

Further advance product guide



These products are available for...



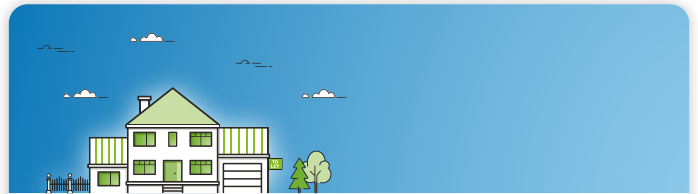
Landlords with **three or fewer** buy-to-let properties



Landlords with **four or more** buy-to-let properties



Limited companies



Consumer buy-to-let

USEFUL INFO

9.60% Paragon Standard Variable Rate (SVR) | 5.50% Paragon reference rate | 5.00% Paragon five year fixed reference rate



Products labeled with this icon benefit from our Track to Fix feature. This means that at any time during the discounted product term, a landlord can apply to switch to any of our product switch fixed rates available at that time, without incurring an early repayment charge.



Buy-to-let further advance products




KEY CRITERIA

- APRC calculated using an illustrative loan of £185,000
- A non-refundable application fee of £299 applies, unless otherwise stated
- All products are subject to availability of funds and may be withdrawn at any time
- All products are available on properties in England, Wales and Scotland, unless otherwise stated
- All products are funded by Paragon Bank PLC and will be registered by way of second charge against the property

Single self-contained properties

Houses in multiple occupation (HMOs) and multi-unit blocks (MUBs)

Product type and term	Initial rate	Product fee	Product criteria	Early redemption charge (ERC)	Reversion rate	APRC	ICR rate*
5 year fixed	6.10%	NIL	No application fee Free valuation	5% for year 1 5% for year 2 4% for year 3 4% for year 4 3% for year 5	8.35% Paragon SVR less 1.25%	7.80%	6.10%
2 year discounted variable 	7.35% Paragon SVR less 2.25%	NIL	No application fee Free valuation	3% for 2 years	8.35% Paragon SVR less 1.25%	8.50%	9.35%

75% LTV

*This is the ICR calculation rate. Although affordability will be calculated using this rate, please be aware that future affordability calculations may limit the maximum loan amount available.



More information

Track to Fix

Since 8 December 2022 all our new discounted products have benefited from our Track to Fix feature. This means that at any time during the discounted product term, a landlord can apply to switch to any of our product switch fixed rates available at that time, without incurring an early repayment charge. All product switches will be subject to any eligibility requirements being met at the time of application.

Affordability assessment

Any fees that will be added to the loan will be included in the loan amount used in both the current and future affordability calculations. As we need to assess the affordability for the property based on the total loans advanced, each existing loan balance will also be subject to an Interest Coverage Rate (ICR) calculation.

The gross rental income from the property should equal or exceed the Interest Coverage Ratio (ICR) as determined using a combination of the tax band applicable to an applicant's income and the property type. The applicable ICR calculation rate will be shown against each product, and the tax band applicable to the applicant / LLP member with the highest income will be used. The ICR calculation is follows:

Amount of loan x ICR calculation rate x ICR tax band percentage = minimal rental income required to borrow the requested amount of loan

5 year fixed rate products: The ICR calculation rate will be either the product charging rate or 5.00%, whichever is the greater.

All other products: The ICR calculation rate will be either the product charging rate plus 2% or 5.50%, whichever is the greater.

Where an existing loan has less than 12 months remaining on an incentivised product, the calculation will be based on the reversion rate plus 2% or 7%, whichever is the greater.

Interest Coverage Ratio (ICR) calculation percentages

Applicant type	Single self-contained properties	HMO's, multi-units and all other property types
Basic rate tax payer (20%)	125%	130%
Limited company	125%	130%
Higher rate tax payer	140%	145%
Additional rate tax payer (45%)	140%	145%

Future affordability assessment

To cater for the PRA affordability regulation, we will require a property schedule to be completed as part of the further advance application in every case, and where applicable, we may need to see an updated business plan and cash flow forecast. We will also need to ask for more information about your income to enable us to apply the appropriate tax band and ICR to the affordability assessment.

We must be satisfied that the applicant(s) are able to withstand increases in mortgage interest rates, cover rental voids and be able to afford the mortgage now and after any fixed or tracker period expires. All applications will be subject to both current and future affordability calculations, which may limit the maximum loan available.

If you'd like us to talk through the calculation that applies to your application, please call us on 0345 849 4040.

Maximum advance and key features

Any fees added to the loan will be taken into account for higher LTV applications and included within the maximum loan available and LTV calculations. The total amount of loan plus any fees added must not exceed 80% LTV.

Up to 80% LTV	Up to 75% LTV	Up to 70% LTV	Up to 65% LTV	Min loan	Max aggregate loan	Min income	Min age	Min term	Max term
£750,000	£1,000,000*	£1,500,000*	£4,000,000	£30,000	£10,000,000 (including any fees added to the loans) may be advanced to an applicant on a property portfolio	£25,000 [†]	21	5 years	35 years

*Only available to landlords with four or more properties, and limited company/LLP applicants.

[†]Where a landlord or limited company has four or more mortgaged properties, and can't meet the £25,000 minimum income, we will consider and assess those applications on a case-by-case basis.

A maximum aggregate borrowing above £10,000,000 (including any fees added to the loans) may be considered on a bespoke basis.

- Further advances are generally available to borrowers where the existing loans have been successfully maintained for a minimum period of six months
- A valuation of the property will be required, and the appropriate fee will apply
- Any further advance, plus current balance outstanding, will be assessed in line with our current criteria
- We reserve the right not to process a further advance at our discretion

Loan purpose

Capital raising will be considered for all purposes concerned with the owning and renting of residential investment property.

Fees

Any fees added to the loan will be taken into account for higher LTV applications and included within the maximum loan available and LTV calculations. The total amount of loan plus any fees added must not exceed 80% LTV.

Name of charge	What is this charge for?	How much is the charge?
Application fee	A non-refundable application fee on all submissions, unless otherwise stated.	£299
Re-inspection fee	If a re-inspection of the property becomes necessary at any time after the original valuation, a fee is charged and will be added to the loan unless it is paid in advance.	£100
Product fee	This fee can be added to the loan and may be included in the LTV and maximum loan calculations for higher LTV loans.	See individual product details


Valuation fee scales

Purchase price / remortgage estimated valuation	Valuation fee for single self-contained units (SSC)	Valuation fee for HMOs and multi-unit blocks
£75,000 to £100,000	£280	£500
£100,001 to £150,000	£300	£520
£150,001 to £200,000	£340	£560
£200,001 to £300,000	£395	£615
£300,001 to £400,000	£450	£670
£400,001 to £500,000	£490	£710
£500,001 to £600,000	£570	£790
£600,001 to £700,000	£650	£870
£700,001 to £800,000	£690	£910
£800,001 to £900,000	£750	£970
£900,001 to £1,000,000	£815	£1035
£1,000,001 to £1,500,000	£1,000	£1,220
£1,500,001 to £2,000,000	£1,250	£1,470
£2,000,001 to £2,500,000	£1,500	£1,720
£2,500,001 plus	Refer to lender (RTL)	Refer to lender (RTL)

The mortgage valuation report is a Security Assessment carried out for the benefit of Paragon Banking Group to determine if a property provides acceptable security for mortgage purposes. A valuation fee may be charged at application stage, where applicable, in accordance with the fee scales shown above. Where an internal inspection has been carried out and the proposed security is subsequently declined, a valuation report will not be made available although a summary will be given advising why the property is deemed to be unsuitable. In these circumstances the valuation fee, if paid, is non-refundable.

PARAGON 51 HOMER ROAD, SOLIHULL, WEST MIDLANDS B91 3QJ

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 0345 849 4040

 btlenquiries@paragonbank.co.uk

 www.paragonbank.co.uk

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