

# BRIDGING

BROCHURE

Your guide to choosing a  
Bridging Loan with  
Positive Mortgages

# Welcome to Positive Mortgages

**Positive Mortgages is part of Positive Lending, a multiple award winning professional mortgage brokerage, based in Ringwood, Hampshire.**



We use our extensive knowledge of the market to ensure that you get the very best service from our team of experts. As a broker that not just focuses on the mainstream market we have the experience to assist clients with more complex borrowing requirements.

We are a whole of market mortgage broker with access to thousands of mortgage products and creative specialist lending solutions too.

So if you are buying your first home, looking to refinance or capital raise, buy an investment property for you or for your business, or maybe build your own home - or a suite of 60 homes if you are a professional developer, we have the experts to assist.

Since our inception in 2008 we have helped thousands of borrowers arrange more than £1.5bn in mortgage finance.

So you are in very safe hands.





# How Does Your Bridging Loan Work?

A bridging loan is a type of short-term financing that is most commonly used to bridge the gap between the purchase of a new property and the sale of an existing one, however it can also be used for a variety of capital raising uses such as refurbishment or development, repaying an inheritance tax bill, extending a lease, changing the property's use or agricultural bridging to name just a few. Bridging loans are a short-term lending option, designed to provide funds quickly when time is of the essence.



## Here's how bridging loans typically work:

**Application:** You provide information about why you require the borrowing and the property you are using to secure the funds on. If you are using this to fix a broken chain for a property you are purchasing we will require details about the property you are purchasing and the property you are selling, as well as your financial situation. We use this information to put forward your application for a bridging loan.

**Approval:** If your application is approved, the lender would typically offer you a loan decision in principle. You may require a mortgage valuation on your property(ies) but that is not always the case as some lenders may approve you with no need to survey the property at all. Our advisor will inform you if a survey is required.

**Legal work:** Legal work is completed prior to you receiving the funds. This may be 2 separate solicitors or just 1. We will explain how joint legal representation may be more cost effective and faster for you.

**Repayment:** Bridging loans are typically repaid in full when your existing property is sold, or when long-term financing is arranged. Some lenders may require interest payments during the loan term, while others may allow you to defer these payments until the loan is repaid.

**It's important to note that bridging loans are often more expensive than traditional mortgages, with higher interest rates and fees, due to their short-term nature and higher risk. Therefore, it's important to carefully consider whether a bridging loan is the right option for your situation and to seek professional advice before taking out this type of financing.**



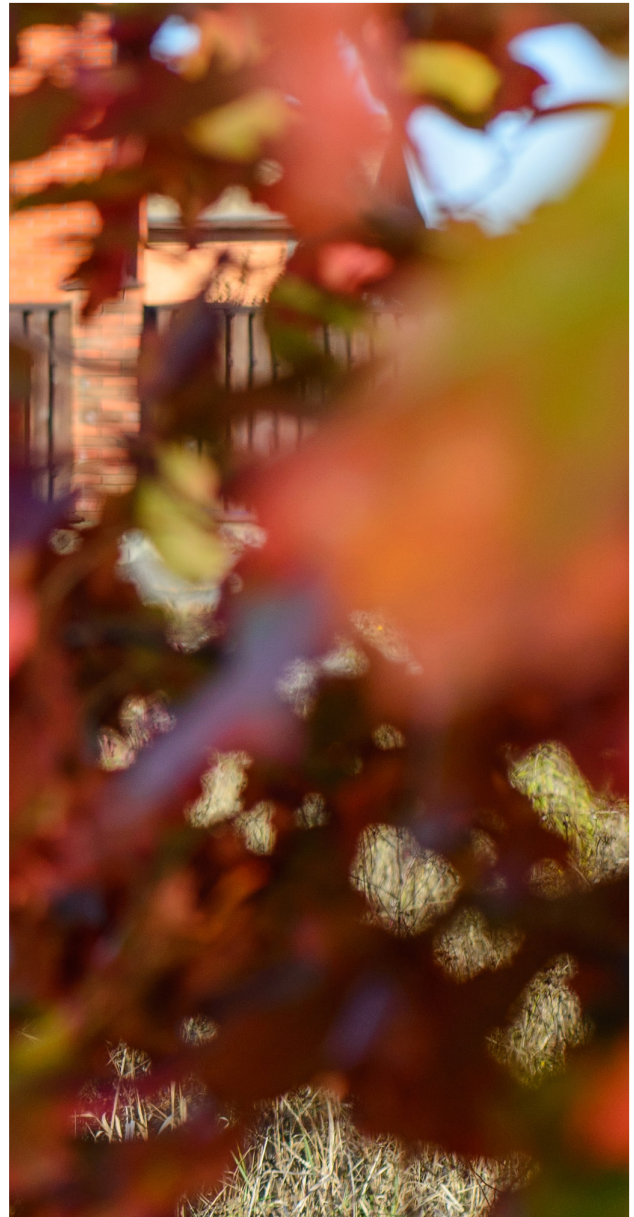
# What happens next?

**After you speak with one of our team:**



**1** After discussing your requirements with you, we will speak to various lenders on your behalf and make an appropriate recommendation to you. We aim to ensure you have written terms from a lender within 24 hours.

**2** If you wish to proceed we will ensure the survey, if required is booked. We may need some documentation from you whilst this is taking place but the advisor will tell you more about that at the time.



**3** A survey/s is completed. We will contact you when we have seen the report or had confirmation from the lender that they have reviewed the report.

**4** If the survey is ok and all outstanding items are received for the lender an offer will be provided to you. At this stage you may be using the services of a solicitor to complete the enquiries about the property from the lenders solicitor,

but not always. If so, your solicitor would usually receive a copy of the mortgage offer too.

**5** You will need to sign the legal documentation with a solicitor.

**6** If all enquiries are satisfied the funds are released to you.

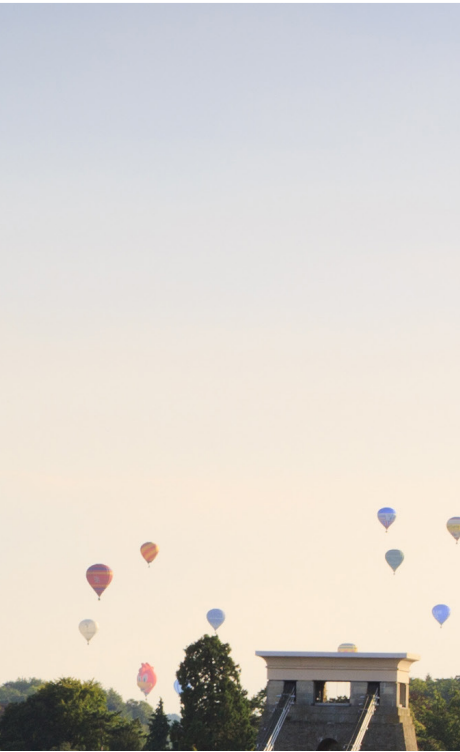


**We regularly arrange  
finance for customers  
experiencing a variety of  
scenarios including:**

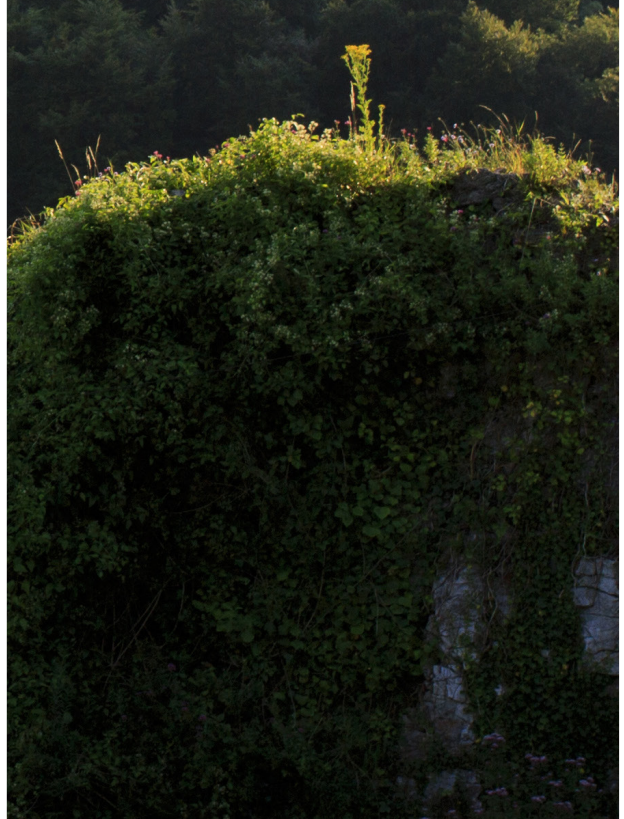
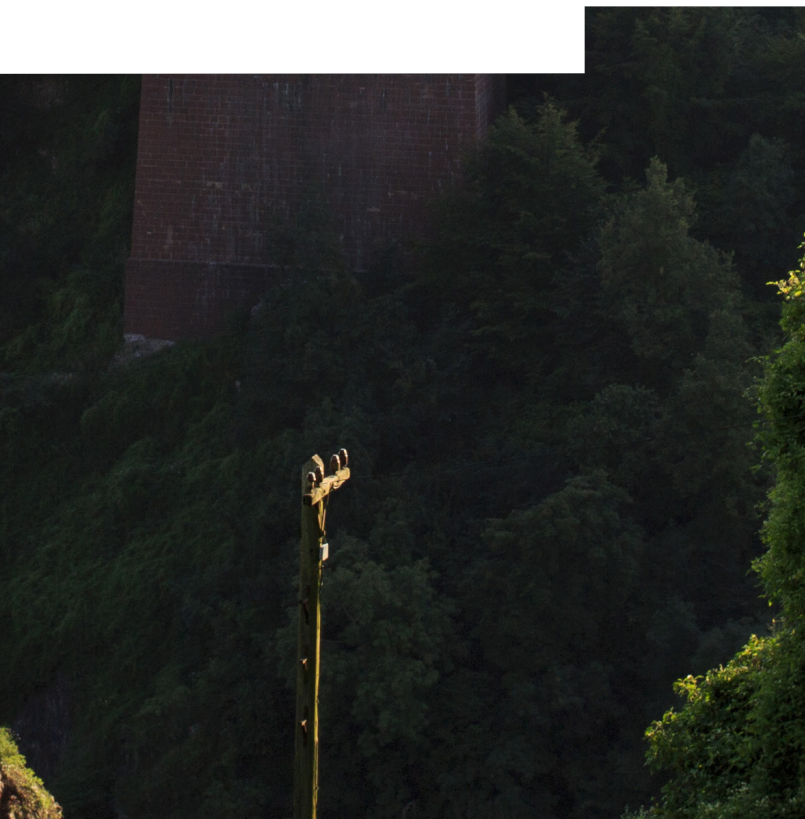
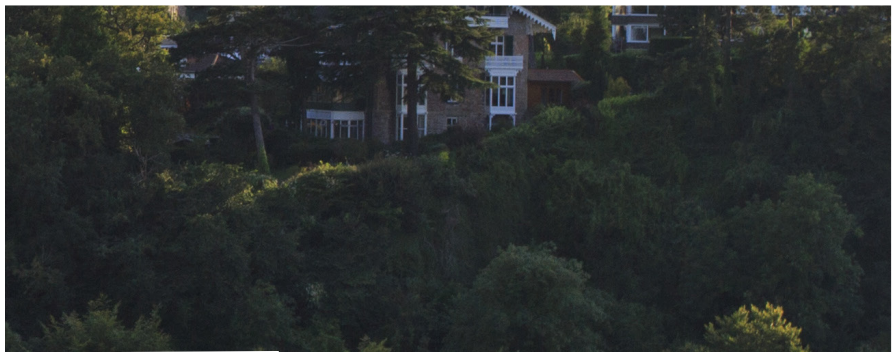
- ✓ Chain breaks
- ✓ Auction purchases
- ✓ Investment purchases
- ✓ Problem with arranging traditional mortgage finance
- ✓ Commercial lending
- ✓ Convert a commercial building into residential
- ✓ Self-build finance
- ✓ Refurbishment / development
- ✓ Funding without monthly interest payments to repay







arrange bridging  
customers who are  
a wide variety of  
including:



# Bridging Loan Highlights

- ✓ Loans can be arranged from £30,000 to £50million or more
- ✓ Lending can be arranged up to 100% of the purchase price/value of your home (with additional security)
- ✓ Loans can be serviced as a monthly instalment or retained for non regulated mortgages (such as a Buy To Let). Meaning that you pay the interest when you redeem your mortgage
- ✓ Loans on your own home or that are regulated will have no monthly instalments until you repay the debt in full\*\*
- ✓ Some loans can be arranged with no survey or legal fees
- ✓ Bridging loans can be flexible, with a minimum term of one month and a daily or monthly rate of interest thereafter with no redemption penalties to repay.
- ✓ Loans can be arranged to refurbish your property prior to arranging a traditional mortgage
- ✓



*\* For investment properties only. Please note for regulated mortgages the maximum term is 12 months*

*\*\* Please note that loans that have retained interest may have compounded interest until the loan is repaid in full*

# Did you know...

We are a multi-award winning packager, regularly recognised for providing first class service to intermediaries and borrowers.

Our team have over 400 years' combined experience, working for financial services and blue chip companies.

We also offer:

- ✓ Second charge mortgages (Residential and BTL)
- ✓ Commercial lending
- ✓ Development Finance
- ✓ Specialist Residential and BTL mortgages
- ✓ Equity release

**"When we receive an application from Positive, it is relevant, well prepared, and contains all of the information we need to make an informed and immediate decision which doesn't have to be changed. This positive quality helps us be efficient, which means they receive our best possible rates and products."**

**Joshua Elash**  
*Director*  
*MT Finance*



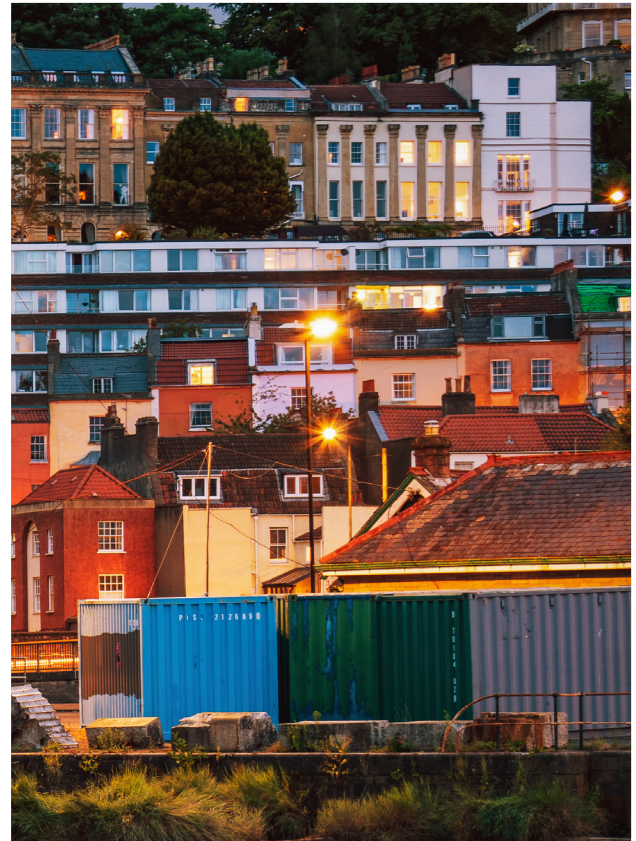


# Top Tips



**1** Ensure you have enough information about the property when speaking to our advisor. If you are buying a property at auction you may not have the full address or information about the property but it is important as the surveyor will need to know more about the property prior to inspection.

**2** Are you refinancing the property to repay the loan? Have you received an approval from another lender further down the line? If so please have a copy with you, or ask your mortgage broker for a copy if they have arranged this for you.



**3** If you are buying a property and you need fast funds inform your solicitor now that you are taking bridging finance, and to obtain local searches. You will want them for your piece of mind but they are also important for the lender. In some instances searches can take up to 14 days so it is better that your solicitor is prepared now rather than when he receives an offer. Please note in some instances searches can be indemnified but check with your advisor first to see if this applies.

**4** Consider joint legal advice. Some of our lenders on panel offer this service. If you do not have a solicitor instructed but require the assistance of a qualified solicitor this may help you. The solicitors are experienced at bridging loans and will provide legal advice for you whilst working with the lender also. This means that they fully understand what the lender requires which can be easier for you, plus it usually ends up being cheaper than paying fees for 2 solicitors.

**5** Schedule of works. If you are borrowing for refurbishment to a property it is prudent to ensure you have a documented breakdown of the works and the cost to you. For example do you know how much of the project is for a kitchen, and how much for a bathroom, landscaping the garden or repairing structural movement? We will need to provide this to the lender on your behalf and quotes are sometimes required too.

**6** Selling your property? If you are looking to repaying this loan by selling the property please ensure that it is marketed now (unless of course you are using the funds to refurbish the property first). Lenders are keen to see that you are actively selling your property. If the property is already on the market we will need to know the agents you are using, the selling price and how long you have marketed the property for.



# Understanding Terminology

Here are some common jargon terms related to bridging loans and their meanings



**Application:** The borrower applies for a mortgage by submitting an application to a lender. The application typically includes information about the borrower's financial situation,

**Loan-to-value (LTV):** This is a ratio that lenders use to determine the maximum amount of money they are willing to lend you. It is calculated by dividing the loan amount by the value of the property. For example, if you want to borrow £200,000 for a property worth £300,000, the LTV would be 66.67%.

**Exit strategy:** This refers to the plan you have in place to repay the bridging loan. It could be selling your existing property, arranging long-term financing, or any other method of repaying the loan.





**Completion date:** This is the date by which the sale or purchase of the property needs to be completed.

**Interest rate:** This is the percentage of the loan amount that you will be charged as interest. Bridging loans typically have higher interest rates than traditional mortgages, due to the short-term nature of the loan.

**Arrangement fee:** This is a fee charged by the lender to set up the bridging loan. It is typically a percentage of the loan amount.  
**Valuation fee:** This is a fee charged by the lender to have the property valued. It is typically a fixed amount.

**Legal fees:** These are the fees charged by solicitors or conveyancers for their services in arranging the bridging loan and property transactions.

**Remember - It's important to ensure that you fully understand the terms and conditions of any financial obligations you may take on, so please don't hesitate to ask if you have any questions.**

# Further info



[Positive-mortgages.co.uk](https://www.positive-mortgages.co.uk)

You will have a dedicated advisor and support staff to assist you with your Bridging application.

You can always call us directly on **01202 850 830** (Option 3) or email us on [Sales@positive-mortgages.co.uk](mailto:Sales@positive-mortgages.co.uk) and one of our team of experts will be happy to help you.





## BRIDGING BROCHURE

**THINK CAREFULLY BEFORE SECURING ANY DEBTS AGAINST YOUR HOME OR PROPERTY. YOUR HOME OR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.**

Positive Mortgages is a trading style of Positive Lending (UK) Limited, authorised and Regulated by the Financial Conduct Authority FRN 6076822

Registered Office: Positive House, GP Centre, Yeoman Road, Ringwood, Hampshire BH24 3FF.  
Registered in England and Wales No. 6700848

01202 850 830 | [www.positive-mortgages.co.uk](http://www.positive-mortgages.co.uk) | [sales@positive-mortgages.co.uk](mailto:sales@positive-mortgages.co.uk)

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**Date of issue: 12/12/23**