

# Bridge **FUSION** Product Guide Q3 2024

## Contact Us

Get in touch below about your query, however complex it might be.

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Utilise the best features of a bridging loan and Buy-To-Let mortgage with this unique product



Large loans up to £20m, including Commercial Real Estate



24-36 month bridge for increased peace of mind, and lower interest rates



Pay later to improve cash flow:

- ◆ Roll up 6 to 12 months payments
- ◆ Can defer up to 2% of interest until redemption

## The Fusion opportunity

There is currently **£71bn of fixed commercial mortgages set to redeem over the next 12 months**. A large amount of this will not fit current bank ICR models, leaving borrowers without high street options, and needing specialist finance.

On our Fusion product, we are open to permitted development, the property also **doesn't need to be occupant ready**, and we can defer interest to ease cash flow while looking for longer term options as the base rate comes down. **We also won't stick to rigid ICR calculations at 145%** like lots of other lenders.

This makes Fusion well placed to deal with projects like **commercial to residential conversions**, for example.





We work with a broad range of applicants and property types, however some of the more complex or unusual situations we can deal with include:

## Property types:






- ❖ Large commercial assets such as offices
- ❖ Large HMOs and MUFBs
- ❖ Purpose Built Student Accommodation
- ❖ Warehouses and light industrial units
- ❖ Pubs, hotels and other leisure facilities
- ❖ Multiple properties on one loan
- ❖ Large scale renovation projects
- ❖ Prime central London property – both residential and commercial

## Applicant types:

- ❖ First time commercial landlords
- ❖ Portfolio Landlords
- ❖ Landlords with adverse credit
- ❖ Foreign Nationals
- ❖ UK Expats





| Feature                   | Standard   |                        | Large Loans   |                        |
|---------------------------|--|------------------------|---|------------------------|
|                           | Residential  | Semi & Full Commercial | Residential   | Semi & Full Commercial |
| Type                      |  |                        |   |                        |
| Annual Coupon Rate (+BBR) | 5.09%  | 5.49%                  | 6.29%   | 6.79%                  |
| Max LTV                   | 75%  | 70%                    | 75%   | 70%                    |
|                           |    |                        |    |                        |
| Min. Loan                 | £100k  |                        | £3m   |                        |
| Max. Loan                 | £3m per asset  |                        | £20m per property   |                        |
| Arrangement Fee           | 2%   |                        | 2%  |                        |
| Initial Term (months)     | 24<br><small>12 month discretionary extension available</small>  |                        | 24<br><small>12 month discretionary extension available</small>   |                        |
| Min Rolled Interest       | 6 months   |                        | 6 months  |                        |
| Max Rolled Interest       | 12 months<br><small>then serviced</small>  |                        | 12 months<br><small>then serviced</small>   |                        |
| Deferred Interest         | Maximum of 2% for 2 years  |                        | Maximum of 2% for 2 years   |                        |
| ERC                       | 2.5% - No ERC from month 21  |                        | 2.5% - No ERC from month 21   |                        |

1st charge only.

All rates are indicative and subject to be re-priced based upon individual circumstances.

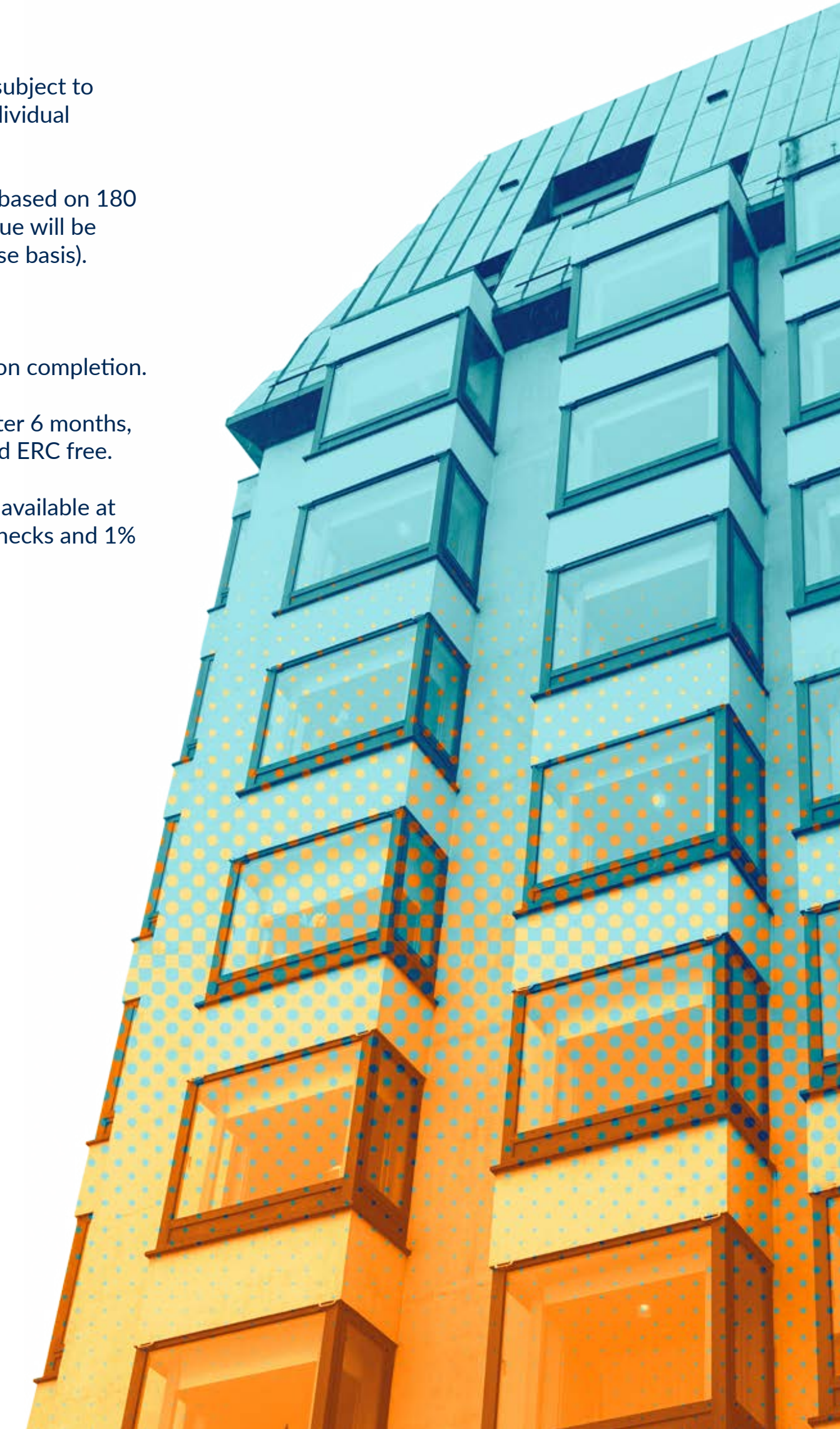
Maximum Loan-To-Value is based on 180 day Value (Open Market Value will be considered on a case-by-base basis).

No admin fees.

Commitment fee refunded on completion.

ERC: Nil from month 21. After 6 months, 25% overpayment is allowed ERC free.

Term: 12 months extension available at MFS discretion subject to checks and 1% arrangement fee.





# Fusion case scenario

Bridging can be a great way to provide short term finance to bridge a financial gap, however over the long term, it is often not cost effective.

Fusion allows for a longer term to be taken on lower interest rates, potentially saving thousands of pounds in interest, you can see a breakdown of this below on a £16m 15-unit freehold block in central London. This is a renovation project with a longer term aim of renting the units out.

A 24 month term is needed to complete, rent out and arrange long term refinance, but it needs to be payment free for 12 months while works are being completed, to aid with cash flow.

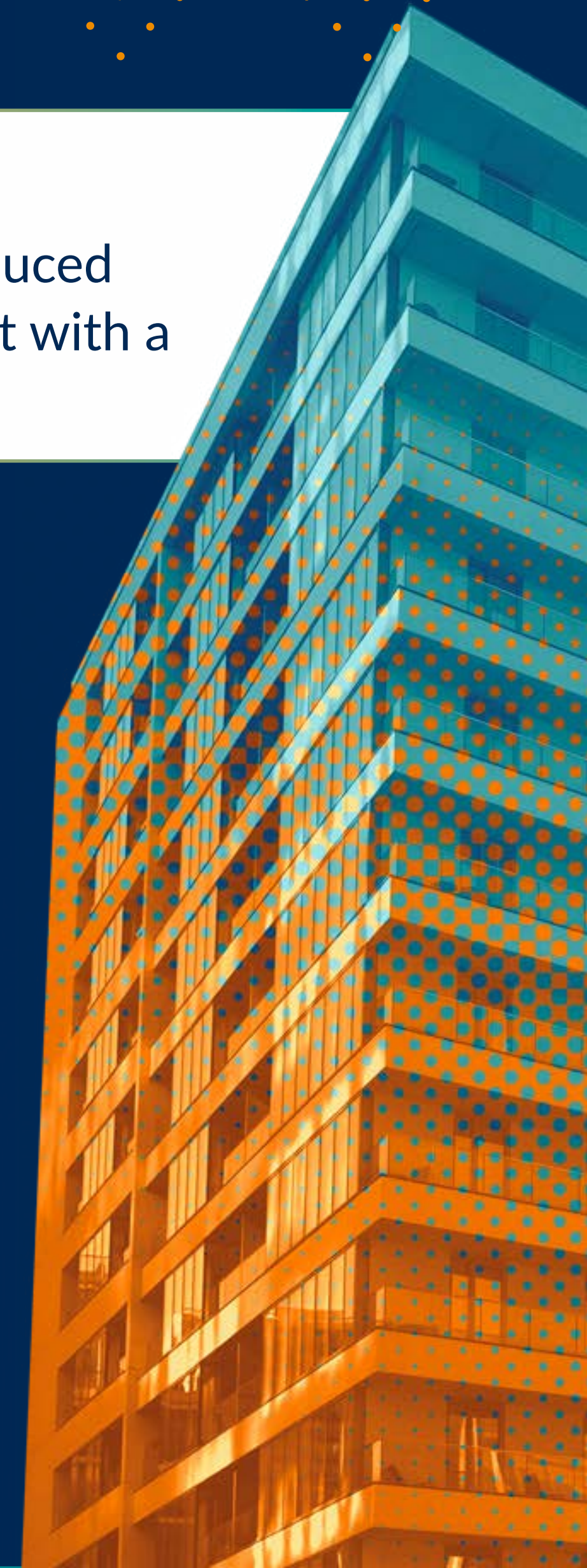


## Solution:

The annual interest rate has been reduced by **2.71%**, saving **£650,400** in interest with a **£325,200** higher advance day one.

- ❖ **£16m MUFB (15 Units)**
- ❖ **75% LTV**
- ❖ **Renovation project**
- ❖ **24 months term**
- ❖ **Cashflow optimisation**
- ❖ **12 months rolled payments**

|                        | Bridge      | Fusion Loan        |
|------------------------|-------------|--------------------|
| Monthly Coupon rate    | 0.75%       | 0.52%              |
| Annual Rate            | 9.00% +BBR  | 6.29% +BBR         |
| Gross Loan             | £12,000,000 | <b>£12,000,000</b> |
| Net Loan               | £10,080,000 | <b>£10,405,200</b> |
| Rolled Months          | £1,680,000  | £1,354,800         |
| Product Fee            | (2%)        | (2%)               |
| Total Interest Charged | £3,360,000  | <b>£2,709,600</b>  |





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