

# Allica Bank Commercial Mortgages

For intermediary use only

Standard Terms	
<b>Product type</b>	Owner-occupied, Semi-commercial Investment, Commercial Investment
<b>Borrower type</b>	UK-registered Limited Companies, LLPs, Partnerships, Sole Traders and NewCos not yet incorporated
<b>Loan size</b>	£150,000 to £5 million
<b>Base Rate type</b>	<b>Variable</b> – Bank of England Base Rate (subject to a minimum of 0%) <b>Fixed</b> – reverts to Standard Variable Rate at end of the fixed term
<b>LTV</b>	See table overleaf for LTV by property and business type
<b>Purpose</b>	Purchase, re-mortgage and capital raising
<b>Security</b>	First charge over freehold & long leasehold property in England, Scotland & Wales Debentures & guarantees - on a case-by-case basis
<b>Fees</b>	<b>Arrangement fee</b> – 2%, which can be added to the loan <b>Commitment fee</b> – £500 payable once a formal Loan Offer is made and before we instruct a formal valuation. Refunded at completion.
<b>Early repayment fee</b>	3% for the first 5 years (variable rates only)
<b>Fixed rate break costs</b>	5% in year one, 4% in year two, 3% in year three, 2% in year four, 1% in year five
<b>Overpayments</b>	10% overpayments allowed per year without charge
<b>Procuration fee</b>	1.5% of the loan amount
<b>Fixed rate pricing</b>	Fixed rate is guaranteed for 3 months from offer letter, beyond that we have right to change if market funding conditions have changed

Owner-occupied	
<b>Repayment type</b>	Capital & Interest Up to 2-year Capital Repayment Holiday (CRH) available on variable rate loans
<b>Term</b>	<b>Variable</b> – 5-25 years <b>Fixed</b> – 5 years
<b>Affordability</b>	130% Using adjusted EBITDA at margin plus 1% If CRH taken DSCR must cover the remaining amortising loan
<b>Typical margin range</b>	<b>Variable</b> – 4.55-5.85% subject to status <b>Fixed</b> – 5.75%-5.99%
<b>Large loan pricing</b>	25bps reduction on rates for loans of £750,000 and above
<b>Super prime borrowers</b>	Margin of 3.5% plus base rate where borrowing is no more than 60% of Vacant Possession Value (including fees) and 2 x Debt Service Cover is evidenced at 0.75% above current margin plus base rate.

## Commercial & Semi-commercial Investment

<b>Repayment type</b>	Capital & Interest Interest only (variable rate mortgages only)
<b>Term</b>	5-25 years repayment; 5-10 years interest only; 5 years fixed
<b>Affordability</b>	<b>Variable</b> – 135% using gross rent at margin, plus Base Rate plus 0.75% <b>Fixed</b> – 135% at pay rate  Interest only loans must evidence affordability over a 25-year amortising term
<b>Large loan pricing</b>	25bps reduction on rates for loans of £750,000 and above

## Pricing

	Variable		Fixed	
	Up to 60% LTV	Above 60% LTV	Up to 60% LTV	Above 60% LTV
<b>51-80% residential</b>	4.5%	4.8%	4.90%	5.15%
<b>20-50% residential</b>	4.95%	5.55%	5.10%	5.35%
<b>Fully commercial</b>	5.2%	5.75%	5.75%	5.99%

- Maximum residential space to be no more than 80%
- Semi-commercial apportionment based on floor space (verified upon receipt of a valuation)
- Residential space must have independent access and is, or can be, let on separate lease/ assured shorthold tenancy
- Residential buy-to-let (unregulated) may form part of a portfolio of properties in an investment application up to a maximum of 80% by floor space

## Loan to value limits

	Standard investment & Owner-occupied	Owner occupied with 2 x DSC
Standard Property Type	VP	VP
Factories	75%	80%
Food Outlets - Takeaway	70%	70%
Garages / Vehicle Showrooms	75%	75%
Holiday Lets	75%	80%
Industrial Units	75%	80%
Mixed Use / Multi-Let (exc Residential and Retail)	75%	80%
Offices	75%	80%
Retail Units (Lock Up)	75%	80%
Retail Units with Commercial Uppers	75%	80%
Retail Units with Residential Uppers	75%	80%
Student Accommodation	60%	80%
Warehouses	75%	80%

	Investment	Owner-occupied	
Business Property Type	VP	VP	MVI
Childrens Day Nurseries	75%	80%	70%
Convenience stores	75%	80%	70%
Professional Practices	75%	80%	70%
Food Outlets - Restaurant	70%	70%	65%
Guest Houses/B&Bs	70%	70%	65%
Hotels	70%	70%	65%
Leisure	70%	70%	60%
Public Houses	70%	70%	65%

All loan to values above are maximums and are subject to credit view on quality of the asset and other factors of the application.

## What you'll need to start an application:

- Company/ business details
- Details of the officer applying on behalf of the business - full name, DOB, and address details (address to cover min 3 years) and email/ mobile details
- Property address, estimated value, age, freehold/leasehold, and type
- Details of tenant and lease terms (name, rent, start/break/expiry date)
- Product details - term, repayment profile, how Arrangement Fee is to be paid
- Affordability - turnover/ EBITDA/ rent
- Details of any other income sources

## At this point you can choose to submit for a Decision in Principle or continue with a full application. For a full application you will need:

- Last 2 years accounts or proof of income (upload documents)
- Up to date Management Accounts/ Information (upload documents)
- Details and evidence of cash stake/ deposit (upload documents)
- Last 3 months business bank statements (upload documents)
- A statement of Assets and Liabilities & Income and Expenditure (ALIE) (upload documents)
- Details of any ongoing debts/ repayment obligations
- Nominated bank account details
- A Proposal Summary which must include:
  - the structure of the loan (eg Newco, Opco Propco)
  - evidence of affordability (show how EBITDA has been calculated)
  - background experience of the directors/ partners/ individuals
  - brief description of the security property
  - impact COVID-19 and Brexit has had on the business / tenant performance
- Any other information that may help us assess the application (e.g. CV, business plan)