To raise capital to buy and develop a property. Typically, this means that the property will not be available for rent as there are major alterations being made.
- The mortgage is secured against a residential property offered by a Company Director and the development property.
- There is a follow on option, if the property is going to be rented, to switch to the BlueZest Buy To Let mortgage once the development is complete, subject to status.
- If this option is selected the property will be inspected by BlueZest and if ready to rent, the mortgage security is transferred to the completed development property and the mortgage moves to the prevailing BlueZest Buy To Let rate.
- Primary security for loan is against a residential and/or other residential properties owned by a Company Director.
- Additional security is taken against the development property.
- If required, additional borrowing is available by including the land value of this property (typically one third of the property value) within the LTV calculation.
- BlueZest will undertake a further inspection of the development property at month 4, month 10 and month 16.

### Charge

<table>
<thead>
<tr>
<th></th>
<th>LTV</th>
<th>APR</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Zero</td>
<td>Full</td>
<td></td>
</tr>
<tr>
<td>Combined 1st &amp; 2nd Charge (residential properties)</td>
<td>Up to 75%</td>
<td>12.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td></td>
<td>Up to 70%</td>
<td>11.0%</td>
<td>9.0%</td>
</tr>
<tr>
<td></td>
<td>Up to 65%</td>
<td>10.0%</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Security Value</th>
<th>LTV</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;=£750,000</td>
<td>Up to 75%</td>
</tr>
<tr>
<td>&lt;=£1,000,000</td>
<td>Up to 70%</td>
</tr>
<tr>
<td>&gt;£1,000,000</td>
<td>Up to 65%</td>
</tr>
</tbody>
</table>

### Application Fee

£125 at start of validation checks

### Product Fee 1st Charge

3% on opening and any subsequent additional references

### Product Fee 2nd Charge

3% on opening

### Personal Guarantee

£25 per director not providing residential property as security

### CHAPS fee

£25 per transfer

### Residential Valuation Fee

BlueZest will always first attempt an automated valuation

### Automated Valuation (AVM)

Nil

### If physical valuation required because AVM is not suitable

| Value <=£200,000 | £250 |
| Value <=£400,000 | £275 |
| Value <= £500,000 | £360 |
| Value >£500,000  | 0.08% |

### Development Property Valuation Fee—internal inspection required

Initial valuation, as per physical inspection of residential property. Re-evaluation at months 4, 10 and 16: £95
Development Loan Product Factsheet / Sept 2016

<table>
<thead>
<tr>
<th>2nd Charge Consent Letter</th>
<th>£150</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Fee Development to Buy to Let</td>
<td>£750</td>
</tr>
<tr>
<td>Legal Fees (plus VAT)</td>
<td>POA, dependant on number of properties involved</td>
</tr>
</tbody>
</table>
| Repayment Options | ● Zero: No monthly payments are required, Fixed rate of interest set at outset and rolled up to the maturity and redemption of the development loan  
● Full: Company services loan interest monthly until Development Loan maturity |
| Early Redemption Charge | No ERC, full interest is charged for the loan term selected i.e. 6 months, 12 months, 18 months |
| Security | ● Primary security is against a residential property/properties owned by a company director  
● Additional security is taken against the development property  
● If required, additional borrowing is available by including the land value of the development property (typically one third of the property value)  
● BlueZest will undertake a further inspection of the development property at Months 4, 10 and 16  
● Director's personal guarantees (DPG) are required from all company directors not party to the mortgage agreement |

Lending Criteria

**Applicant Directors**

- Maximum 4 applicants
- All applicants must reside within the UK and have done so for the last 3 years, with a UK bank account
- All registered owners must be party to the mortgage
- At least one applicant must have owned the home in which they reside for the last 12 months
- Applicants must not have any unspent convictions for offences, other than minor traffic offences
- Guarantors are not permitted
- All applicants must reside and have indefinite leave to remain within the UK
- All applicants must have been resident and liable to UK tax for the last 2 years
- All applicants must have a credit bureau record of 2 years or more

**Employment Income**

- The company must have been trading for at least 2 years (and be able to provide accounts/tax returns for this period)

**Credit History**

- Directors must be creditworthy and have a good track of servicing loans/credit agreements as evidenced at a Credit Reference Agency. Additionally, applicants must not be overcommitted on other secured and unsecured borrowings
- Mortgage applications will be declined if any applicant has had:
  - Any previous property repossessed
  - A personal County Court Judgment (CCJ), satisfied or unsatisfied
  - An insolvency (including those pending)
  - Any Debt Management Plan in place
  - Any loan defaults in the last 36 months
  - Any personal mortgage arrears in the last 12 months
  - Any "pay day" or "doorstep" loans in the last 36 months
**Acceptable Security Properties**

- New build properties are acceptable
- Properties must be located in England or Wales
- The property should have a minimum value of £100,000
- For leasehold properties, at the end of the mortgage there must be 45 years remaining on the lease and 55 years at the beginning
- Property must be of standard construction, have buildings insurance on normal terms and must be deemed to have good marketability by the Valuer
- Property must not be subject to any constraint preventing occupation for 52 weeks a year
- Flats above 4 storeys must have a value of at least £300,000
- Property must be deemed suitable for residential occupation or letting post-development by the Valuer. Property must have buildings insurance on normal terms

**Unacceptable Properties**

- Property must not cover more than 10 acres
- Ex-Lock Authority flats/maisonettes with a value of less than £250,000 are not acceptable
- Shared ownership, mobile homes, houseboats or agricultural restriction properties are not permitted
- Farms and smallholdings as well as flats directly above food premises are not acceptable
- Properties affected by HS2 or where material environmental hazards are present are not permitted
- Properties affected by Japanese knotweed are not permitted
- Properties affected by overriding interest, HMO's or unlicensed multiple occupancy are not permitted
- Freehold flats or grade I listed buildings are not permitted
- Less than 10 years old without NHBC/Zurich Municipal guarantees or architects certificate
- Flats directly above food premises
- Common-hold properties are not acceptable