

POSITIVELY SPEAKING NEWSLETTER

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www.positivelending.co.uk



Every Broker's Christmas Wish

➤ **Development Finance**
Explained

➤ **Bridging Future**
Peter Bloom from BM Samuels explains more

➤ **A Hill Too High?**
Positive Lending names chosen charity for 2010

➤ **Product Exclusives**

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You can hit **ESC** at any time to return to standard view.



Chris Fairfax
Managing Director



Hello and welcome to Positively Speaking 7

No sooner has the ink dried on issue 6 and I feel that issue 7 is due. In fact when you analyse 2009 my initial hunch is "where did the year go?". It certainly feels this way at Positive, but for some they see 2009 as a year that can not end soon enough. True enough – it has been a turbulent year.

Industry leaders and market economists predicted green shoots would appear sooner than they did and some suggested a stable market come Q3 2009. However that has not been the case at all. Since our last edition we have seen the sorry departure of Link Loans from the market with what many believed at the time was a tiny dagger in the heart of 2nd charge lending. We certainly had a fantastic relationship with this lender and the industry may have lost some of the key people responsible for making 2nd charge lending the market it was. However, it was only a matter of 2 weeks before the baton for 2nd charge lending at 80% LTV loans was picked up by Nemo Personal Finance, and following meetings with personnel within the organisation recently it was reassuring to hear that their parent company is committed to this market in 2010 and beyond.

With constant rumours of other lenders either imminently launching or certainly raising a brow surely it won't be too long before we see some level of normality in this market? I for one can not wait to see what 2010 offers for packagers and brokers in this area.

We have had a fantastic 3 months since the last edition with more broker registrations, completions and new enquiries than at any other time in the year. We have been working hard to improve our IT casetracking platform for intermediaries and expect roll out in January 2010. And we have taken the time to find product exclusives and semi exclusives for our intermediary partners too. If you have not yet registered please do so now and keep yourselves abreast of the 2nd charge and bridging market by working alongside our fantastic team. You can do so by clicking the link here:
www.positivelending.co.uk/brokerzone

Finally, I wish to close this article, and the year by wishing all of our intermediaries, lending partners and industry friends a fantastic Christmas, a very prosperous 2010

Kind regards,

Chris Fairfax
Managing Director

A Hill Too High?



Positive Lending has chosen its charity for 2010. We are delighted to be working hard to support the National Deaf Children's Society – a non government worldwide charity to support Deaf Children. Paul McGonigle has seen the benefit of the charity at work as they worked with a family friend's daughter to integrate her into a local school by providing the right technology to keep schooling as normal as possible, where she can study with able hearing children. She is currently in her final year of school and studying for her GCSE's.

To raise funds for the charity Chris has entered the Flora London Marathon in May, and Paul has signed up to trek Mount Everest Base Camp in November. And to support the charity Positive Lending will donate £50 towards every secured loan and bridging completion in 2010 for the cause. We will update you further during the year on Chris and Paul's training (Paul has already started with a 22mile hike over the purbecks!)

Positive Lending will politely ask if intermediaries would wish to donate just £10 of their broker commission towards this worthy charity for any secured or bridging completion ^ and of course, we will not be offended if you say no.

CURRENT
£770

TARGET
£5000

Thanks to
Blemain Group
for their generous
donation of
£250

INDUSTRY NATTER



Peter Bloom, Business Development Executive explains the rationale behind the growth in the bridging market today

BRIDGING – A SOLUTION IN THE CREDIT CRUNCH

It is not often the case that the media understate bad news.....but they have done so with the Credit Crunch. However bad the credit market appears in the media, it is much worse in the real world. High Street banks and Building Societies, who were falling over themselves to lend two years ago, are today showing little or no appetite for mortgage lending. LTV ratios are plummeting and lenders are taking a very long time to complete loans.

The short term lending market has been particularly badly affected, with High Street lenders compounding the problem, by charging substantial arrangement fees and early redemption penalties. It is not uncommon today for a borrower to be charged an arrangement fee of 1-2% and to be levied an early redemption penalty of 4-5% if the loan is to be repaid within 12 months.

A borrower seeking a 6-9 month loan of £100,000 could easily face fees of £7,000, in addition to interest charges, legal and valuation fees.

It is no wonder, therefore, that more and more borrowers seeking short term finance solutions are turning to bridging companies. The key here is to choose an established company with a reputation for integrity and performance.

At BMS we specialise in providing short term loans (up to 12 months) for property trading/refurbishment, house buying, capital raising or refinancing. Established for over 40 years, we pride ourselves on maintaining the highest levels of performance for our clients, by providing a fast, reliable and flexible service.....and in today's market we are often cheaper than the High Street lenders.

The Positive Lending team provide an excellent entry level for our customers, as they understand both our requirements and those of our customers and we look forward to developing our relationship with them further over the coming years.

WIN!



A SKIING TRIP IN Portes Du Soleil

An all inclusive 4 day break to Morzine

Its Shoop Shoop and away with Positive Lending's latest incentive. Join Chris and Paul in January 2010 at the fantastic Portes Du Soleil for an all inclusive 4 day break to Morzine via ActionMountain Adventure Holidays.

Positive Lending has hired the Chalet Pontoufle in St Jean D'Aulps and 2 brokers will be invited to join them. Simply submit your secured loan and bridging loan enquiries and you could be joining us for a fantastic break skiing and snowboarding in 650km of pure

Competition Rules

Incentive runs from Tuesday 1st December 2009 to Thursday 10th January 2010 inclusive. Winning brokers will be responsible for hire of ski boots/poles/ski's only – Positive Lending will purchase the ski passes for the duration of the stay. 1. Entrants must be financial intermediaries introducing secured loan business to Positive Lending Ltd and be at least 18 years old. Employees entering must have the written permission of their employers. 2. Employees or their relations in any organisation linked with this promotion are not eligible to enter. 3. No cash alternatives. 4. The promoter reserves the right to substitute a prize of the same or greater value. 5. Entrants agree to being used in any subsequent publicity. 6. The judges' decision is final – no correspondence will be entered into. 7. Promoter: Positive Lending Ltd

SPOTLIGHT ON...

Positive Lending is always striving to offer its members up to date access to specialist lenders in the marketplace.

Development funding is still proving difficult but this is still possible and we have a very close relationship with a long established principal lender who is actively seeking to increase their activity in the residential development finance market.

An overview of their criteria and terms:-

- **Geographically – Lend as far north as the Midlands, lend in the South West as far as and including Devon (not Cornwall)**
- **Lend 100% of construction costs, recent maximum lend on purchase has been 30%**
- **Lend up to 45/50% of GDV**
- **Experienced developers/builders only (will lend to a non-experienced developer only if they partner up with an experienced builder/developer)**
- **Residential schemes or mixed schemes**
- **Maximum number of flats is 4, larger house schemes considered if they can be phased**
- **Min loan £100,000, usual maximum is £1m although larger loans will be considered on an individual basis**
- **Usually only freehold properties considered**
- **Will lend for new build, refurbishments or non-complicated conversions. Usually no listed buildings**
- **Most importantly we pay substantial fees for successful introductions and always pay repeat fees. We collect our fee with the lender commitment fee at offer stage**



Samples of recent cases

Completed a facility of £265,000 against an end value of £600,000. Borrower was let down after another lender withdrew offer of funding days before exchange and so we stepped in. The client was very impressed with the timescale with which we were able to complete the transaction in.

Completed a facility of £150,000 against an end value of £1,650,000. Borrower was struggling to obtain development funding on finishing an executive house after approaching numerous lenders.

We were able to complete the deal within weeks allowing completion of the property. A very secure deal for us but the turbulent marketplace has meant that companies even at this low LTV are shying away.

Information required for a decision

- Very brief outline of the case including purchase price, build costs, resale value and loan required.
- Name and number of the borrower so they can contact the borrower.
- Decisions made in minutes, offers in hours and funds within days.

For further information and to find out how you could be earning substantial commissions please contact Positive Lending on:

0845 260 7511





Positive

BRIDGING

Are you searching for a packager that has enough experience in the market to work **LIGHTNING FAST** for your clients?

At Positive Lending we can offer you the following:

- **Whole of market solution from a large panel of lenders**
- **EXCLUSIVE: FREE VALUATIONS for your clients***
- **EXCLUSIVE: FREE LEGAL COSTS for your clients***
- **Rates from 0.5% per month**
- **Terms from 1 day to 12 months**
- **Residential/Commercial including HMO properties**
- **Credit Repair bridging**
- **Same day offers to your client if a DIP is received in full by 2pm**
- **Loans from £30,000 to £10 million**
- **Re-bridging up to 60% LTV**
- **Purchasing under value**

* Valuations and legals are refunded to clients on completion of the bridging loan from a selection of lenders on our panel. Please contact an advisor for more information

SPOTLIGHT ON...



Paul McGonigle, Operations Director, explains the enhancements Positive Lending has made to their product portfolio with hints and tips on identifying potential customers.



Semi Exclusive Offer Investor Rescue Bridging

Positive Lending has secured a significant coup in being selected to become 1 of just 3 national packagers to place investor rescue bridging loans through a well known bridging provider. The lender has been aggressive in 2009 in expanding their product offering which includes HMO bridging, BTL mortgages and 2nd charge lending. Their latest offering will assist investors in desperate need to retain their stock if facing repossession whilst trying to obtain a fair market price for sale.

Product highlights include

- First Charge only, Maximum LTV of 65%
- Interest is rolled up
- The exit route for this product is Sale of property only. We can not assist "Refinance" routes as the exit
- Minimum property valuation £150,000
- Lend to individuals or limited companies.
- Terms can be offered same day, formal offer within 48 hours, and funding within a week

Client Benefits:

- Retain possession of their stock
- Avoid being on the repossession register
- Benefit from selling the property at a potentially higher value than the lender would at auction
- No mortgage instalments during the six month term of the loan

Intermediary Benefits:

- Retain the client for potential future remortgage
- Receive commission split of 50% of the commission without lifting a finger

Identifying customers:

For intermediaries with clients facing repossession from their lender, this could be the key to protecting their client. Here are some hints and tips:

1 Look out for sub prime mortgage lenders such as Heritable Bank, Advantage Mortgages or Rooftop offering huge discounts on arrears cases to clear their charge. The client could be considered for a bridge even if your original mortgage offer was say, 80% LTV. Discounts have been offered up to 40% in some cases. Speak to local Estate Agents. They know their clients circumstances very well and may have a client trying to sell their stock under value and quickly to avoid repossession.

2 Look at your declines from 2009 – the client may have approached you in the summer with 3 months arrears and you could not help. A quick phone call to the client may identify that the customer's position may have worsened with their lender and following attempts to agree a suitable plan to clear their arrears with the lender has failed.

3 This is a genuine alternative to sale and rent back. The client's may have to dispose of up to 30% of their equity to take a SARB scheme, whereas this is a more "profitable" solution to the client. If you have referred SARB products to a client in the past and it has not been taken up, this may assist.

No one in the market matches our bridging experience – ask the experts!

Call Positive Lending on 0845 260 7511 and discuss your credit repair bridging deals today.

Product Exclusive BM Samuels first charge Bridge at reduced rates

BM Samuels are an established institution spanning 40 years, and are a pleasure to do business with.

Positive Lending has formed a successful relationship with key personnel with this organisation and are delighted to offer the following as an EXCLUSIVE to their intermediary panel Auction purchase for non – owner occupied residential property.

- **Reduced monthly rate of 1.30%**
- **Maximum loan to value at this rate is 55% (90 day valuation)**
- **0.75% arrangement fee – 50% paid to introducer**
- **Broker fee chargeable too**
- **Terms 3 months to 12 months**
- **Maximum loan £350,000**

B.M. SAMUELS
FINANCE GROUP PLC

NEW TO BRIDGING, OR EXPLORING THE LATEST PRODUCTS AVAILABLE FOR YOUR CLIENTS?



RESIDENTIAL

PURCHASING UNDER VALUE	Rates 0.95% per month to 55% LTV. 1.25% up to 65% LTV, 1.45% up to 70% LTV and 1.65% up to 75% LTV. Lender will consider 100% of purchase price and lend off OMV
CREDIT REPAIR BRIDGING – 1ST CHARGE	Max LTV 60%. Rates 1.45% pcm, lender fee 1%. Max Term 9 Months
CREDIT REPAIR BRIDGING – 2ND CHARGE	Max LTV 60%. Rates 1.50% pcm, Lender Fee 1%. Max Term 6 months
LAND ACQUISITION	65% of 90 day OMV, rates 1.25% pcm dependant on case
SELF-BUILD BRIDGING	70% of purchase costs if purchasing land, and 70% of build costs. Rates 3.5% over base – no maximum loan
CONVENTIONAL BRIDGING	Rates from 0.75% per month. 75% LTV or up to 100% LTV with additional security

COMMERCIAL

PURCHASING UNDER VALUE	Rates from 1.5% per month. 65% of OMV with 1% lender fee
FARM LAND BRIDGING	65% of 90 day valuation, rates from 1.5% per month
RENOVATION BRIDGING	60% LTV of 90 day OMV, rates from 4.5% over base – useful for hotels and office units
BTL PURCHASE	Rates 0.95% per month to 50% LTV. 1.25% up to 65% LTV, 1.45% up to 70% LTV and 1.65% up to 75% LTV. Lender will consider 100% of purchase price and lend off OMV
SELF-BUILD COMMERCIAL	70% of purchase costs if purchasing land, and 70% of build costs. Rates 4.5% over base – no maximum loan
BTL RESCUE BRIDGING	65% of OMV, minimum property valuation £150,000, limited companies and individuals considered, monthly rate 1.45% per month, interest rolled up, sale of property exits only
DEVELOPMENT BRIDGING	60% of GDV, rates from 1.5% per month. Payments released in stages

Now that's positive thinking!

Call 0845 260 7511 ask to speak to a Broker Development Manager, or download a brochure at www.positivelending.co.uk



SECURED LENDER GUIDE

Your comprehensive guide to everything 2nd charge

When to consider a 2nd charge over traditional lending products:

- Client keen to avoid remortgaging away from current lender
- Client declined for a further advance
- Client can not prove income or needs self certification
- Client wishes to avoid high ERCs on mortgages
- Client has adverse and can not remortgage
- Non standard property types considered
- Client requires fast funding

Call 0845 260 7511 with your secured loan enquiries today.

	BLACK HORSE	BLEMAIN	FES	NEMO	PRESTIGE	TIUTA
MIN LOAN	£3,000	£5,000	£5,000	£10,000	£5,000	£25,001
MAX LOAN	£40,000	£50,000	£25,000 gross	£100,000	£40,000	£500,000
RATES FROM	14.90%	13.9%	19.80%	9.972%	11.9%	12.9%
TERM	60-120	36-360	60-300	60-300	60-300	36 month only
MAX LTV EMPLOYED	75%	75%	65%	80%	60%	75%
MAX LTV SELF EMPLOYED	75%	75%	65%	N/A	55%	75%
BACK UP SELF EMPLOYED	3 years accounts	Accts letter and 1 proof	Self dec form	N/A	Accts reference	Accts Reference + 6 statements
AGE	18-70	18-85	18-No Limit	21-70	18+ refer over 70	21-55
MIN VAL	£90,000	£75,000	£95,000	£80,000	£75,000	No Minimum
MIN INCOME	£15,000	£12,000	No Minimum	£15,000	£12,000	£25,000
EX COUNCIL HOUSE?	No	65%	65%	70% if out of pre-emption	60%	No
EX COUNCIL FLAT?	No	55%	65%	70% if out of pre-emption	60%	No
ARREARS	No	6 up to 65% LTV	Unlimited	No	4 up to 60% LTV	No
INTEREST ONLY?	No	Yes	No	No	No	Yes
BTL ?	No	65%	65%	No	No	75%
BTL MAX LOAN	N/A	£25,000	£25,000 gross	N/A	N/A	£100,000