

InterBay Commercial product guide

The specialist lender that's determined to deliver.

For support with commercial, semi-commercial, buy to let and holiday let mortgages, the experts at InterBay Commercial can help where other lenders may not.

However challenging a case may seem, we work with brokers and help them find the best solution possible.

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All rates and product criteria are correct at the time of being published



CompleteFS

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Commercial mortgages

When it comes to commercial lending, we understand the demands and challenges your clients may face. There is no case too big or too complex for us, and we're determined to work with your client to offer them a tailored service and see their case through to the end.

With two, three and five year terms and rates from 5.64%, our new range of products could help solve your clients' complex commercial cases.

Key features



Up to **65% LTV**
available



Rates from
5.64%



Interest-only
option available



Min loan
size **£150k**



No maximum
property value



0.25% reduction in fees
for existing borrowers

Key commercial criteria

- Up to 65% LTV based on lower of vacant possession value, investment value or purchase price
- Available in England and Wales
- 2-30 years term available

Interest-only option available

- Normal rates apply if interest-only period is 10 years or less
- If interest-only period exceeds 10 years, 0.5% rate increase applies

Acceptable credit profile

CCJs	Nil (3 year history)*
Defaults	Nil (3 year history)*
Missed mortgage payments	None in the last 12 months
Missed secured loan payments	None in the last 12 months
Unsecured arrears	N/A

*The restrictions may not apply in the following circumstances:

- Where all CCJs/defaults were registered more than three years ago and satisfied prior to mortgage application;
- Where all CCJs/defaults were satisfied more than 12 months prior to application regardless of date of registration;
- Where the CCJs/defaults in aggregate amount to less than £300, regardless of date of registration, and satisfied prior to mortgage application.

ICR (and calculation)

ICR to primarily be based on the residential rental income only.

The commercial rental income can be considered subject to validating that:

- the last 12 months rental payments have been paid, and
- there is at least 12 months unexpired term on the current lease

ICR will depend on the loan type:

- ICR will apply for 2 and 3 year rates based on 5%, or the initial pay rate - whichever is higher at 125%
- ICR will apply for 5 year rates at the initial pay rate at 125%
- Owner occupier – ICR based on market rent confirmed by valuer is 110% (market rent), borrower 125% (net profit/EBITDA)

Eligible applicants

- Individuals, limited companies, LLPs, partnerships and trusts and pension schemes (incl. SIPP)
- Minimum two years' relevant sector experience

Acceptable property types

Use	Sub category	Key requirements
Retail	Tertiary/suburban	Strong track record of rental (trading) performance over past 12 months Good likelihood of sustainability of rental (trading) income Expected security of rental (trading) income Valuer to confirm marketability within 12 months (lease or sale) Minimum 12 months unexpired on lease Stand-alone or units in a parade/precinct
	Local convenience store	
	Supermarket/branded convenience store	
Office	Period	Strong track record of rental (trading) performance over past 12 months Good likelihood of sustainability of rental (trading) income Expected security of rental (trading) income Valuer to confirm marketability within 12 months (lease or sale) Located within a conforming business park or business district Single or multi-let up to 4 tenants Minimum 12 months unexpired on lease or, where multi-let, minimum 12 months lease to enough tenants to clear ICR threshold
	Regional business park	
	City and town centre	
Industrial	Light/general industrial	Strong track record of rental (trading) performance over past 12 months Good likelihood of sustainability of rental (trading) income Expected security of rental (trading) income Valuer to confirm marketability within 12 months (lease or sale) Located in a conforming business park or industrial estate No specialist plant or fit out
	Storage/distribution	
Food and drink	Takeaway	Strong track record of rental (trading) performance over past 12 months Good likelihood of sustainability of rental (trading) income Expected security of rental (trading) income Valuer to confirm marketability within 12 months (lease or sale) Stand-alone or units in a parade/precinct

Use	Sub category	Key requirements
Medical	Doctors surgery	<p>Strong track record of rental (trading) performance over past 12 months</p> <p>Good likelihood of sustainability of rental (trading) income</p> <p>Expected security of rental (trading) income</p>
	Dentist surgery	<p>Valuer to confirm marketability within 12 months (lease or sale)</p> <p>Units of residential origin and with alternative use potential - not large, purpose built medical centres</p>
	Pharmacy	<p>Strong track record of rental (trading) performance over past 12 months</p> <p>Good likelihood of sustainability of rental (trading) income</p> <p>Expected security of rental (trading) income</p> <p>Valuer to confirm marketability within 12 months (lease or sale)</p> <p>Stand-alone or units in a suburban parade/precinct</p>

Commercial products

Product	LTV	Rate	Reversion rate	Fee	ERC
2-year fixed	55%	5.64%	BBR + 4.89%	1.5% (1.25% for existing customers)	4%, 3%, 1% for life
	65%	6.04%	BBR + 5.29%		
3-year fixed	55%	5.64%	BBR + 4.89%	1.5% (1.25% for existing customers)	4%, 3%, 3%, 1% for life
	65%	6.04%	BBR + 5.29%		
5-year fixed	55%	5.64%	BBR + 4.89%	1.5% (1.25% for existing customers)	4%, 3%, 3%, 3%, 3%, 1% for life
	65%	6.04%	BBR + 5.29%		

BBR is subject to a floor of 0.75% (if BBR exceeds 3% the floor resets to 3%)

Physical valuations

For commercial cases, full physical inspections for valuations will continue, and shall be conducted via our in-house panel managers.

Fees

A £145 administration fee is payable upon submission of the application and is non-refundable. A 1.5% arrangement fee, payable on completion, can be added to the loan and is non-refundable.

The valuation fee should be paid upon submission of the application.

Products now revert to Bank of England Base Rate (BBR) trackers

- On expiry of the fixed rate (the Starting Rate*), the Term Loan will revert to a rate of interest which will be variable at a Margin above the Bank of England Base Rate.
- The variable rate of interest will move up and down in line with the Bank of England Base Rate, however if the Bank of England Base Rate falls below 0.75% the interest rate you're charged won't change, this is referred to as the minimum floor.
- If the Bank of England Base Rate reaches 3%, the minimum floor rate becomes 3%.
- In all cases the Starting Rate at completion is the lowest rate payable regardless of future changes to the Bank of England Base Rate.
- Changes to the Bank of England Base Rate, subject to the minimum floors, will take effect from the 1st of the month immediately following the announcement of the change in the Bank of England Base Rate. Your new rate will be calculated by taking the Margin applicable to the Term Loan plus the Bank of England Base Rate.

* The Starting Rate is the Margin plus the higher of either the Bank of England Base Rate at the date of commencement of the Term Loan or 0.75% and will be defined in the AIP and Facility Letter.

Valuation fee scale

The valuation fee is payable by the applicant prior to valuation instruction. The prices listed below are a guideline and may be subject to change. Fees are non-refundable once the valuer has visited the property but an abortive fee may be payable. Valuations are conducted for the lending purposes only and will not be provided to the client.

Where a property does not fit within the criteria listed below, a bespoke fee quote will be required. This will also be the case for unusual or complex properties, and specialist properties valued on a trading-related basis. Where a bespoke fee quote is needed, please contact the sales team to confirm the cost.

Max value/purchase price	Scale 1	Scale 2	Scale 3
£150,000	£850	£1,000	£1,150
£200,000	£850	£1,000	£1,150
£250,000	£925	£1,075	£1,225
£300,000	£1,000	£1,150	£1,300
£350,000	£1,125	£1,275	£1,425
£400,000	£1,125	£1,275	£1,425
£450,000	£1,250	£1,400	£1,550
£500,000	£1,250	£1,400	£1,550
£600,000	£1,350	£1,500	£1,650
£700,000	£1,500	£1,650	£1,800
£800,000	£1,600	£1,750	£1,900
£900,000	£1,700	£1,850	£2,000
£1,000,000	£1,800	£1,950	£2,100
£1,250,000	£2,100	£2,300	£2,500
£1,500,000	£2,350	£2,550	£2,750
£1,750,000	£2,500	£2,750	£2,950
£2,000,000	£2,700	£2,900	£3,100

Property values over £2,000,000: Quotes available on request.

Scale 1

- Single commercial lettable unit
- Semi-commercial with up to 2 residential flats or one HMO up to 6 lettable rooms

Scale 2

- Any combination of up to 3 lettable units in a block (unless covered by scale 1)
- To include no more than one HMO up to 6 lettable rooms

Scale 3

- Any combination of up to 5 units in a block
- To include no more than one HMO up to 6 lettable rooms

Legal fee scale

Loan size	InterBay Commercial legal costs	Combined legal costs (InterBay Commercial and client)	
	Purchase or remortgage	Purchase	Remortgage
Up to £100,000	£950	£2,500	£1,700
£100,001 - £300,001	£1,250	£3,000	£2,125
£300,001 - £500,000	£1,450	£2,500	£2,650
£500,001 - £750,001	£1,650	£4,125	£2,650
£750,001 - £1,000,000	£1,950	£4,650	£3,000
Over £1,000,000	£2,250 or 0.1% (whichever is greater)	POA	POA

Minimum £850 for limited company or partnership loans. ** Minimum £1,750 for limited company or partnership loans. Charges will apply for each additional title on the same loan – please see below.

Property value	Fees per additional title (excluding VAT and disbursements)
Up to £500,000	£350
£500,001 - £1,000,000	£650
£1,000,001 and over	£950

Please note the following assumptions:

1. VAT and Disbursements are payable in addition to the fee estimate
2. The fees quoted above are an estimate based on the following:
 - a) Title is not unduly onerous
 - b) Security comprises one property
 - c) Occupational leases are on commercially acceptable terms or properly granted AST's and no superior landlord consents need to be obtained
 - d) The loan proceeds to completion within a reasonable timescale and does not become unduly complicated
 - e) The transaction comprises an arm's length purchase at full market value with the consideration being paid in cash upon completion (on a purchase)
 - f) The planning status of the property is readily apparent with no outstanding elements and no development is ongoing or intended is not a new build/has not been subject to substantial works within the last five years

These costs do not include any disbursements incurred in the course of the transaction. These will be in addition to the fees set out above. These costs are predicted on using No Search Insurance for re-finance transactions. The cost of the insurance will be charged in addition. Loans comprising multiple properties will be individually quoted. The fee quotes provided are on the basis that the matter is straightforward with no unforeseen complications. All legal fees will be deducted from the draw-down of the loan advance.



Semi-commercial mortgages

When it comes to semi-commercial lending, we understand the demands and challenges your clients may face. There is no case too big or too complex for us, and we're determined to work with your client to offer them a tailored service and see their case through to the end.

InterBay Commercial is ready to support your semi-commercial clients with two, three and five year terms and rates from 4.79%.

Key features



Up to **70% LTV** available



Min loan size **£150k**



Interest-only and/or owner occupier now considered



0.25% reduction in fees for existing borrowers



No maximum property value



Residential and **commercial** income can be considered

Key semi-commercial criteria

- Up to 70% LTV based on lower of vacant possession value, investment value or purchase price
- Available in England and Wales
- 2-30 years term available

Interest-only option available

- Normal rates apply if interest-only period is 10 years or less
- If interest-only period exceeds 10 years, 0.5% rate increase applies

Eligible applicants

- Individuals, limited companies, LLPs, partnerships and trusts
- Minimum two years' relevant sector experience

Commercial element

- Must be tenanted or owner occupied
- The surveyor to confirm a sales and lettings marketability period of 12 months or less
- Property to be fit for immediate occupation
- Where the property is tenanted, solicitors must confirm that the lease is drawn on commercially acceptable terms.

Acceptable credit profile

CCJs	Nil (3 year history)*
Defaults	Nil (3 year history)*
Missed mortgage payments	None in the last 12 months
Missed secured loan payments	None in the last 12 months
Unsecured arrears	N/A

Bankruptcy	Nil (6 year history)
IVA	Nil (6 year history)
Repossession	Nil (6 year history)
Debt Management Programme	Nil (6 year history)

*The restrictions may not apply in the following circumstances:

- Where all CCJs/defaults were registered more than three years ago and satisfied prior to mortgage application;
- Where all CCJs/defaults were satisfied more than 12 months prior to application regardless of date of registration;
- Where the CCJs/defaults in aggregate amount to less than £300, regardless of date of registration, and satisfied prior to mortgage application.

ICR (and calculation)

ICR to primarily be based on the residential rental income only.

The commercial rental income can be considered subject to validating that:

- the last 12 months rental payments have been paid, and
- there is at least 12 months unexpired term on the current lease

ICR will depend on the loan type:

- ICR will apply for 2 and 3 year rates based on 5%, or the initial pay rate - whichever is higher at 125%
- ICR will apply for 5 year rates at the initial pay rate at 125%
- Owner occupier – ICR based on market rent confirmed by valuer is 110% (market rent), borrower 125% (net profit/EBITDA)

Acceptable property types

Use	Sub category	Key requirements
Retail	Tertiary/suburban	Strong track record of rental (trading) performance over past 12 months Good likelihood of sustainability of rental (trading) income
	Local convenience store	Expected security of rental (trading) income Valuer to confirm marketability within 12 months (lease or sale)
	Supermarket/branded convenience store	Minimum 12 months unexpired on lease Stand-alone or units in a parade/precinct
Office	Period	Strong track record of rental (trading) performance over past 12 months Good likelihood of sustainability of rental (trading) income
	Regional business park	Expected security of rental (trading) income Valuer to confirm marketability within 12 months (lease or sale)
	City and town centre	Located within a conforming business park or business district Single or multi-let up to four tenants Minimum 12 months unexpired on lease or, where multi-let, minimum 12 months lease to enough tenants to clear ICR threshold
Industrial	Light/general industrial	Strong track record of rental (trading) performance over past 12 months Good likelihood of sustainability of rental (trading) income
	Storage/distribution	Expected security of rental (trading) income Valuer to confirm marketability within 12 months (lease or sale) Located in a conforming business park or industrial estate No specialist plant or fit out
Food and drink	Takeaway	Strong track record of rental (trading) performance over past 12 months Good likelihood of sustainability of rental (trading) income
	Restaurant/café	Expected security of rental (trading) income Valuer to confirm marketability within 12 months (lease or sale) Stand-alone or units in a parade/precinct
	Restaurant/café	Potential isolated exceptions for long-term, tenant covenant-based investments

Use	Sub category	Key requirements
Medical	Doctors surgery	<p>Strong track record of rental (trading) performance over past 12 months</p> <p>Good likelihood of sustainability of rental (trading) income</p> <p>Expected security of rental (trading) income</p>
	Dentist surgery	<p>Valuer to confirm marketability within 12 months (lease or sale)</p> <p>Units of residential origin and with alternative use potential - not large, purpose built medical centres</p>
	Pharmacy	<p>Strong track record of rental (trading) performance over past 12 months</p> <p>Good likelihood of sustainability of rental (trading) income</p> <p>Expected security of rental (trading) income</p> <p>Valuer to confirm marketability within 12 months (lease or sale)</p> <p>Stand-alone or units in a suburban parade/precinct</p>

Semi-commercial products

Product	LTV	Rate	Reversion rate	Fee	ERC
2-year fixed	60%	4.79%	BBR + 4.04%	1.5% (1.25% for existing customers)	4%, 3%, 1% for life
	65%	4.79%	BBR + 4.04%		
	70%	5.29%	BBR + 4.54%		
3-year fixed	60%	4.89%	BBR + 4.14%	1.5% (1.25% for existing customers)	4%, 3%, 3%, 1% for life
	65%	5.29%	BBR + 4.54%		
	70%	5.39%	BBR + 4.64%		
5-year fixed	60%	4.89%	BBR + 4.14%	1.5% (1.25% for existing customers)	4%, 3%, 3%, 3%, 3%, 1% for life
	65%	5.29%	BBR + 4.54%		
	70%	5.39%	BBR + 4.64%		

BBR is subject to a floor of 0.75% (if BBR exceeds 3% the floor resets to 3%)

Physical valuations

For semi-commercial cases, full physical inspections for valuations will continue, and shall be conducted via our in-house panel managers.

Fees

A £145 administration fee is payable on submission of the application and is non-refundable. A 1.5% arrangement fee, payable on completion, can be added to the loan and is non-refundable.

The valuation fee should be paid on submission of the application.

Products now revert to Bank of England Base Rate (BBR) trackers

- On expiry of the fixed rate (the Starting Rate*), the Term Loan will revert to a rate of interest which will be variable at a Margin above the Bank of England Base Rate.
- The variable rate of interest will move up and down in line with the Bank of England Base Rate, however if the Bank of England Base Rate falls below 0.75% the interest rate you're charged won't change, this is referred to as the minimum floor.
- If the Bank of England Base Rate reaches 3%, the minimum floor rate becomes 3%.
- In all cases the Starting Rate at completion is the lowest rate payable regardless of future changes to the Bank of England Base Rate.
- Changes to the Bank of England Base Rate, subject to the minimum floors, will take effect from the 1st of the month immediately following the announcement of the change in the Bank of England Base Rate. Your new rate will be calculated by taking the Margin applicable to the Term Loan plus the Bank of England Base Rate.

* The Starting Rate is the Margin plus the higher of either the Bank of England Base Rate at the date of commencement of the Term Loan or 0.75% and will be defined in the AIP and Facility Letter.

Valuation fee scale

The valuation fee is payable by the applicant prior to valuation instruction. The prices listed below are a guideline and may be subject to change. Fees are non-refundable once the valuer has visited the property but an abortive fee may be payable. Valuations are conducted for the lending purposes only and will not be provided to the client.

Where a property does not fit within the criteria listed below, a bespoke fee quote will be required. This will also be the case for unusual or complex properties, and specialist properties valued on a trading-related basis. Where a bespoke fee quote is needed, please contact the sales team to confirm the cost.

Max value/purchase price	Scale 1	Scale 2	Scale 3
£150,000	£850	£1,000	£1,150
£200,000	£850	£1,000	£1,150
£250,000	£925	£1,075	£1,225
£300,000	£1,000	£1,150	£1,300
£350,000	£1,125	£1,275	£1,425
£400,000	£1,125	£1,275	£1,425
£450,000	£1,250	£1,400	£1,550
£500,000	£1,250	£1,400	£1,550
£600,000	£1,350	£1,500	£1,650
£700,000	£1,500	£1,650	£1,800
£800,000	£1,600	£1,750	£1,900
£900,000	£1,700	£1,850	£2,000
£1,000,000	£1,800	£1,950	£2,100
£1,250,000	£2,100	£2,300	£2,500
£1,500,000	£2,350	£2,550	£2,750
£1,750,000	£2,500	£2,750	£2,950
£2,000,000	£2,700	£2,900	£3,100

Property values over £2,000,000: Quotes available on request.

Scale 1

- Single commercial lettable unit
- Semi-commercial with up to 2 residential flats or one HMO up to 6 lettable rooms

Scale 2

- Any combination of up to 3 lettable units in a block (unless covered by scale 1)
- To include no more than one HMO up to 6 lettable rooms

Scale 3

- Any combination of up to 5 units in a block
- To include no more than one HMO up to 6 lettable rooms

Legal fee scale

Loan size	InterBay Commercial legal costs	Combined legal costs (InterBay Commercial and client)	
	Purchase or remortgage	Purchase	Remortgage
Up to £100,000	£950	£2,500	£1,700
£100,001 - £300,001	£1,250	£3,000	£2,125
£300,001 - £500,000	£1,450	£2,500	£2,650
£500,001 - £750,001	£1,650	£4,125	£2,650
£750,001 - £1,000,000	£1,950	£4,650	£3,000
Over £1,000,000	£2,250 or 0.1% (whichever is greater)	POA	POA

Minimum £850 for limited company or partnership loans. ** Minimum £1,750 for limited company or partnership loans. Charges will apply for each additional title on the same loan – please see below.

Property value	Fees per additional title (excluding VAT and disbursements)
Up to £500,000	£350
£500,001 - £1,000,000	£650
£1,000,001 and over	£950

Please note the following assumptions:

1. VAT and Disbursements are payable in addition to the fee estimate
2. The fees quoted above are an estimate based on the following:
 - a) Title is not unduly onerous
 - b) Security comprises one property
 - c) Occupational leases are on commercially acceptable terms or properly granted AST's and no superior landlord consents need to be obtained
 - d) The loan proceeds to completion within a reasonable timescale and does not become unduly complicated
 - e) The transaction comprises an arm's length purchase at full market value with the consideration being paid in cash upon completion (on a purchase)
 - f) The planning status of the property is readily apparent with no outstanding elements and no development is ongoing or intended is not a new build/has not been subject to substantial works within the last five years

These costs do not include any disbursements incurred in the course of the transaction. These will be in addition to the fees set out above. These costs are predicted on using No Search Insurance for re-finance transactions. The cost of the insurance will be charged in addition. Loans comprising multiple properties will be individually quoted. The fee quotes provided are on the basis that the matter is straightforward with no unforeseen complications. All legal fees will be deducted from the draw-down of the loan advance.



Buy to let mortgages

With experience in high-value cases and complex ownership structures, we can help your clients with more than just standard buy to lets. We could also support large portfolio cases where properties are on either a single freehold or in multiple locations.

Please speak to your specialist finance account manager for more information.

Our buy to let products, coupled with our approach to lending to investors with more involved ownership structures, could really help your clients.

Key features



Up to **80% LTV**
available



No maximum
loan size



Multiple properties
accepted on a single loan



HMOs/MUFBs
of any size accepted



No maximum
property value



More involved **ownership**
structures permitted

Key buy to let criteria

- Available to HMOs/MUFBs with no limit on the number of bedrooms/units
- Student lets considered - discuss with your specialist finance account manager
- Available as purchase and remortgage
- Long form valuations for complex buy to let properties
- Available in England and Wales
- 2-30 years term available

Additional underwriting

- Portfolio assessed to understand the liquidity position and the ability to cover rental voids
- Tenant profile assessed to ensure the ongoing sustainability of the rental income

Additional underwriting may apply.

Interest-only option available

- Normal rates apply if interest-only period is 10 years or less
- If interest-only period exceeds 10 years, 0.5% rate increase applies

Eligible applicants

- Individuals, limited companies, LLPs, partnerships trusts and trading companies
- Minimum two years' relevant sector experience dependant on property type

Property types

- Houses, flats, blocks of flats, multiple units on one freehold, new-build, converted during past two years are all acceptable
- Multiple units must all be individually marketable and mortgageable for us to consider lending against the sum of individual values, otherwise lending may be based on the lower of vacant possession value (VP), investment value or purchase price.

Acceptable credit profile

CCJs	Nil (3 year history)
Defaults	Nil (3 year history)
Missed mortgage payments	None in the last 12 months
Missed secured loan payments	None in the last 12 months
Unsecured arrears	N/A
Bankruptcy	Nil (6 year history)
IVA	Nil (6 year history)
Repossession	Nil (6 year history)
Debt Management Programme	Nil (6 year history)

*The restrictions may not apply in the following circumstances:

- Where all CCJs/defaults were registered more than three years ago and satisfied prior to mortgage application;
- Where all CCJs/defaults were satisfied more than 12 months prior to application regardless of date of registration;
- Where the CCJs/defaults in aggregate amount to less than £300, regardless of date of registration, and satisfied prior to mortgage application.

Buy to let products

Product	LTV	Rate	Reversion rate	Fee	Assessment rate	ERC
NEW 2-year fixed	75%	3.99%	BBR + 3.24%	2.00%	5.54%	4%, 3%
NEW 5-year fixed	75%	4.19%	BBR + 3.44%	2.00%	4.19%	4%, 3%, 3%, 3%, 3%
NEW 2-year fixed	80%	4.29%	BBR + 3.54%	2.00%	5.84%	4%, 3%
NEW 5-year fixed	80%	4.49%	BBR + 3.74%	2.00%	4.49%	4%, 3%, 3%, 3%, 3%

BBR is subject to a floor of 0.75% (if BBR exceeds 3% the floor resets to 3%)

Minimum ICR requirements

	Individual borrower	Limited company
Standard buy to let: A single dwelling, HMO < =6 lettable rooms or < =6 units in a MUFB	140%	125%
Complex buy to let: HMO > 6 lettable rooms or > 6 units in a MUFB	160%	145%

Physical valuations

For buy to let and HMO/MUFB properties of up to six lettable rooms/units, full physical inspections for valuations will continue, and shall be conducted through our panel valuers Connells via the usual process, in a COVID-secure manner.

For complex buy to let (including HMO/MUFB properties from 7+ lettable rooms/units), full physical inspections for valuations will continue, and shall be conducted via our in-house panel managers.

Connells and the in-house panel managers have issued **clear guidance** surrounding property inspections. If this guidance isn't adhered to, surveyors could choose not to proceed with a valuation, but still charge a fee for a visit.

Fees

A £145 administration fee is payable on submission and is non-refundable. A 2% arrangement fee, payable on completion, can be added to the loan and is non-refundable.

Valuation fees should be paid on submission of application.

Products now revert to Bank of England Base Rate (BBR) trackers

- On expiry of the fixed rate (the Starting Rate*), the Term Loan will revert to a rate of interest which will be variable at a Margin above the Bank of England Base Rate.
- The variable rate of interest will move up and down in line with the Bank of England Base Rate, however if the Bank of England Base Rate falls below 0.75% the interest rate you're charged won't change, this is referred to as the minimum floor.
- If the Bank of England Base Rate reaches 3%, the minimum floor rate becomes 3%.
- In all cases the Starting Rate at completion is the lowest rate payable regardless of future changes to the Bank of England Base Rate.
- Changes to the Bank of England Base Rate, subject to the minimum floors, will take effect from the 1st of the month immediately following the announcement of the change in the Bank of England Base Rate. Your new rate will be calculated by taking the Margin applicable to the Term Loan plus the Bank of England Base Rate.

* The Starting Rate is the Margin plus the higher of either the Bank of England Base Rate at the date of commencement of the Term Loan or 0.75% and will be defined in the AIP and Facility Letter.

Valuation fee scale

The valuation fee is payable by the applicant prior to valuation instruction. The prices listed below are a guideline and may be subject to change. Fees are non-refundable once the valuer has visited the property but an abortive fee may be payable. Valuations are conducted for the lending purposes only and will not be provided to the client.

Where a property does not fit within the criteria listed below, a bespoke fee quote will be required. This will also be the case for unusual or complex properties, and specialist properties valued on a trading-related basis. Where a bespoke fee quote is needed, please contact the sales team to confirm the cost.

Max value/purchase price	Standard	Specialist	Complex
£150,000	£175	£440	£850
£200,000	£200	£455	£850
£250,000	£225	£455	£925
£300,000	£250	£525	£1,000
£350,000	£275	£585	£1,125
£400,000	£300	£585	£1,125
£450,000	£325	£645	£1,250
£500,000	£350	£645	£1,250
£600,000	£485	£710	£1,350
£700,000	£585	£770	£1,500
£800,000	£650	£880	£1,600
£900,000	£710	£995	£1,700
£1,000,000	£825	£1,025	£1,800
£1,250,000	£1,225	£1,425	£2,100
£1,500,000	£1,225	£1,425	£2,350
£1,750,000	£1,625	£1,825	£2,500
£2,000,000	£1,625	£1,825	£2,700

Property values over £2,000,000: Quotes available on request.

Standard

- Single houses or flats

Specialist

- Blocks of up to 6 flats/HMOs up to 6 lettable rooms
- Light/medium refurbishment

Complex

- Blocks of 7 or more flats/HMOs of 7 or more lettable rooms
- Multiple houses on a single freehold

Legal fee scale

	InterBay Commercial legal costs	Combined legal costs (InterBay Commercial and client)
Loan size	Purchase or remortgage	Purchase or remortgage
Up to £100,000	£650	£1,400**
£100,001 - £300,001	£750*	£1,625**
£300,001 - £500,000	£850	£1,750
£500,001 - £750,001	£950	£1,950
£750,001 - £1,000,000	£1,050	£2,175
Over £1,000,000	£1,150 or 0.1% (whichever is greater)	£POA

Minimum £850 for limited company or partnership loans. ** Minimum £1,750 for limited company or partnership loans. Charges will apply for each additional title on the same loan – please see below.

Property value	Fees per additional title (excluding VAT and disbursements)
Up to £500,000	£350
£500,001 - £1,000,000	£650
£1,000,001 and over	£950

Please note the following assumptions:

1. VAT and Disbursements are payable in addition to the fee estimate
2. The fees quoted above are an estimate based on the following:
 - a) Title is not unduly onerous
 - b) Security comprises one property
 - c) Occupational leases are on commercially acceptable terms or properly granted AST's and no superior landlord consents need to be obtained
 - d) The loan proceeds to completion within a reasonable timescale and does not become unduly complicated
 - e) The transaction comprises an arm's length purchase at full market value with the consideration being paid in cash upon completion (on a purchase)
 - f) The planning status of the property is readily apparent with no outstanding elements and no development is ongoing or intended is not a new build/has not been subject to substantial works within the last five years

These costs do not include any disbursements incurred in the course of the transaction. These will be in addition to the fees set out above. These costs are predicted on using No Search Insurance for re-finance transactions. The cost of the insurance will be charged in addition. Loans comprising multiple properties will be individually quoted. The fee quotes provided are on the basis that the matter is straightforward with no unforeseen complications. All legal fees will be deducted from the draw-down of the loan advance.



Holiday let products

Holiday homes can be a worthwhile investment for those letting out properties on a short-term basis. With our holiday let offering, we can provide your clients with the solutions they need, however complex or challenging their case.

With loans available up to £1m at up to 70% LTV, our range of products could support your holiday let clients.

Key features



Up to **70% LTV**
available



Minimum loan
size **£50k**



Rates from
3.84%



Interest-only
option available



Maximum loan
size **£1m**



Personal ownership and
Limited Company allowed

Key holiday let criteria

- Available in England and Wales
- 2-30 years term available

Eligible applicants

- Must be an existing landlord
- Minimum income £30k per application
- Individuals, limited companies, LLPs, partnerships, trusts and trading companies

Acceptable property types

- Residential property up to 6 bedrooms
- No occupancy restrictions
- No park homes/caravans, houseboats or securities located on holiday parks or those of non-standard construction (such as log cabins)
- Standard single lets only

ICR (and calculation)

- Minimum ICR and stress rates requirements are 140% using gross rent
- Rent calculations based on a letting period of 30 weeks a year at an average of the low, mid, and high season rates
- For purchase transactions we require evidence of the low, mid and high season rates from lettings agents
- For remortgages we require accounts showing income/occupancy or evidence of booking over the previous 12 months. Where income/occupancy has been impacted by COVID-19 restrictions, we can accept accounts/bank statements evidencing the previous uninterrupted 12-month letting period.

Acceptable credit profile

CCJs	Nil (3 year history)*
Defaults	Nil (3 year history)*
Missed mortgage payments	None in the last 12 months
Missed secured loan payments	None in the last 12 months
Unsecured arrears	N/A
Bankruptcy	Nil (6 year history)
IVA	Nil (6 year history)
Repossession	Nil (6 year history)
Debt Management Programme	Nil (6 year history)

*The restrictions may not apply in the following circumstances:

- Where all CCJs/defaults were registered more than three years ago and satisfied prior to mortgage application;
- Where all CCJs/defaults were satisfied more than 12 months prior to application regardless of date of registration;
- Where the CCJs/defaults in aggregate amount to less than £300, regardless of date of registration, and satisfied prior to mortgage application.

Holiday let products

Product	LTV	Rate	Reversion rate	Fee	Loan amounts	ERC
2-year fixed	70%	3.84%	BBR + 3.09%	1.50%	Max loan size £1m	4%, 3%
NEW 2-year fixed	70%	4.29%	BBR + 3.54%	£0	Max loan size £500k	4%, 3%
5-year fixed	70%	4.29%	BBR + 3.54%	1.50%	Max loan size £1m	4%, 3%, 3%, 3%, 3%

BBR is subject to a floor of 0.75% (if BBR exceeds 3% the floor resets to 3%)

Physical valuations

For holiday let cases, full physical inspections for valuations will continue, and shall be conducted via our in-house panel managers.

Fees

A £145 administration fee is payable upon submission of the application and is non-refundable. A 1.5% arrangement fee, payable on completion, can be added to the loan and is non-refundable. The valuation fee should be paid upon submission of the application.

Products now revert to Bank of England Base Rate (BBR) trackers

- On expiry of the fixed rate (the Starting Rate*), the Term Loan will revert to a rate of interest which will be variable at a Margin above the Bank of England Base Rate.
- The variable rate of interest will move up and down in line with the Bank of England Base Rate, however if the Bank of England Base Rate falls below 0.75% the interest rate you're charged won't change, this is referred to as the minimum floor.
- If the Bank of England Base Rate reaches 3%, the minimum floor rate becomes 3%.
- In all cases the Starting Rate at completion is the lowest rate payable regardless of future changes to the Bank of England Base Rate.
- Changes to the Bank of England Base Rate, subject to the minimum floors, will take effect from the 1st of the month immediately following the announcement of the change in the Bank of England Base Rate. Your new rate will be calculated by taking the Margin applicable to the Term Loan plus the Bank of England Base Rate.

* The Starting Rate is the Margin plus the higher of either the Bank of England Base Rate at the date of commencement of the Term Loan or 0.75% and will be defined in the AIP and Facility Letter.

Valuation fee scale

The valuation fee is payable by the applicant prior to valuation instruction. The prices listed below are a guideline and may be subject to change. Fees are non-refundable once the valuer has visited the property but an abortive fee may be payable. Valuations are conducted for the lending purposes only and will not be provided to the client.

Where a property does not fit within the criteria listed below, a bespoke fee quote will be required. Where a bespoke fee quote is needed, please contact the sales team to confirm the cost.

Max value/purchase price	Standard
£150,000	£175
£200,000	£200
£250,000	£225
£300,000	£250
£350,000	£275
£400,000	£300
£450,000	£325
£500,000	£350
£600,000	£485
£700,000	£585
£800,000	£650
£900,000	£710
£1,000,000	£825
£1,250,000	£1,225
£1,500,000	£1,225
£1,750,000	£1,625
£2,000,000	£1,625

Standard

- Single houses or flats

Property values over £2,000,000: Quotes available on request.

Legal fee scale

Purchase price (for purchases) / Loan size (for remortgages)	Remortgage (full due diligence)				Purchase (full due diligence)			
	Leasehold*		Freehold		Leasehold*		Freehold	
	Bank only	Joint rep	Bank only	Joint rep	Bank only	Joint rep	Bank only	Joint rep
Up to £100,000	£900	£1075	£700	£875	£1050	£1250	£850	£1050
£100,001 - £300,000	£1000	£1175	£800	£975	£1150	£1350	£950	£1150
£300,001 - £500,000	£1100	£1275	£900	£1075	£1250	£1450	£1050	£1250
£500,001 - £750,000	£1300	£1475	£1100	£1275	£1450	£1650	£1150	£1450
£750,001 - £1m	£1500	£1675	£1300	£1475	£1650	£1850	£1250	£1650
Over £1m	POA	POA	POA	POA	POA	POA	POA	POA
Additional fees applicable if:								
Corporate Borrower i.e. Limited Company/LLP		£100		£100		£100		£100
No planning permission evidencing holiday use is authorised	£450	£450	£450	£450	£450	£450	£450	£450

*Our fees for leasehold properties are on the basis that the lease specifically provides for and is drafted such that it anticipates the property may be used for holiday lettings. If this is not the case our fees will exceed the indicated amount.

Please note the following assumptions:

- The scale above does not anticipate any requirements there maybe for documents or deal structures outside those normal for a standard conveyancing transaction - e.g. Subordination Deeds, Cross Guarantees, Share Purchase Agreements or foreign company borrowers. These will need to be quoted for separately.
- The security comprises a single property/title.
- It is assumed that the property was/is acquired via an arm's length purchase at full market value, that the title is free from any defects, and there is no recent development (including new build properties) which necessitates planning investigation (apart from the already accounted for "Holiday use not evidenced by planning permission").
- The scale assumes that given the transient nature of the occupation any letting agreement will be basic.

VAT and Disbursements are payable in addition to the fee estimate.

These costs do not include any disbursements incurred in the course of the transaction. These will be in addition to the fees set out above.

The fee quotes provided are on the basis that the matter is straightforward with no unforeseen complications.

All legal fees will be deducted from the draw-down of the loan advance.