

T: 01565 654005

All Change with BTL lending : Be Prepared 16th October 2017

The new PRA regulations on BTL lending means there will be winners and losers. Don't risk losing out when you need finance in the next year for your next investment purchase.

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Information not advice

- Most Buy to Let, Bridging and Commercial Finance is not regulated by the (FCA) Financial Conduct Authority.
- Business Buy to Let and Limited Company Finance is not regulated.
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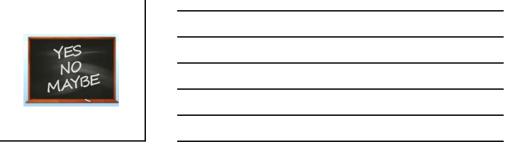


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Background

- •Landlord of 17 years.
- •National Association of Commercial Finance Brokers.
- •Society of Mortgage Professionals.
- $\mbox{-}\mbox{Our direct access panel of lenders is within the top 0.5% of all brokers.}$

SEARCHLIGHT FINANCE T: 01565 654005 What's it all about? PRA 2 • Portfolio Landlord > 3 BTL mortgages. Rental calculation cover increased from 125% at 5% to 145% at 5.5%. Separate underwriting policy. • Lower LTV on properties yielding less Lenders had to choose to be in or out by 30th September. than 6%. • Exceptions for 5 year fixes. More documentation to provide. Limited Company - no change but in reality a lot of lenders now work off 125% cover at 5.5%. E: simon@searchlightfinance.co.uk **SEARCHLIGHT** T: 01565 654005 FINANCE





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What some brokers say

What's been happening?

Systems.Experience.Paperwork.

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- •Too much information.
- •Going to take time.
- •Hardly any lenders.
- •My client won't be able to get any more loans.





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Additional Information that may be needed

- Asset & Liability Profile.
- Schedule of Properties.
- Business Plan.
- Cashflow Forecast.
- Proof of Income & Personal Expenditure.
- Bank Statements.
- Tenancy Agreements.

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Statement of Assets & Liabilities

- Have your own version.
- Download a copy of credit report.
- Look at totals from your schedule of properties.
- Don't forget savings.

Assets Liabilities

- Liabilities

= NET WORTH



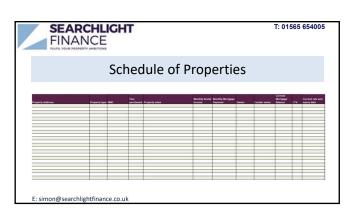
SEARCHLIGHT FINANCE FULL TOUR PROPERTY AMERICAN	T: 01565 654005
What shou	ıld be in it?
Your background in property and experience to date. How you operate - type of properties you buy, who you let to, do you do flips, buy and hold, developments, HMO's etc. Investment Strategy- additional income, retirement planning, capital appreciation. Your background team - letting agents, solicitor, accountants, property management, broker.	Future strategy - is it capital growth, a certain yield, conversions, how many will you buy/sell? What areas are you looking at? What's good/bad about the location you are buying in? How much money do you want to borrow over the next 12-18 months and what for? Where will your deposits come from? List all companies you are involved with by ownership or directors along with any
Void periods, evictions, court action. How you manged them and how you will avoid in future. Tenant profile e.g. professionals, working, tudants LHA Serviced Accommodation. Holiday.	 intercompany liabilities. Any restructuring plans for business including incorporation/partnership and when you will do it.

SEARCH	CE		T: 01565 65400
	Cash Flo	ow - Income	
	,	All BTL portfolio properties	
	Previous 12 months	Current 12 months	Notes
Income			
Initial Cash Investment*			
Mortgage*			
Rental Income			
Government Grants			
Other			
Total Income (A)			

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Cashflow - Expe	enditure
Expenditure Intel Number Conf Net page Terrand Net page Terrand	
To Liabily Letting Agent See Legal S-Decisional See Ensurance Management - Annes	
Signaments Grand Ref Since Copy	
Laste pillar Aboressing bildvarting Comming Gastering	
Office Class Travel Other	
Terri Eppendition (I) Net south firm (I) 40	

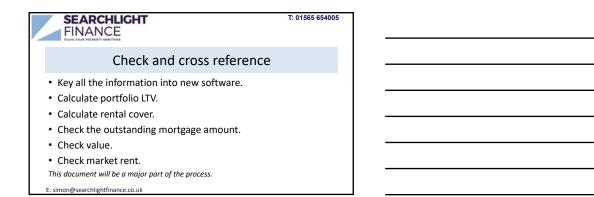


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What lenders are looking	ng for
 3 Years annual accounts if you operate as a lim year calculation (SA302), tax year overview and Try and get your current tax return completed otherwise the previous years will be out of dat 	d the actual return. within six months
 The lender will cross reference this to your por rent received in your bank statements. If you of your personal name then some lenders will be number on the tax return and each rental payr your personal bank statements. 	own 10 properties in looking for this



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What ma	ay be needed
 Owner. Full postal address. Date of purchase. Original purchase price. Current value. Lender. Monthly mortgage payment. Lender's interest rate. Type of product (fixed, variable, tracker and expiry date of product). 	 Monthly rent. Type – Single, Multi Unit, HMO. Number of beds. Is it currently let. Start date of tenancy. Term of tenancy. Type of tenancy i.e. fixed term or periodic.
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SEARCHLIGHT FINANCE NOTE: TOTAL PROPERTY AMERICAN	T: 01565 654005
Templates	
 Business Plan 1-3 pages long. Cash flow Forecast. Assets & Liabilities. Schedule of Properties. 	
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If you need finance soon	
·	
•Talk to your tax accountant and obtain your proo •Update your schedule of properties.	f of income.
•See if your broker understands the changes as mo	ost don't.
•Prepare your business plan.	
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