shawbrook

Date: 02/12/2024

Our Ref: 2024110820

Blumin Capital Ltd
30 Old London Road
Sevenoaks
TN14 7AE

Dear Sir / Madam,

Thank you for your commercial mortgage application via Trinity Financial Limited. We are pleased to confirm that based on the information provided to us, the application is acceptable in principle and this indicative mortgage offer letter outlines the mortgage facility that we may be able to provide and the relevant terms and conditions that will apply.

Security Address: First legal charge over: **323 Green Lanes, London, N4 2ES**	
*** If the application is being made by a limited company, please note that any directors/shareholders with over 25% of shares in the business will need to provide a personal guarantee unless otherwise specified below ***	
Mortgage Product:	HMO.3 - 25 yrs interest only - Fixed for 5 yrs at 6.44% A mortgage comprising a Fixed Interest Rate Period reverting to a Variable Interest Rate Period.
Requested Mortgage Term:	**25 years**
FIXED INTEREST RATE:	
Fixed Interest Rate Period	5 years
Variable Interest Rate Period	The period commencing after the expiry of the Fixed Interest Rate Period until the Final Payment Date. The Variable Interest Rate will track Shawbrook Base Rate (SBR)
	or the minimum base rate floor if higher (see below)
Fixed Interest Rate	6.44%
VARIABLE INTEREST RATE:	
Product Margin:	**3.30%**
Shawbrook Base Rate (or minimum base rate floor if higher)	**4.75%** If Shawbrook Base Rate falls below **0.75**%, Shawbrook Bank adopts a minimum base rate floor of **0.75**%. Our 'all in' rate (see below) will be the current Shawbrook Base Rate plus the margin, except that our 'all in' rate will at all times be at least 0.75% plus the margin, even if Shawbrook Base rate is lower than 0.75% as at the date of completion/commencement of the Variable Interest Rate Period, or falls below 0.75% subsequent to that

Shawbrook Bank Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Shawbrook Bank Limited is registered in England and Wales – Company Number 388466.

Registered Office: Shawbrook Bank Limited, Lutea House, Warley Hill Business Park, The Drive, Great Warley, Brentwood, Essex, CM13 3BE
Correspondence address: Shawbrook Bank, Sunderland, SR43 4AG

	date. Interest is calculated daily and charged monthly in arrears.
All in variable interest rate:	**8.05**% This is an illustrative rate and the actual interest rate will depend upon the prevailing Shawbrook Base Rate at the time the Variable Interest Rate Period commences. (or the minimum base rate floor, if higher)
Repayment Method	Monthly payments will cover interest only, the full capital balance will remain throughout the term
Early Repayment Charge (ERC):	**5%, 4%, 3%, 2%, 1%**
Gross Loan Amount:	**£3,082,498.97**
Arrangement Fee:	**£82499.97** This is included in the above gross loan amount and will be deducted from the advance on completion. This represents 2.75% of the loan amount.
Broker Fee:	**£0.00**
Commission:	If you take out this mortgage, in consideration of Trinity Financial Limited introducing you to us, we will pay them a commission equivalent to 1.5% of the loan amount on completion. They may share this commission with any other brokers and/or parties involved in your application.
Lenders Legal Fee:	**£TBC**
Telegraphic Transfer Fee:	**£20.00** inclusive of VAT (deducted from the amount advanced to you on completion)
Estimated Net Advance:	**£2,999,979.00**
Monthly Payment:	For the Fixed Rate Interest Rate Period: **£16,542.74**
	For the Variable Interest Rate Period: **£20,678.43** (this is an approximate figure based on current Shawbrook Base Rate (or the minimum base rate floor, if higher)

This indicative offer is only valid for 14 days from the date of issue. If you do not proceed to valuation by the 16/12/2024 this indicative offer will expire.

Please note that this is an indicative offer only, which means that it is an indication only of the mortgage offer we may be able to make. It does not in any way constitute an offer to lend or otherwise commit the Bank to provide the loan facility and should not be construed by implication or inference to do so. It is based on the estimated total value of **£4,000,000.00 and the following information assessed by our underwriters:**

- An Application Summary, detailing the loan purpose, loan serviceability, the security and containing an affirmation from your broker that you have the necessary experience to meet our requirements.
- Full personal and business credit searches.
- Latest Accounts for trading business applications OR Limited Company investment applications over £500k.

The Bank reserves the right to make a formal mortgage offer which contains different terms from those indicated here, or to decline to make any formal mortgage offer at all. The full terms and conditions of the loan facility will be set out in the formal mortgage offer and the facility

documentation and that documentation when signed will form the basis of the legal contract between you and the Bank.

Please note the way in which we use your personal information is set out in our privacy notice at https://www.shawbrook.co.uk/privacy-notice/. If you would like a paper copy of our privacy notice, you can print a copy from our website or contact us on 0345 8480223 to request one.

This Indicative Mortgage Offer is subject to the following being satisfactory for our purposes: -

1. A fully completed Shawbrook application form, including Direct Debit Mandate, signed by all applicants.
2. Completion of Interview
3. Latest accounts for Blumin Capital Ltd completed by a suitably qualified accountant (if over 6 months old, management accounts may be required). Accounts are to be acceptable to the Bank.
4. Commercial Valuation.
5. Please note that the underwriter has relied upon the information provided via the Portal/AIP form only. We can confirm that the declared income, property type and personal search information meet our minimum requirements. All other aspects of the application will be assessed upon receipt of a fully packaged case and valuation report. This includes but is not limited to full business searches, assessment of financials, review of bank statements, portfolio assessments and completion of all additional searches carried out by our Credit Reference and Fraud Prevention Agencies. In the event that the requirements of our published criteria are not met, the Bank will not be able to proceed with this application.
6. Purchase price of the company shareholding to be the same as the market value of the properties.

The following items are also required prior to completion, but should not delay the issuing of the Formal Offer: -

1. Written confirmation from the Insurer or a copy of the buildings insurance policy schedule to confirm there is a valid buildings insurance policy in place for the security. Details of the policy number, renewal date, security address, policyholders name and the name and address of the Insurer must be confirmed. For loans over £750k, our interest should also be noted on the policy. It is your responsibility to ensure you have sufficient insurance cover for your property.
2. Original signed Deed of Guarantee(s).
3. Proof of deposit monies to cover the difference between the loan amount and the purchase price, legal fees, stamp duty and VAT if applicable. Where there is a gift element to the deposit, the borrower and donor must also sign a separate questionnaire. Our solicitors will confirm if there are additional legal requirements such as an indemnity policy and statutory declarations.
4. An Energy Performance Certificate (EPC) confirming a rating of E or above is required in order for the property to comply with the Minimum Energy Efficiency Standards (MEES) regulations. For any property with EPC ratings of E or D, by signing this offer letter you acknowledge that you are aware of the MEES regulations requirement for the property to achieve an EPC rating of A-C by 2025.

Next Steps

1. If you are happy to proceed based on these terms, the valuation can then be instructed. The cost of the valuation **will be confirmed and collected by your broker.** Please liaise with your broker in this regard. Once our panel surveyor has been instructed by your broker, they should arrange a convenient appointment within 24 hours.

2. Upon receipt of the valuation report, we will email a copy to your broker. We will assess the valuation report together with the full mortgage application papers. **In order to progress quickly it is very important that you provide all required information to your broker in advance of the valuation report being received**.

3. Subject to the full application papers and the valuation being satisfactory for our purposes we will issue the **Formal Offer Letter** and **Legal Documentation**. The originals will be sent to you in the post with copies emailed to your broker. **Please note that the Fixed Interest Rate may change from that indicated in this indicative mortgage offer at the time the Formal Loan Offer is issued.**

   You will then have 14 days in which to sign and return one copy of the **Formal Offer Letter** and **Legal Charge(s)** documents. If the offer is not returned to us in the 14 day period it will expire and we will have the right to withdraw.

4. Upon receipt of the signed **Formal Offer Letter** and **Legal Charge(s)** documents, we will instruct our solicitors to commence the legal process. You may be required to appoint your own solicitors to act on your behalf, and this will be confirmed within the formal mortgage offer, or if you wish to discuss this earlier please contact your broker.

5. Please note that we contact all borrowers / guarantors during the processing of a mortgage application, firstly to introduce ourselves, and secondly to discuss the main details of your mortgage application.

6. Once all the conditions precedent in the formal mortgage offer and the legal requirements have been satisfied, we will proceed to completion.

N.B This is a commercial mortgage product. Shawbrook Bank is not currently able to lend in circumstances where the mortgage would become a regulated mortgage contract under current FCA rules (this is where at least 40% of the total area of the property is to be used by the applicant or a close family member for their own residential purposes). You have indicated on the mortgage application form that less than 40% of the property will be for such residential use. If we proceed, then we will ask the valuer to confirm the respective commercial and residential areas of the property. If the valuer confirms that more than 40% of the property is or will be for residential use by the applicant or a close family member, then we will NOT be able to proceed and you will LOSE any valuation fee you have by then incurred. We will make the valuation report available to you but we cannot guarantee that the valuer will allow any other lender to rely on the valuation report. If you fail to keep up with payments made on your mortgage a 'receiver of rent' may be appointed and/or your rental property may be repossessed.

Yours faithfully

Ian Spears
Shawbrook Bank Limited