

## Multi-element lending

<b>The client's requirements</b>	<p>A couple were seeking to buy a 9-bedroom family home with 3 additional apartments and 2 holiday cottages set in 11 acres. They were also intending to carry out extensive renovations to the property over the next few years so required to retain cash.</p>
<b>Their financial situation</b>	<p>Lending of £1,040,000 was required for the purchase, including £500,000 to complete the renovations, against the property valuation of £1,600,000.</p> <p>The main applicant's income had fluctuated over the last few years due to the setup of a new businesses.</p> <p>The client intended to pay lump sums towards the mortgage during the term with their ultimate repayment strategy being to downsize and sell the property.</p>
<b>Our assessment and solution</b>	<p>By working with the client's accountant to look at their fluctuating income, we were able to demonstrate affordability based on the new businesses increasing income and profit. And as some of the client's income was projection led, we were able to cover one years' interest with a blocked deposit.</p> <p>The additional apartments, holiday cottages and large acreage were manageable from a security perspective. By dividing the mortgage into both Interest-Only and Capital &amp; Interest elements, we were able to agree the interest only borrowing of £800,000 as within our sale and downsize repayment requirements.</p> <p>The client intends to pay lump sums towards the mortgage during the term so a base rate tracker with no early repayment charges was considered ideal for their requirements.</p>
<b>The outcome</b>	<p>A mortgage of £1,040,000 was agreed, split £800,000 on an Interest-Only basis and £240,000 on a Capital &amp; Interest basis. Both elements were arranged over a 10-year term on a lifetime tracker rate with no Early Repayment Charge.</p>

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.