

# QUESTIONS AND ANSWERS

## 3. LENDING



### 3.1 Where do you generate Business Bridge applications from?

Prior to the formation of Certain Bridge, and working in Finance, Corporate Finance and Property we built a network of introducers who would generate business for us. Following the launch of Certain Bridge these Introducers and new Introducers introduce Business Bridge Loan Applicants to us. These introducers are typically finance and mortgage brokers as well as Wealth Management Companies, Accountants, and Solicitors.

### 3.2 How much advertising do you do?

None. We do not need to as our introducers advertise and generate business themselves and bring to us more Bridge Loan Applicants than our present funds can match the demand.

As Loan Note sales grows thereby allowing our mortgage secure Business Bridge Lending to grow then we will be advertising online for more introducers of business rather than clients direct. However, it is expected that the nature of these adverts will also generate significant direct applications from Business Bridge borrowers.

### 3.3 Do you lend throughout the UK?

Our Lending Operation is purely focused on Lending in England and Wales. There is a considerable over supply of qualified Business Bridge applicants from these two countries which mean that we are able to focus here and easily achieve our lending targets, our only limitation is more funds to work with.

Should there ever be a need to expand territory we would look to lend in Scotland as well. The Scottish legal system is a little different to that of England and Wales, but we have access to and know the right proven and reliable professionals to work with.

We understand the UK marketplace very well and will not be looking to lend outside of the UK.

### 3.4 Do you foresee any difficulties in being able to get Business Bridge borrowers to take your mortgage secured Business Bridge borrowing?

No, there is and has been a substantial oversupply of clients who wish to borrow in this manner; this is what has created this attractive opportunity.

### 3.5 What safeguards do you implement to ensure are not over-lending?

We only lend up to a maximum of 65% of a property's value. The value we attribute is based upon a mix of professional valuations, what our own multi access point valuation portals provide and at times obtaining a first-hand different valuation from long known professional valuers.

PLEASE NOTE that included in this maximum 65% LTV is our newly created mortgage secured Bridge Loan which does include all the various charges and interest for the duration of the mortgage secured loan. The mortgage secured loan we are about to create is rigorously stress tested to ensure that if a loan defaults for longer than the contractual term length that we have a substantial cushion in the property's equity.

### 3.6 Do you review your Secured Bridge Mortgage Lending criteria and if so how often do you do this?

Management review all lending criteria on an ongoing basis and take into account economic factors as necessary.

### 3.7 Are all of the Bridge Loans you make secured with a mortgage?

Yes they always are, and also depending on how the Business Bridge Borrower takes the loan, extra added security is taken of personal Guarantee(s), cross guarantees, and a debenture. We will never deviate from this high level of security.

### 3.8 Will you accept any type of security?

No. We only accept property in England and Wales where a charge can be taken and secured at Her Majesty's Land Registry.

### 3.9 Why would a bridge borrower use Certain Bridge and not a Bank?

Ease of application and speed of the process and completion.

### 3.10 Do you charge/ask for any upfront fees from a Bridge Borrower applicant?

No. Occasionally if there is a difficult application on a legal basis, such as needing to apply for an existing charge to be postponed on security offered, we will request that the borrower pays our Solicitor's reasonable legal costs up front, these legal costs are charged at cost and the company does not make a profit here. This scenario happens in less than 5% of cases.

### 3.11 Do you do any regulated lending?

None, we purely do Non-Regulated Lending which is entirely secured against mainly Commercial Properties, Buy to Let Properties etc.

### 3.12 What is your average loan duration?

We only lend for whole months, but using averaging at this time our average term mortgage secured loan created is for 5.1 months and the average time to repayment is 7.2 months.

### 3.13 What is your highest and lowest ever returning loan?

All mortgage secured loans are written at a minimum of 50% on an annual basis. Due to the way Bridge Borrowers redeem their loans, such as "early" which provides no discount for early repayment, or "late" with monthly default interest of 5% compounding added, we have our lowest ever returning loan at 51.1% and our highest at 187.1%. The average to date of all redeemed mortgage secured Bridge loans is approximately 70% on an annual basis.

### 3.14 What is the largest and smallest loans you have created?

The smallest net mortgage secured loan to a Business Bridge borrower is £25,500 and the largest is circa £200,000.

What is your average loan size?  
Our average is approximately £80,000

### 3.15 Do you have any loans that represent a significant percentage of your loan book?

No, we would never look to expose a significant portion of our funds to just one borrower and certainly not to one property.

31st March 2020