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 **SELINA**

Business Credit Facility

Criteria Guide

For Broker Use Only

Business Credit Facility

Criteria Overview

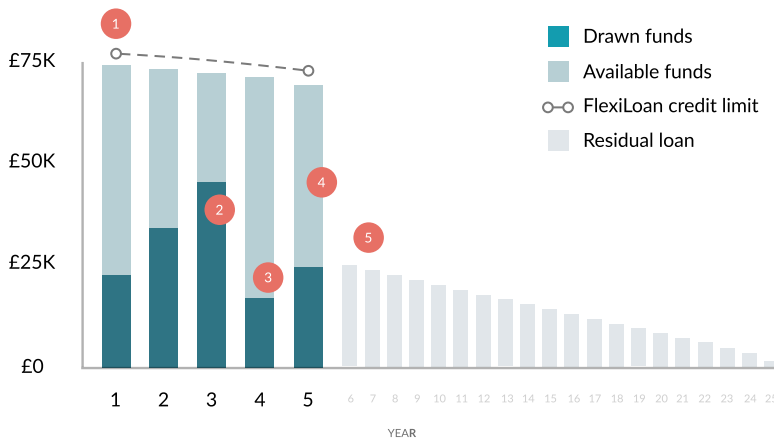
Key Features

FlexiLoan for first 5 years

Draw funds as required within the credit limit. Repay funds as required at any time

Standard term loan for remaining term

After year 5, the balance converts into a standard term loan (the “residual loan”) and is paid off on a full repayment basis until end of term



1

After approval for a Selina Loan, your client draws funds into their account

2

They draw additional funds as and when needed, up to their available credit limit

3

They repay funds to their credit line with no early repayment charges (ERCs)

4

Your client only pays for drawn funds - monthly interest payments are calculated on the outstanding balance

5

After 5 years, the outstanding balance converts into a standard loan over the remaining term (the “residual loan”)

Product Terms

Facility amount (min - max)	£25,000 - £1,000,000
Maximum loan to value (LTV)	75%
Repayment	Capital and interest
Minimum drawdown, including initial	£25,000
Facility term (min - max)	5 - 30 years
Rate type	5 year fixed rate; variable rate
Interest rates	Starting from 4.95%
Loan purpose	Business purposes
Charge	<ul style="list-style-type: none"> 1st, 2nd, or 3rd charge 1st charge only on BTL, or with limited company beneficiary
Conveyancing fees	Selina will pay for conveyancing on the first 3 properties. Each additional property will be at the applicant's expense (£400)

Applicant Criteria	
Beneficiary type	<ul style="list-style-type: none"> • Business (limited company, LLP, partnership, or property SPV) • Individual for business purposes (sole-trader, employed)
Age (min beginning - max end of term)	18 - 75 years old
Maximum number of applicants	2
Residency	Minimum of 3 years in the UK and have permanent right to reside
Personal guarantee	<p>Individuals Not required</p> <p>Businesses We will need personal guarantees from as many directors and shareholders as necessary to represent more than 50% of the company shareholding</p>
Minimum time trading	24 months (applies to Business beneficiaries only)

Credit Profile	
CCJs	Allowed, if cumulative value in the past 36 months <£500
Defaults	<p>Credit defaults:</p> <ul style="list-style-type: none"> • None in the past 24 months <p>Non-credit defaults:</p> <ul style="list-style-type: none"> • None >£300 within the past 12 months • No more than 2 in the past 24 months <p>No more than £5,000 in credit and non-credit defaults in the past 60 months. Defaults exclude mail order and communications</p>
Arrears (credit and non-credit)	<ul style="list-style-type: none"> • None within the past 12 months • No more than 2 in the past 24 months
Bankruptcy & IVA	<ul style="list-style-type: none"> • None within the past 36 months • Any registered more than 36 months ago must be cleared
DMP	Allowed if the DMP has been in place for at least 12 months, and there are no missed payments

Document Requirements		
	Individual Beneficiary	Business Beneficiary
ID	Passport, driving licence, or national ID	Passport, driving licence, or national ID
Personal bank statements	Past 3 months for all active current accounts	Past 3 months for all active current accounts
Financial accounts (accountant certified)	N/A	Last 2 years' full financial accounts (showing P&L and balance sheet)
Management accounts	N/A	Covering period from last filed accounts to present date, with monthly breakdowns
VAT returns	N/A	Last 5 quarters
Accountant's certificate (not older than 30 days)	Yes, for self-employed. Can be substituted with up-to-date Financial and Management Accounts	N/A
Proof of rental income	Latest ASTs or annotated 6 months' bank statements	N/A
Payslips	Last 3 months' (if applicable)	N/A

Income Requirements		
Minimum time trading	N/A	24 months
Historical profitability	N/A	Positive EBITDA for 2 years
Secondary income	Accepted, subject to the same criteria as primary income	No. Self-declared secondary income can be accepted as being used to cover living expenses and personal commitments (see below)

Income Assessment

Individual beneficiary

Selina uses two affordability metrics:

1. DTI: (debt commitments ÷ gross income) < 45%
2. Net affordability: after-tax personal income - personal credit commitments - ONS based living expenditures

Business beneficiary

Selina uses two affordability metrics:

1. DTI: (debt commitments ÷ net business income) < 50%
2. Net affordability: after-tax business income - credit commitments

Further, Selina assesses the financial situation of the applying directors based on the data provided, and ensures that the proceeds from the business or other household sources of income remain sufficient to cover the applying directors' individual credit commitments and living expenditures

Property Criteria	
Property ownership type	Residential and buy-to-lets
Minimum period of ownership	6 months
Tenure	<ul style="list-style-type: none"> Freehold (not acceptable for flats and maisonettes); Leasehold (not acceptable for houses) with minimum remaining lease of 85 years at the beginning of the loan term Absolute ownership (for Scottish properties)
Minimum property value	Flats with 5+ floors, studio flats, and flats over commercial properties: £150,000 All other properties: £100,000
Minimum property size	Internal floor space > 35 sqm
Property location	England, Wales, and Mainland Scotland
New build properties	Properties constructed within the last 10 years must be older than 2 years and will require a building warranty
Flat over commercial premises	Subject to a minimum property value of £150,000, a max LTV of 60%, and commercial use type
Unacceptable properties	<p>Construction</p> <ul style="list-style-type: none"> Grade I, II* or A listed buildings; multi-unit block properties; fully commercial properties; properties with ongoing structural movement; concrete – except Wimpey No-Fines and Laing Easi-Form buildings, which are accepted; steel framed construction, unless the property is modern build with a traditional brick outer leaf; properties with a high asbestos content; properties designated as defective under the Housing Act 1984, or constructed of PRC; caravans, static caravans, or houseboats; park and mobile homes; self-build properties; properties requiring/subject to major renovation; properties affected by Japanese Knotweed (RICS category 1, 2, 3, or 4); properties in the Channel Islands or Isle of Man; ex-council flats in a block with more than 4 storeys (Greater London properties can be looked at on a case-by-case basis); properties deemed defective under the Housing Defects Act 1984 and Housing Act 1985; blocks of flats over 6 floors that contain external cladding; flats on 4th floor or above of a block of flats which is not serviced by a lift; properties with >25% as flying freehold; timber-framed properties <p>Legal Position</p> <ul style="list-style-type: none"> HMOs; properties with agricultural restrictions; freehold flats and maisonettes (share of freehold is acceptable provided the flat has its own leasehold title); shared ownership or similar restrictions; properties owned in trust; commonhold properties; properties liable to be subject to clearance or compulsory purchase order; leasehold houses; properties with possessory title; properties with any section 20 notice of more than £5,000
Valuation methodology	Selina accepts Hometrack AVMs (subject to confidence levels). If unavailable, Selina's AVM will be used. RICS valuations (up to 3 months old) are accepted on a case by case basis where the above valuations are not adequate

Selina Finance Limited is a company registered in England and Wales (11497606). Selina Finance Limited is authorised and regulated by the Financial Conduct Authority (FRN 820183). Our registered address is 14 Hanway Place, London, W1T 1HD

