



Saxon Trust



Lending Product Guide

Saxon Trust is a trading name of the Saxon Trust group of companies, each registered at Station House, Station Road, London SW13 0HT. Saxon Trust provides mortgage loans to non-owner occupiers for the purpose of business. Your property is at risk if you do not keep up repayments on mortgage loans.

Welcome to Saxon Trust

Our lending business was established in 2006 and has built a reputation as a leading, innovative and flexible property lender.

We launched our new brand, Saxon Trust, in 2020 to widen our appeal across a broader suite of loan products and to help support our borrowers throughout their project life-cycle.

A key feature of our business is that we are a privately owned company with our directors owning the majority of the shares, putting a direct link between our borrowers and those that run and own the business.

Our directors all have extensive property development and investment experience which gives Saxon Trust an edge over other lenders as our team fully understand the property cycle from the ground up. We make decisions based on the project itself and can be flexible in structuring to make it work for everyone.

We like to build long-term relationships with our borrowers so please get in touch if you have any questions or would like to apply.

The Saxon Trust Team



0203 368 6340



loans@saxontrust.com

Our lending products

We have built a suite of to support our borrowers throughout their project life cycle.

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We are different from other lenders

Saxon Trust was built by property professionals who found themselves in a situation in 2006 whereby the traditional lenders were simply not lending. As we fully understand the property world, and the market cycles, we can take views that other lenders won't and we do not follow computer driven algorithms to make decisions. Poor credit history is not necessarily a no and we look at the borrowers experience and, most importantly, the project itself.

Bridging finance

Bridging finance from £100,000 to £5million

“Fast. Simple. Bridging finance. Tailored to match your needs.”

Our bridging finance explained

At Saxon Trust we can offer bridging finance to borrowers from £100,000 to £5,000,000 for periods of 3-12 months. Our loans can be used to secure opportunities fast, to bridge the gap in re-financing to a longer-term solution or to allow you to complete a planning application. Our loans are flexible and can usually be structured to fit the opportunity.

Why use bridging finance?

Bridging finance can give investors and developers the edge over their competitors as it allows them to move quickly and secure opportunities as they arise. Working with an experienced property lender like Saxon Trust means that we consider each deal on its merits and can lend where other lenders may not through lack of understanding or appetite. We also will consider any credit profiles.

Saxon Trust offers bespoke bridging finance across a wide range of properties, sites and to borrowers from an array of backgrounds and histories.

Our bridging finance criteria

- ✔ Property located in UK (excluding Northern Ireland currently)
- ✔ Residential, mixed-commercial and land
- ✔ We will consider loans for planning gain projects
- ✔ First charge (second charge considered on referral)
- ✔ Up to 75% LTV but we can go up to 100% with additional security
- ✔ UK residents, UK companies, trusts and certain non-residents considered
- ✔ All credit profiles considered

What is the process?

1. Enquiry

You can enquire by emailing loans@saxontrust.com or call **0203 368 6340** and can download our enquiry form on our website at saxontrust.com/borrow/guides-and-forms

2. Full Application

We will then review the enquiry and get in touch, usually within 24 – 48 hours to discuss the enquiry and see if we can move to a full application. If so, we'll require a full application form to be completed which you can also find on our website.

3. Decision in Principle

If the loan meets our requirements, we will issue you with a Decision in Principle straight away based on the information you provide and subject to valuation and further due diligence.

4. Full Credit Review and Valuation

The next stage is for us to conduct our full credit review and for you to pay for our valuation which will allow us to then do our final checks and go through the final credit approval process. We will then submit the loan to our credit committee for final approval.

5. Legals

Once you have received a final decision to lend, we will instruct one of our panel of law firms to draw up and complete the loan documentation. For bridging loans, this process is quick as we take advantage of indemnity insurance rather than conducting searches in most cases.

6. Drawdown

On completion, the funds can then be drawn down and paid to your solicitor.

Tel: **+44 (0)203 368 6340** (Monday - Friday, 9am - 6pm) Email: loans@saxontrust.com

Single point of contact

From project start to finish, you'll have one contact – even if you transition to another loan type.

Bridging finance for renovations

Light, moderate and heavy refurbishment loans available

As well as our standard bridging finance products, we also offer specialist refurbishment bridging loans for projects where an element of renovation or improvements works are being undertaken to the property.

Light refurbishment

For properties where the refurbishment budget is less than or equal to 50% of the value of the property (or purchase price if lower). This product is for simple renovations where no real structural work is being undertaken.

Moderate refurbishment

For renovations that results in an increase in the size of the property of not more than 25% and where there is a budget less than or equal to 100% of the property value (or purchase price if lower).

Heavy refurbishment

For any project where a property increases in size by over 25% and there is a total refurbishment budget of greater than 100% of the property value (or purchase price if lower). To fit criteria, at least one wall of the original building must remain and be used in the project.

To discuss your project please get in touch with one of the team who will be happy to explore which product is best suited to you.

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Development finance

Funding for new build and heavy renovation projects from £250,000 to £5million

“We make lending decisions based on the project and can often lend when others fail to see the opportunity.”

Our development loans explained

Our development loans are designed to offer flexible finance solutions for developers who have a proven track record. We take a deal focused approach to our lending decisions and can understand projects better than typical lenders – meaning we can lend when others can't. We also consider any credit profile.

We are proud to build long-term relationships with our borrowers and look to fund them throughout their development careers, be that one project or a hundred. We fully understand the importance of finding a lender who can support you throughout your journey and we are here to be by your side.

We are a different type of lender

Saxon Trust is not your typical development lender. Our business is privately owned and built by property professionals who fully understand the development and lending process. Our team also understands that things can sometimes go wrong and so we look to offer flexible finance solutions to people who have a history of success in similar projects. We don't have a fixed borrower profile and will consider any credit history on its merits.

As we can take a deal-by-deal decision making approach, we can often lend on projects where others can't as we put our knowledge and experience to work and can add value to our developer partners by bringing a project to life.

Our development finance criteria

- ✔ Property located in UK (excluding Northern Ireland currently)
- ✔ Typical LTGDV up to 75% (higher with additional security)
- ✔ Typical LTC up to 80% (higher with our stretch product)
- ✔ Previous experience of a similar project required
- ✔ Residential and mixed commercial sites

- ✔ First charge security
- ✔ UK residents, UK companies, trusts and certain non-residents considered
- ✔ All credit profiles considered

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3. Decision in Principle

Our credit committee will then consider the full application and, if satisfied, will issue a Decision in Principle based on the information provided. This is subject to further due diligence, valuation and a QS report.

4. Full Credit Review, QS Report and Valuation

The next stage is for us to conduct our full credit review and for you to pay for our QS report and valuation which will allow us to then do our final checks and go through the final credit approval process. As part of this process, we may want to start the legal due diligence process so that doesn't hold things up.

5. Legals

Once you have received a final decision to lend, we will instruct one of our panel of law firms to draw up and complete the loan documentation.

6. Drawdown

On completion, the funds can be drawn down in accordance with the draw-down schedule. Any future drawdowns will require a QS site visit and report authorising the release of funds.

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Stretch development finance

Funding for new build and heavy renovation projects from £250,000 to £5million up to 90% LTC

“Our stretch finance product means developers can commit less equity to each project.”

What is stretch finance?

Development stretch finance provides developers with a means to spread their capital across a greater number of projects or to fund larger projects without a requirement for a separate mezzanine funder. Funds are secured by a first charge on the subject site with a high loan to cost ratio of up to 90% meaning less equity is required from the developer. Up to 100% of costs can be covered in some circumstances with additional security.

Why use stretch finance?

High street senior lenders often restrict their lending to 60% of costs (i.e. site plus build costs) whereas Saxon Trust can provide a facility of up to £5,000,000 at a ratio of up to 90% of costs (with up to 100% in some instances where additional security is provided). Stretch funding can aid a developer's cash flow and enable more, or larger, projects to be taken on.

Saxon Trust can tailor bespoke stretch funding with a blended rate that will reduce costs whilst still providing the facility necessary to support the development.

Our stretch finance criteria

- ✔ Property located in UK (excluding Northern Ireland currently)
- ✔ Typical LTGDV up to 75% (higher with additional security)
- ✔ Typical LTC up to 90% (higher with our stretch product)
- ✔ Previous experience of a similar project required
- ✔ Residential and mixed commercial sites
- ✔ First charge security
- ✔ UK residents, UK companies, trusts and certain non-residents considered
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Mezzanine development finance

Mezzanine funding for new build and heavy renovation projects from £100,000 to £2.5million up to 90% LTC

“We support our borrowers with mezzanine finance to increase their funding capacity.”

What is mezzanine finance?

Mezzanine finance is where a loan is provided to a developer to sit alongside a senior loan and in the second charge position. Typically, the senior lender will fund around 60% of the costs and then the mezzanine provider can top that up to 90%, meaning the developer only has to commit 10% of the costs in equity (rather than the 40% if there was just the senior loan in this example). Our mezzanine loans are available alongside a panel of approved senior lenders and we will always consider new lenders on a case-by-case basis.

Why use mezzanine finance?

Mezzanine finance allows a developer to spread their finances whilst at the same time doubling the potential return on capital and increasing property development capacity. With mezzanine funding, developers can move onto their next development while still completing current projects as they can commit less equity into a single project. This can provide developers with a critical advantage at a time when competition for good sites is extremely high. In addition to increasing development capacity by carrying out two to three developments in the same period (with staggered commencement dates), the developer can spread their risk over more than one project at any given time.

Our mezzanine finance criteria

- ✓ Property located in UK (excluding Northern Ireland currently)
- ✓ Typical LTGDV up to 70% (higher with additional security)
- ✓ Typical LTC up to 90% (higher with our stretch product)
- ✓ Previous experience of a similar project required
- ✓ Residential and mixed commercial sites
- ✓ We will only lend behind certain approved lenders or those that we are comfortable with

- ✓ UK residents, UK companies, trusts and certain non-residents considered
- ✓ All credit profiles considered

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Developer exit finance

Developer exit loans from £100,000 to £5million

“Move onto your next project quickly after practical completion.”

What is a developer exit loan?

Developer exit loans are designed to help a developer exit a completed development quicker and to move onto their next project.

Once a development has reached practical completion, we can lend up to £5,000,000 on a completed valuation basis whilst the sales process progresses.

This reduces the cost of finance payable by the developer and frees up precious equity to fund the next development.

Why use development exit finance?

Development exit finance lets you bring your project to a conclusion quickly after you have reached practical completion by re-financing the completed units and freeing up cash for your next project. As the site has reached practical completion, the loan amount will be based on a fresh valuation on the completed units so you can benefit from any gain in the development.

Our developer exit lending criteria

- ✔ Property located in UK (excluding Northern Ireland currently)
- ✔ Residential and mixed-commercial
- ✔ First charge (second charge considered on referral)
- ✔ Up to 75% LTV but we can go up to 100% with additional security
- ✔ Valuations based on completed project value conducted by our valuer
- ✔ UK residents, UK companies, trusts and certain non-residents considered
- ✔ All credit profiles considered

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5. Legals

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Specialist VAT loans

VAT loans from £100,000 to £5million

“We can lend up to 100% of the VAT due back from HMRC.”

What is a VAT loan?

A VAT loan can be used by developers or commercial property purchasers to cover the additional 20% VAT that is levied on costs and which standard development or acquisition loans may not cover.

Why use VAT finance?

The added 20% of VAT on your purchases relating to a development can put strain on a project and HMRC can take significant time to re-pay any VAT due. This can put pressure on cash flow and mean additional stress and, sometimes, slower build times as cash is tight.

Saxon Trust's developer VAT loans are here to provide up to 100% of the VAT that is due back to you so you can actively and effectively manage cash flow to your advantage.

Our VAT lending criteria

- ✓ Development and commercial VAT covered
- ✓ Our specialist team will conduct a review on a case-by-case basis
- ✓ We can help support any VAT claims with our expert team
- ✓ Our loan terms are flexible
- ✓ Any credit profile considered

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2. Full Application

Each VAT loan is considered on a case-by-case basis so the application process will be based on the loan in question. Typically, we'll gather additional information from you and may need to speak to your accountants before we can make a lending decision.

3. Legals

Our lawyers will then be instructed to complete the loan documentation and put in place any security that we are taking.

4. Drawdown

We will then authorise drawdown and provide funding to your solicitors.

5. Repayment

The repayment of the VAT from HMRC will then be paid back to us to clear the loan.

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Notes



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