

## Making use of an interest servicing deposit

<b>The client's requirements</b>	A couple were seeking to buy a new family home outside London for £8,500,000 and requested to borrow £4,675,000. However, as they wished to buy before selling their family home in London, they effectively required a short-term bridging facility until the existing home sold.
<b>Their financial situation</b>	The clients had significant assets include cash and property, however, their current income was insufficient to meet our normal affordability calculations. One of the clients also had a small credit card balance with 6 months' arrears.
<b>Our assessment and solution</b>	<p>We considered that it may take time in the current climate to sell a property with a valuation of around £20m. And although one of the applicants had a small credit card debt, we took the view that this was relatively insignificant in comparison to their overall wealth.</p> <p>We agreed the borrowing based on the client's:</p> <ul style="list-style-type: none"><li>▪ strong asset position</li><li>▪ ability to provide a blocked deposit for the full 2 years of the facility</li><li>▪ demonstration that other cash reserves and assets could be sold to service the borrowing if required.</li></ul>
<b>The outcome</b>	Borrowing of £4,675,000 was agreed on an Interest Only basis and on a fixed rate for 2 years.



**John Hilson**  
Business Development Director

*"When a client can demonstrate significant wealth or sufficient income to manage debt on an existing property, and fund the purchase of a new property, we are happy to agree shorter term facilities to give the client time to sell the existing home in what may be a slow market."*

All borrowing is subject to status and is available to persons of 18 or over. Security might be required for borrowing in the form of a charge or standard security over land, or other forms of security over your investments or other assets. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT.

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