

# E1

Commercial Finance

COMMERCIAL FINANCE COMPANION

## Man & Machine in Perfect Harmony

E1 Online, Our Power in Your Hands

P 1+2



SECTOR Prime overview	PRIME	INCLUDES
Agricultural, ie.Horticulture	60 – 75%	Farms, Nurseries etc.
Professionals	100%	Solicitors/Vets/Architects
Healthcare	60 – 75%	Nursing Homes, Rest Homes
Factories/Warehouses	70 – 75%	Industrial Units
Hotels/Pubs, Restaurants	60 – 75%	Guest Houses
Post Offices, Shops	70 – 80%	Offices
Investment Property	70 – 85%	All types of property

SECTOR Non Prime overview	NON PRIME Sub Prime/additional security; OR excellent covenants	INCLUDES Sitting tenants can get up to 90%
Agricultural, ie.Horticulture	80%	Farms, Nurseries etc.
Professionals	80 – 100%	Solicitors/Vets/Architects
Healthcare	85%	Nursing Homes, Rest Homes
Factories/Warehouses	85%	Industrial Units
Hotels/Pubs, Restaurants	85%	Guest Houses
Post Offices, Shops	85%	Offices

SECTOR Bridging overview	LTV	COMMENTS
Residential Bridging	75% of sale price/ purchase price; 100% with additional security	1st and 2nd charges potentially available
	85% of purchase price or valuation (some lenders advertise 100% of purchase price – but conditions apply and are case specific)	1st and 2nd charges potentially available
Commercial Bridging loans		Only really exist for best quality applicants
		<b>Some lenders lend against valuation – others purchase price</b>

SECTOR Development Finance overview	PRIME/ EXPERIENCED DEVELOPERS	NON PRIME/ LESS EXPERIENCED	COMMENTS
Residential Development	70% land and 70% development costs	60% land and 60% development costs	Evidence of prior developments satisfactorily completed
	Can increase subject to additional security but would still expect some cash to be used as deposit	Can obtain up to 100 % development costs	
Commercial Development			Speculative developments difficult to fund
	70% land and 70% development costs		If pre-let/pre-sold

## FOCUS ON

### Prime

#### OVERVIEW

- No cheque returns in last 6 months
- No adverse data – e.g. mortgage arrears or CCI's
- Can prove income from trading accounts, rental income or salary slips
- Lenders generally finance goodwill
- Freehold generally required
- Typical repayment period – 15-25 years

Rates start from 1% above base rate up to say 4% above

1. Can potentially obtain up to 100% with additional security
2. Please use as a guide only – each commercial application is unique – as is the property etc. – always call to discuss
3. Trading accounts are key – either the business being purchased or being operated now – three years full accounts are best
4. Affordability is always the issue

#### Tips

- Ask for the property particulars if buying
- Ask for the old valuation if refinancing
- Ask for 12 months mortgage history if refinancing
- Ask for 6 months business bank statements (and 6 months personal bank statements if possible)
- Does the client want an interest only period?
- Always be clear on the repayment source
- If a business plan is available – obtain a copy

**Good news – we have in house lenders in the office every day  
– waiting for your applications**

## FOCUS ON

### *Non Prime*

#### OVERVIEW

- May have no adverse – but unable to prove income e.g. start up
- May have adverse from missed credit card payments through to CCJ's etc.
- Pricing higher than prime although LTVs also higher generally
- Freehold property – Bricks and Mortar valuation only
- No goodwill finance available
- Can repay over 30 years normally and exceptionally 40 years
- Interest only may be available up to 5 years but generally only up to 80% LTV

Can potentially obtain up to 100% with additional security

- 1 Please use as a guide only – each commercial application is unique – as is the property etc. so, always call to discuss
- 2 Trading accounts not required but if available can reduce interest rate – either the business being purchased or being operated now – three years full accounts are best
- 3 Affordability can be assessed through accounts or self certification/rental

#### Tips

- Ask for the property particulars if buying
- Ask for the old valuation if refinancing
- Ask for 12 months mortgage history if refinancing
- Always be clear on the repayment source
- Business plan's generally not required

*Good news – we are master packagers for a wide range of lenders and we can instruct valuations same day*

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## FOCUS ON

### *Bridging*

The Bridging loans market is said to be worth £2/3bn pa.  
– don't miss out

#### Tips

- Establish what the applicant is trying to achieve with their property/properties and we will then review with our lender panel and provide the most suitable indicative terms
- Don't instruct valuations – we can do this
- If you have an old valuation – send in to us
- Can they cover interest from income?
- What is the repayment source? If that's evidenced – we can get better terms

*Good news – we can have lenders send out legal packs same day and instruct valuers the same day*

## FOCUS ON

### *Development Finance*

#### Tips

- Please refer to our intelligent DIP (new cases) for details of the key information required on any new case. This will help
- Experience is very important; provide a detailed CV and examples of completed projects
- Provide sales particulars of any land/buildings being purchased together with costings/building quotes etc.
- Three years accounts ideally to be provided
- Is planning in place?

*Good news – we have specialist lenders as well as high street lenders*

Development loans are a specialist area of commercial finance. Most lenders seek to lend a percentage of both the land purchase/ site purchase costs and the development/build costs- so they can control the spend against the original budget using an appointed quantity surveyor/architect. We can obtain 100% development costs in some situations.

## FOCUS ON *Valuations*

Unlike the residential market these tend to be negotiated on a case by case basis dependant on expected value. They are more expensive than residential valuations. They can take longer than residential valuations. Care – lenders all have their own valuation panels – and will only accept valuations in a certain format from specified valuers.

### Tip

Do not engage a valuer without talking to E1 first – to avoid risk of having two valuation fees to pay.

#### *Our own rough guide to valuation fees*

VALUE	POSSIBLE FEE INC. VAT
> £200k	£500-£600
> £300k	£600-£850
> £400k	£650-£950
> £500k	£750-£1200
> £600k	£850-£1400
> £750K	£1000-£1750
> £1M	£1300-£2000
Above - negotiable	

Care Development deals cost more given the additional work involved.

*This should be used as a guide only*

**Good news; E1 always approaches a minimum of two valuers on every application to get the best price for your client**

## INTRODUCING E1's *Intelligent Online DIP System*

We spent many months developing and building this ourselves; we looked at what was available in the market and just couldn't find any thing that came close to offering us what we needed for our introducers. Our Intelligent DIP helps you in many ways;

- It provides you with the key information you need to obtain
- It pre-populates the application form
- Allocates a case reference immediately

## REGISTRATION

All we need is some simple information about the business/name/ contacts/address and so on and your CCL number together with any network details (if applicable); we can then register you and issue you with a fee agreement and user name and password.

## WHY USE E1?

Extensive lender panel – sourcing the best deal for your client. We enable you to keep full control of client and for you to charge a success fee direct to your client. We are available by phone to help advise on any case. Fast payment of Procurator fees.

**Good news – our intelligent online DIP system is unique and it works!**

## Lender Panel

ABBNEY NATIONAL AFFIRMATIVE FINANCE  
ALLIANCE AND LEICESTER COMMERCIAL  
BANK BANK OF SCOTLAND BUSINESS  
BANKING BANK OF SCOTLAND CORPORATE  
BARCLAYS BANK PLC BASE COMMERCIAL  
FINANCE BLEMAIN GROUP PLC CLYDESDALE  
BANK BRITANNIA COMMERCIAL LENDING  
BUSINESS LENDING LIMITED CLOSE  
PROPERTY FINANCE COMMERCIAL FIRST  
COUTTS PLC DAVENHAMS DEUTSCHE  
BANK DUNBAR BANK FARMING AND  
AGRICULTURAL FINANCE HERITABLE  
BANK HSBC INTERBAY COMMERCIAL IBB  
LANCASHIRE MORTGAGE CORPORATION  
LLOYDS BANK PLC LONDON SCOTTISH  
MORTGAGES NATWEST NORWICH AND  
PETERBOROUGH BUILDING SOCIETY  
NORTHERN ROCK SALT COMMERCIAL  
SKIPTON BUILDING SOCIETY STATE  
SECURITIES RBS VENTURE FINANCE  
5D FINANCE

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*And many more mainstream, specialist or bespoke lenders*

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AND IS NOT FOR DISTRIBUTION TO THE PUBLIC

CONTACTS	<a href="http://www.e1finance.co.uk">www.e1finance.co.uk</a> to use our intelligent Online Decision in Principle form for use on any new case OR CALL US
Senior underwriters	Mike/Peter/Zorana/Kevin All emails are first name@e1finance.co.uk
Registration	Lisa/Hannah or Shorifa All emails are first name@e1finance.co.uk

We do hope you find the guide helpful.

Don't forget;

- Opening Hours: 9.30am – 6.00pm Monday - Friday
- Open Saturday: 10.00am – 2.00pm
- Out of hours contact number m: 07941 254 955
- Training sessions; Marketing support
- 24 Hour DIP form online
- Online Case Tracking and Application form



E1 Finance Limited  
43 Redchurch Street  
London E2 7DJ



0845 0 559 559



0845 0 559 558



info@e1finance.co.uk

[e1finance.co.uk](http://e1finance.co.uk)

