

Mercantile
Trust

**Non Regulated
Term Loans Guide.**

V20 - 9 April 2026

Contact details

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You can also use the **Live Chat** or the **Contact Us form** on the Mercantile Trust website

Applications received before 3pm will be updated the same day.

Commission paid in 24 hours.

Referrals responded to within 2 hours between 8am-5pm.

Non Regulated Term Loans Guide.

- England, Scotland, Wales and Northern Ireland
- Borrow from £10,000 to £500,000 for any legal purpose (Max £150,000 in Northern Ireland)
- 1st and 2nd charges up to 75% LTV
- Adverse credit accepted
- Limited company applications accepted with no rate loading and no SIC code requirement
- No background property stress testing for portfolio landlords
- Business loans on residence accepted (2nd charge only - Min £25k)
- Available on all rental properties including Holiday Lets, HMOs, MUFBs, and Student Lets
- Max 15% introducer fee (£10k max) calculated on the net loan
- Up to 5 loans per applicant - Max £1 million
- DSS tenants welcome
- Property cross charging available for the same product
- No heavy refurbishment or development

Our rates

Security	1st charge			2nd charge		
Status	0	1	2	0	1	2
Max LTV	75%	75%	70%	75%	75%	70%
Net loan size	10-500k	10-500k	10-250k	10-500k	10-300k	10-100k
Variable rate	11.64%	11.89%	12.14%	11.79%	12.04%	12.29%
2yr fixed rate	11.26%	11.51%	11.76%	11.41%	11.66%	11.91%
3yr fixed rate	11.26%	11.51%	11.76%	11.41%	11.66%	11.91%
5yr fixed rate	11.30%	11.55%	11.80%	11.45%	11.75%	12.00%
5yr fixed no ERCs	11.80%	12.05%	12.30%	11.95%	12.25%	12.45%
Term	36-360 months					
Exclusions	Max net loan in Northern Ireland is 150k					

Fees, costs and commission

Product	Lender Fee	Legal Fee	Commission we pay
Unencumbered £100k (Net loan) and over, all purchases, remortgages, in England, Wales and Scotland	3%	on request	2%
Unencumbered under £100k (Net loan), all 2nd charges, and remortgages in England, Wales and Scotland	3%	£0	2%
2nd charges in Northern Ireland	3%	£899 added to lender fee	2%
1st charges in Northern Ireland	3%	on request	2%

Packaged completions: £999 added to lender fee

Packaged completions are where we liaise directly with the client and third parties for you. All you need to send us is a calculator, a signed application form, and submission form. We will take care of the rest.

Title Insurance*		
<p>Title insurance will speed up our side of the legal process. Typically used for auction finance. If selected, a fee will be added to the lender fee. The client will then have to cover all legal costs.</p> <p>*Currently available in England, Wales and Scotland.</p>	Loans under £300k: £699 will be added to the lender fee	Loans £300k and over: £999 will be added to the lender fee

- Northern Ireland solicitors are McCartan Turkington Breen
- England and Wales solicitors are Veale Wasborough Vizards or Birketts
- Scottish solicitors are Wilson McKendrick
- Field Connect available for speedy document collection on request - fee is £78

Early repayment charges

Our fixed rate ERC's are calculated on the net loan borrowed. A £245 discharge fee applies to all loans.

Product	Year 1	Year 2	Year 3	Year 4	Year 5
Variable rate	0%	0%	0%	0%	0%
2yr fixed rate	2%	1%	0%	0%	0%
3yr fixed rate	3%	2%	1%	0%	0%
5yr fixed rate	5%	4%	3%	2%	1%
5yr fixed <u>No ERC</u>	0%	0%	0%	0%	0%

Fixed rates revert to the equivalent variable rate at the end of the fixed rate period. We accept unlimited overpayments without penalty.

Applicant & affordability criteria

- Applicant age 18 years to 85 years at term end
- Nivo ID through Mercantile Trust app and full 3 year proof of UK residency required
- Unlimited BTL properties in background accepted, no stress on portfolio
- 6 months' mortgage history required - we **do not** follow Together or CHL Mortgages (If under 50% LTV, please refer)
- No minimum or maximum income £ levels (unless a first time buyer/landlord)
- First time buyer/landlord - minimum income £22,500 and max LTV 65%
- Tenants **must not** be blood related to the applicant (Parents, grandparents, siblings or children)
- Affordability DSCR 125% - affordability calculator includes 1% stress rate
- Valid ASTs for BTLs plus latest bank statement to show rental income
- Rent used will be the lowest from the AST, valuation or AVM. (Refer if you can provide market evidence) - except HMO, MUFBS, and Student Lets, where we will use the rent from AST
- BTL surplus and external income used inc. Self employed income and benefit/pension income
- Proof that 3 months' rental payments can be covered for untenanted property purchases or first charge light refurbishment.
- Limited company applications - max 4 directors

Homeowner Business Loans (Secured on the main residence)

- Broker must have credit broking permissions
- 2nd charge only
- The majority of the loan must be for business purposes - evidence will be required
- Min loan is £25k
- No EPC Required

HMOs

- License or application for HMOs to be provided if required
- ASTs are required for all tenants. These can be either individual agreements or a joint AST covering all tenants
- Valuation figure must be based on the residential value
- Rent from the ASTs and bank statement will be used
- No EPC Required

MUFBs

- If over 4 units, please refer
- All tenants will require an AST, and rent from the ASTs and bank statement will be used

Student Lets

- ASTs are required for all tenants. These can be either individual agreements or a joint AST covering all tenants
- If the AST term is for university year the rent will be averaged over 12 months
- All tenants will require an AST, and rent from the ASTs and bank statement will be used

Holiday Lets

- Ideally needs own residence - please refer if it doesn't
- We accept 100% of current yearly holiday income from a SA302 or accounts certificate but if owned less than a year we will accept 50% of projected income from a letting agent
- Can use surplus income or personal income to support application
- No EPC Required

No consumer buy to lets accepted

Please refer to the Unregulated BTL VS CBTL Guide

Adverse criteria

We apply adverse credit status units as follows:

Type	Our approach
Mortgage or secured loan (Maximum 1 on application)	1 status unit per arrear in the last 12 months We ignore: Part or late payments if they've been made in the same calendar month. Any outstanding arrears prior to the last 12 months, units will be calculated according to the monthly instalment
Defaults	1 status unit per default (no maximum amount) We ignore: Sums <£300. Satisfied sums <£3,000. All over 12 months old
CCJs	1 status unit per CCJ (no maximum amount) We ignore: Sums <£300. Satisfied sums <£3,000. All over 12 months old
3 down on credit cards, unsecured loans, utilities	1 unit per credit card, unsecured loan or utility. We ignore: Sums <£300, accounts that are currently 2 or fewer payments unpaid, irrelevant of the previous account conduct
Other	We ignore: Mail order and communications (mobile phone) missed payments. Discharged bankruptcies or settled IVAs that are over 3 years old

Property & valuation criteria

AVM's are available on all loan types (including purchases) ,except:

- Ex council flats worth less than 150k
- Properties >500k over 65% LTV for properties outside the M25
- Properties >750k over 65% LTV for properties inside the M25

Please refer MUFB's for AVM.

Loan to value	Net Loan size	Type of valuation acceptable
Less than or equal to 65%	up to and including 200k	*Hometrack AVM with a confidence level of at least 4.0 or a **driveby/full valuation by an approved valuer
Greater than 65% but less than or equal to 70%	up to and including 150k	Hometrack AVM with a confidence level of at least 5.0 or a **full valuation by an approved valuer
Greater than 70% but less than or equal to 75%	up to and including 100k	Hometrack AVM with a confidence level of at least 6.0 or a **full valuation by an approved valuer

*Hometrack AVM to be carried out by the broker, unless using the in-house packaging option.

**Drive-by or full valuations must be instructed through Pure Panel Management, DM Hall, or Gateway.

- Minimum of 30 sqm in a property- Except individual rooms in HMO, MUFBs, and Student Lets
- Lower of on the market value or purchase price used for LTV
- Minimum £75k property value
- Maximum LTV for ex-council flats/maisonettes: LTV: 75% => £150k Val, 65% <£150k
- Maximum LTV for high valued properties: LTV: 75% =<£1m, 70% £1-1.5m, 65% > £1.5m
- Maximum 65% LTV on freehold flats
- Current buildings insurance policy
- EPC certificate required - Must be at least E
- Most construction types generally accepted - no holiday villages or parks
- If a flat is in a block with over 6 floors, please refer

Common sense lending

If your case falls just outside our criteria, please call or email us to discuss case exceptions.

 0800 032 5282

 referrals@mercantiletrust.co.uk

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