



Mercantile
Trust

Non Regulated Term Loans **Guide.**

V17 - 12 June 2025



Contact details

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- **Underwriting Manager** - 01923 280112 | julie.meehan@mercantiletrust.co.uk
- **Referrals** - 0800 032 5282 | referrals@mercantiletrust.co.uk
- **Submissions** - email cases to uw@mercantiletrust.co.uk
- **BDM:** 07562 209858 | nina.kainth@mercantiletrust.co.uk
- **Internal BDM:** 01923 280116 | vicky.osullivan@mercantiletrust.co.uk

Applications that are received before 3pm, will be sent the update 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
- 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)
- 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
- DSS tenants welcome
- Property cross charging available for the same product

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	10-300k	10-300k	10-100k
Variable rate	11.90%	12.15%	12.40%	12.05%	12.30%	12.55%
2yr fixed rate	10.90%	11.15%	11.40%	11.05%	11.30%	11.55%
3yr fixed rate	10.80%	11.05%	11.30%	10.95%	11.20%	11.45%
5yr fixed rate	10.69%	10.94%	11.19%	10.84%	11.09%	11.34%
5yr fixed no ERCs	11.19%	11.44%	11.69%	11.34%	11.59%	11.84%
Term	36-300 months					
Exclusions	Max 70% LTV in NI with net loan of 150k					

Fees, costs and commission



Product	Lender Fee	Legal Fee	Processing Fee	NCI/Field Connect	Commission we pay
Equitable charges	4%	£0	£499 added to lender fee	£0	2%
Packaged* completions	3%	£0	£999 added to lender fee	From £180	2%
All purchases, remortgages, and unencumbered £100k and over in EWS and NI	3%	on request	£0	£0	2%
2nd charges or unencumbered under £100k in England, Wales and Scotland	3%	£0	£0	£0	2%
2nd charges or unencumbered under £100k in Northern Ireland	3%	£899 added to lender fee	£0	£0	2%

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

Title Insurance 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.	Loans under £300k: £699 will be added to the lender fee	Loans £300k and over: £999 will be added to the lender fee
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- 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 NO ERC	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
- 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)
- Deposits **must** be in approved government schemes
- 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 of the higher rent)
- BTL surplus and external income used inc. Self employed income and benefit/pension income
- Proof that 3 months' payments can be covered for untenanted property purchases
- Limited company applications - max 4 directors



HMO

- License or application for HMOs to be provided if required
- ASTs are required for all tenants. These can be either individual agreements or a single joint AST covering all tenants.
- Valuation figure must be based on the residential value

Holiday Lets

- 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
- **Must** own their residence
- Can use surplus income or personal income to support application

Homeowner Business Loans (Secured on the main residence)

- 2nd charge only
- The majority of the loan must be for business purposes
- Min loan is £25k

MUFBs

- First and second charge available
- If over 4 units, please refer

Student Let

- ASTs are required for all tenants. These can be either individual agreements or a single joint AST covering all tenants.
- If the AST term is for university year the rent will be averaged over 12 months



No consumer buy to lets accepted

Our definition is that if a client only owns one buy to let property, and they or a family member have lived there before, it would be considered as a consumer buy to let. This is very common when a property has been inherited or when someone decides to move in with their partner and rent their property out. We cannot lend to consumer buy to let applications. The only way we could help in this scenario above is if they are using the money to purchase a 2nd buy to let property and the money we lend is sent to the solicitor on completion. This way we then know that they own 2 buy to lets.

If in doubt please contact us.

Adverse criteria

We apply adverse credit status units as follows:

Type	Our approach
Mortgage or secured loan	1 status unit per arrear in the last 12 months (Full calendar month missed, part months <u>ignored</u>). Any outstanding arrears prior to the last 12 months, units will be calculated according to the CMI
Defaults	1 status unit per default (no maximum amount) <u>We ignore:</u> Sums <£300. Satisfied sums <£3,000. All over 12 months old
CCJs	1 status unit per CCJ (no maximum amount) <u>We ignore:</u> 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. <u>We ignore:</u> Sums <£300, accounts that are currently 2 or fewer payments unpaid, irrelevant of the previous account conduct
Other	<u>We ignore:</u> <ul style="list-style-type: none">• Mail order and communications (mobile phone) missed payments• Discharged bankruptcies or settled IVAs that are over 3 years old



Property & valuation criteria

Full valuation always required: Purchases, self builds, holiday lets, Ex council flat, and Properties >500k over 65% LTV for properties outside the M25.

Properties >750k over 65% LTV for properties inside the M25.

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

**Driveby or full valuations are to be instructed by Pure Panel Management, DM Hall or Gateway

- Minimum of 30 square metres in a property
- Lower of OMV 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 >£500K properties: LTV: 75% =<£1m, 70% £1-1.5m, 65% > £1.5m
- Maximum 65% LTV on freehold flats
- Current buildings insurance policy
- EPC certificate required
- 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 035 5282

✉ referrals@mercantiletrust.co.uk



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