### SME Loan Product Factsheet / Sept 2016

<table>
<thead>
<tr>
<th>Loan Types</th>
<th>Limited Companies (max 4 applicants)</th>
<th>Minimum Loan</th>
<th>£25,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Age</td>
<td>23</td>
<td>Maximum Loan</td>
<td>£1,000,000</td>
</tr>
<tr>
<td>Maximum Age</td>
<td>State Pension Age at loan maturity</td>
<td>Minimum Term</td>
<td>1 Year</td>
</tr>
<tr>
<td>Property Type</td>
<td>Freehold/Leasehold within England and Wales</td>
<td>Maximum Term</td>
<td>2, 3 or 5 years</td>
</tr>
</tbody>
</table>

#### Target Borrower
- Registered SME Businesses (not available to sole traders of non limited partnerships) that wish to raise capital for an existing business, secured against a Directors residence or other residential property
- No start-up businesses will be considered—two years trading required
- Directors Personal Guarantees (DPG) required from all directors not party to mortgage agreement

<table>
<thead>
<tr>
<th>Charge</th>
<th>Property Value</th>
<th>Maximum LTV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined 1st &amp; 2nd Charge (residential properties)</td>
<td>&lt;=£750,000</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>&lt;=£1,000,000</td>
<td>70%</td>
</tr>
<tr>
<td></td>
<td>&gt;£1,000,000</td>
<td>65%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Combined 1st &amp; 2nd Charge</th>
<th>LTV</th>
<th>1st Charge</th>
<th>2nd Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;=65%</td>
<td>5.9%</td>
<td>7.9%</td>
<td></td>
</tr>
<tr>
<td>&lt;=75%</td>
<td>7.9%</td>
<td>9.9%</td>
<td></td>
</tr>
</tbody>
</table>

#### Residential Valuation Fee
- BlueZest will always first attempt an automated valuation

#### Automated Valuation
- Nil

#### If a physical valuation is required because AVM is no suitable

<table>
<thead>
<tr>
<th>Value</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;= £200,000</td>
<td>£250</td>
</tr>
<tr>
<td>&lt;= £400,000</td>
<td>£275</td>
</tr>
<tr>
<td>&lt;= £500,000</td>
<td>£360</td>
</tr>
<tr>
<td>&gt; £500,000</td>
<td>0.08%</td>
</tr>
</tbody>
</table>

#### Application Fee
- £125 at start of verification checks

#### Product Fee
- 2.25%

#### CHAPS Fee
- £25 per transfer

#### Legal Fees (Plus VAT)
- £299 per property plus disbursements

#### 2nd Charge Consent Letter
- £150

#### Broker Fee
- 0.8%

#### Packager Fee
- 1.5%
## Lending Criteria

### Affordability
- Affordability by Company at realistic stressed rate must be evident, in that pre-tax profit is sufficient to service loan
- Supporting documentation required:
  - Last 3 months Company bank statements
  - Last 2 years (3 if available) Company accounts (as prepared by a suitably qualified accountant)

### Applicants Directors

#### Employment
- Loan agreement will be between BlueZest and the Company and signed by all Directors of the Company (maximum of 4)
- All registered owners of the security property must be party to the mortgage agreement
- Applicants must not have any unspent convictions for offences, other than minor traffic offences
- The Director whose property is being mortgaged must have been a Director of the business for at least 2 years
- All applicants must have been resident and liable to UK tax as well as have a credit bureau record for the last 2 years
- All applicants must reside and have indefinite leave to remain within the UK and have done so for the last 3 years, with a UK bank account

#### Credit History
- Directors must be creditworthy and have a good track of servicing loans/credit agreements as evidenced at a Credit Reference Agency. Additionally, Directors 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 >£50 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 Properties
- Property must be located in England and Wales
- New build properties are acceptable
- 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. 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 by the valuer
- Property must have buildings insurance on normal terms

### Unacceptable Properties
- Property must not be over 10 acres or subject to any constraint preventing occupation for 52 weeks a year
- 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 are not permitted
- Common-hold properties are not acceptable
- Ex-Local Authority flats/maisonettes with a value of less than £250,000 are not acceptable

### Loan Purpose
- Capital raising for business purposes
- Further advances are permitted once 12 consecutive full monthly payments have been made
- No personal debt can be consolidated as part of the mortgage