



WE  NDERSTAND

Development Finance

Asset Finance

Bridging Finance

Case Files



**WE UNDERSTAND**

Asset, Bridging and  
Development Finance

# Welcome to United Trust Bank

**United Trust Bank provides a wide range of secured funding facilities. We are a specialist bank, staffed by an approachable team offering a depth of real world commercial experience.**

Professional intermediaries are central to our business. We therefore understand the importance of your role and the interface you provide between us and our borrowers.

This brochure explains how our three lending divisions – development finance, asset finance and bridging – can help you and your clients through value-added funding.

## **We understand...**

Our knowledgeable teams, led by some of the most experienced and astute individuals in the industry, have a profound understanding of their sectors, giving us the insight to support and add value for our intermediary partners. This enables us to be both flexible and entrepreneurial, so we can tailor our lending to your needs.

Each of our lending divisions has particular strengths. At the heart of these however, are some common

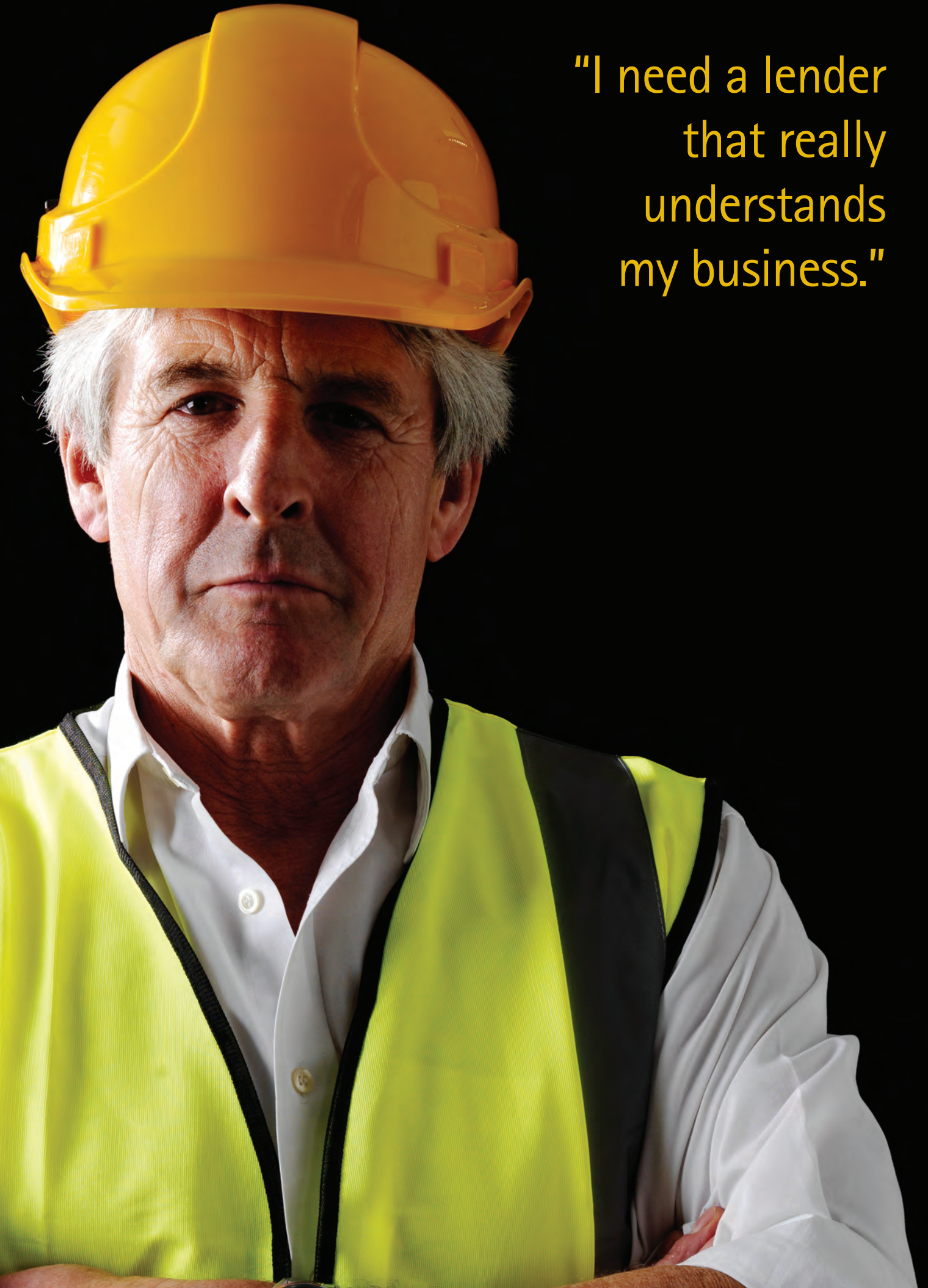
attributes, which unite our approach to lending and mean that you can trust us to deliver what we promise.

By focusing on high-quality service, we aim to develop long-term and mutually beneficial relationships with our customers. We ensure that we remain financially strong and we employ highly experienced people, with a flat structure that minimises bureaucracy, encourages flexibility and enables quick decisions.

We welcome sound proposals and aim to provide outstanding service to you, which in turn helps you to serve your clients and grow your business.

United Trust Bank is a patron of the National Association of Commercial Finance Brokers and the Association of Bridging Professionals.





"I need a lender  
that really  
understands  
my business."

# Trusted Development Finance

United Trust Bank has a long and consistent track record of financing residential development. We will also consider proposals for commercial development.

Our development finance offering is built on four key strengths: experience, flexibility, diligence and relationships.

## Experience

We have a long history of involvement in residential development and so do our business development managers. Each has more than 20 years' property lending experience. They spend all their time speaking to developers and evaluating projects, giving us a deep understanding of the needs of brokers and borrowers in this market.

## Flexibility

Our understanding of development finance allows us to tailor loans to the circumstances of each borrower and project. If something unforeseen emerges during a project, we won't turn it into a drama but react professionally and commercially.

## Diligence

Development is an exacting business requiring considerable attention to detail at every step. We know the development process inside out, enabling our due diligence to add value to the work done by our customers.

## Relationships

We build lasting relationships with our customers, based on open and knowledgeable communications and the experience of working together over several projects.

## The Projects We Support

We lend in England and in some parts of Wales, provided a reasonably active market exists for the finished properties. Most of our recent lending has been in the South East, although we have also financed projects in the North West, West Midlands and South West.

Customers should have a track record of successful projects. We favour those who operate in locations and markets they know well, as this helps them to choose the right opportunities. Customers need to show flexibility and imagination in their designs and project management, and must be able to react to changes in market conditions.

## Our Products

### Residential Development Finance

*Loan size: £400,000 to £4,500,000*

Usual commitment period: 12 to 18 months

Usual commitment to value (CTV): senior debt available for up to 50% of the gross development value.

Percentage of costs: negotiable, but within the overall CTV limit we will generally fund up to 100% of development costs and 100% of interest, with the balance of the facility for site/land costs.

Sites must have at least outline planning in place prior to lending.

We prefer projects which show a minimum target profit of 20% on costs.

### Commercial Development Finance

*Loan size: £400,000 to £4,500,000*

Usual commitment period: 12 to 18 months

Usual commitment to value (CTV): 50% of gross development value

Percentage of costs: subject to the overall CTV, we will usually fund up to a maximum of 100% of development costs and 100% of interest, with the balance of the facility for site/land costs.

Repayment source: usually there must be committed pre-sales or pre-lets to good covenants, alongside a viable take-out, either by on-sale or refinance.

Sites must have planning in place prior to lending. We prefer projects which show a minimum target profit of at least 20% on costs.

### Planning Gain Finance

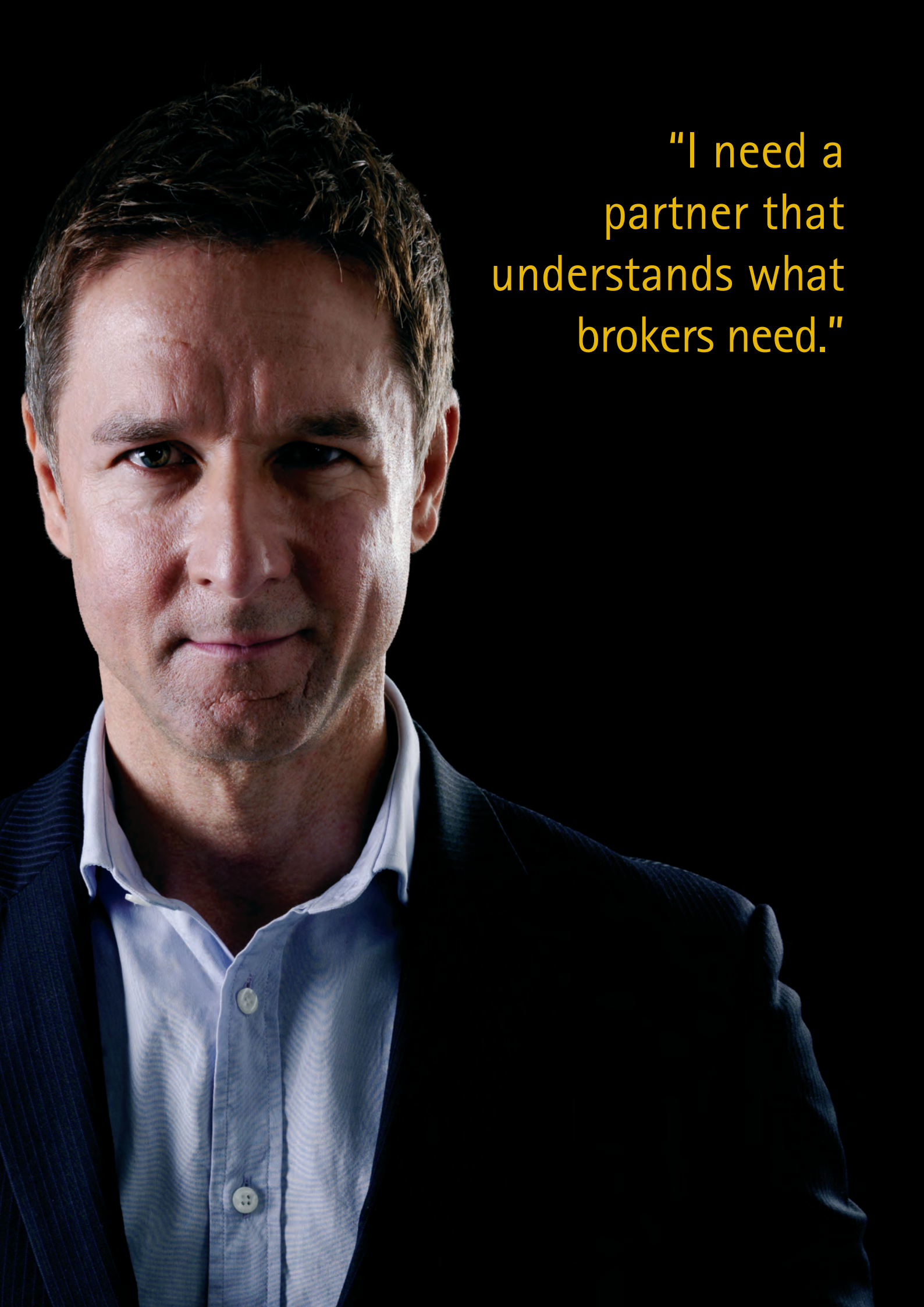
*Loan size: Between £100,000 and £1,000,000*

Usual commitment period: up to 1 year

Maximum debt commitment to value: up to 40% of market value, based on existing planning use, excluding any "hope" value. Interest roll-up is accommodated within this level.

Projects should be in areas of significant demand for the proposed scheme and zoned for the proposed use. Projects must conform with local planning policies and guidelines.



A close-up portrait of a man with short, dark hair, looking directly at the camera with a slight smile. He is wearing a dark blue pinstriped suit jacket over a light blue button-down shirt. The background is solid black, and the lighting is dramatic, highlighting his facial features.

"I need a  
partner that  
understands what  
brokers need."

United Trust Bank provides competitive asset finance facilities for business users. We generally finance wheeled and tracked assets, through hire purchase and finance leases. We offer a competitive broker commission structure and quick, efficient service from proposal stage through to drawdown.

Our approach is built around four key strengths: stability, knowledge, support and partnership.

## Stability

United Trust Bank has operated successfully for more than 50 years. Our asset finance capability is based on this long-standing credit experience and detailed understanding of the assets we fund.

## Knowledge

Our asset finance team are specialists with many years of experience, which means that you will be working with people who know every aspect of the sector. This deep understanding means we can assist with more complex transactions and assess when we

can be flexible, for example through innovative transaction structures that meet a customer's specific needs.

## Support

With a dedicated asset finance team we can offer a very personal service, which is greatly valued by our business introducers. We provide quick decisions, backed up by same day payment for suppliers, ensuring that your customer can take delivery of their new equipment without delay. We will keep you fully informed of any early settlement enquiries, to give you the best opportunity to retain your customer's business.

## Partnership

We look to build true partnerships with brokers, based on mutual trust and understanding. By working together, we aim to maximise your chances of retaining your customers.

## The Assets We Finance

We finance a wide range of wheeled and tracked assets including:

- Cars
- Light commercial vehicles
- Heavy commercial vehicles
- Buses and coaches
- Trailers
- Municipal vehicles
- Construction equipment
- Agricultural equipment
- Waste recycling equipment

We may consider the right transaction for other assets.

## Our Products

### Hire Purchase

Hire purchase is a finance agreement secured on the asset being funded. It offers the opportunity to own the asset at the end of the finance period. Payments can be tailored to suit the borrower's requirements.

### Finance Lease

A finance lease allows the borrower to use the asset during the lease period, without owning it. The monthly rentals are normally 100% allowable against tax. At the end of the lease, the borrower can either continue with nominal annual rentals or sell the asset as our agent and receive a proportion of the sale proceeds.

### Criteria

Deal sizes usually range from £10,000 to £500,000, although we will consider larger transactions for strong covenants.

Repayment terms are typically from one to five years.

Deposits and finance terms are dependent on the age and type of asset, and the borrower's status.



"I need a lender  
that really  
understands  
my client's  
requirements."



United Trust Bank is a leading player in the bridging market. We are known for our ability to get deals done and for our outstanding service. In 2011, we won the B&C Award for service excellence and we were delighted to start 2012 with the Business Moneyfacts Bridging Finance Service Award.

Our Bridging team have listened carefully in order to gain an understanding of what brokers and their customers need and have developed our offer based on the cornerstones of certainty, quality, tailoring and strength.

## Certainty

We are a fully regulated bank. In a sector of often unfamiliar names, you can be sure that we will always have the funds to complete your cases. Where required we act quickly to ensure your deal completes in a timely fashion but will thoroughly check each and every detail to protect the interests of lender, intermediary and borrower alike.

## Quality

Bridging loans are not an everyday experience for many brokers. We understand the nuances of bridging, so can provide all the assistance you need to get loans completed. Focusing on the quality of our service and processes and encouraging open and honest engagement between lender and broker achieves the best results and helps us to build a profitable, long-term relationship.

## Tailoring

Completing bridging loans is not about ticking boxes and following process. Each case is unique and presents different challenges. We work hard to understand your case and assign a dedicated case manager, who ensures that your client's loan completes with the minimum of fuss and on time.

## Strength

United Trust Bank has a long-term commitment to the bridging sector and a dedicated team of highly experienced individuals, focused on using the bank's strength to serve you.

## Our Products

We have two core product areas – bridging loans and buy-to-refurbish loans.

### Bridging Loans

United Trust Bank provides bridging loans with first or second charge on residential properties, or first charge on mixed use or semi-commercial

properties. These can be used for a wide variety of purposes including: Downsizing, Chainbreaking and short term financing for business – if your client has a clear route to repayment and sound security we will work to provide a bridge that works for all!

We offer FSA regulated and non-regulated loans with no exit fees or redemption penalties, and valuation and legal fees at cost.

Loan to value: based on lower of market value or purchase price

*Loan size: from £100,000 to £5m+*

Term: 30 days to 12 months

Locations: England and Wales

### Buy-to-Refurbish Loans

We look for clients and builders with proven experience of completing similar projects. Works should typically be non-structural and their cost can be up to 30% of the current unimproved value. Improvement costs are paid in arrears, so the borrower must have the capacity to fund work in progress.

Purchase loan to value: up to 55% of market value or 80% of purchase price

Improvement costs: 100% funding of costs

Gross facility: up to 55% of GDV

*Loan size: £200,000 to £1m*

Term: 30 days to 12 months

Minimum property value: £300,000

## Development Finance

### Funding a phased development

We were approached by an experienced developer to assist with a scheme for 31 units of family housing in the West Country. The borrower owned the site and had agreed to sell the social units to a housing association. Initially, the borrower wanted financing to build Phase 1, which was made up of eight houses for sale on the open market. The borrower made excellent progress and following exchanges of contracts for the sale of two of the units, we agreed to fund Phase 2, consisting of a further six detached houses for the open market and nine "value" houses for members of the local community.

#### Facility

Phase 1 - £1,775,000 - LTV 50%

Phase 2 - £1,560,000 - LTV 55%

### Funding an acquisition, planning gain and development

The borrower sought our help to acquire a derelict property in an attractive Surrey village, with the intention of converting these institutional studios and flats into 14 family houses that were more in keeping with the location. The borrower also established that it would be possible to refurbish and sell the existing units, providing a fall back if the planning application was opposed. We were able to fund 50%

of the initial purchase cost, before planning was granted.

The borrower subsequently received formal consent to convert the buildings to family homes. This allowed us to increase our loan by providing for 100% of the construction costs, enabling the customer to redevelop the property.

#### Initial Facility

£1,110,000 - LTV 50%

#### Revised Facility post Planning

£2,519,000 - LTV 53%

### Planning gain followed by development finance

An existing customer approached us to help with the purchase of a development opportunity in a desirable West London location. The site had planning consent to convert the Victorian buildings into ten flats with an underground car park. However, our customer thought that a scheme for family housing, part conversion and part new build, would be more appropriate. After a site visit and meeting, we quickly provided a facility so the purchase could take place.

The revised planning consent was achieved within three months. We were then able to provide funding to cover 100% of the construction costs and assist with professional fees. The development is in process and proceeding well.

#### Initial Facility

£1.5m - LTV 55%

#### Revised Facility post Planning

£4.5m - LTV 51%

## Asset Finance

### Enabling a customer to acquire a large trailer fleet at short notice

We enabled a long-established haulage company to purchase a used trailer fleet from a multi-national group of companies, from whom they were acquiring a number of large contracts at short notice. The trailers were specialised units and detailed industry knowledge was required to value them and assess the loan requirements. Using our in-house expertise, backed by our extensive contacts in the commercial vehicle and trailer sector, we were able to agree terms and complete the transaction in line with our customer's deadline, ensuring a seamless handover of the contracts.

#### Loan Amount

£170,000 - LTV 85%

Term 36 months

### Refinancing a balloon

A well-established crane hire company needed to refinance a balloon payment due on one of its large mobile cranes. The original funder had long since pulled out of the asset finance market, leaving the company with the prospect of having to sell the crane unless it could find further funding. We quickly carried out a full inspection of the crane and agreed a five year

repayment plan, which greatly assisted the company's cashflow.

**Loan Amount**  
£250,000 - LTV 90%  
**Term** 5 years

#### **Funding coaches for a new business venture**

A recently incorporated coach hire company, whose directors had a wealth of experience in the industry, wanted to buy two used coaches to enable it to take over a contract from a national operator which was withdrawing from this type of work. The company required a competitive package from a funder who understood this sector, with a low deposit to assist its initial cashflow requirements and a repayment plan in line with the projected revenue flow. Based on our due diligence of both the contract and our vehicle valuations, we structured an attractive solution which satisfied our customer's needs.

**Loan Amount**  
£160,000 - LTV 80%  
**Term** 36 months

## Bridging Finance

#### **Providing living expenses**

Our customers lived overseas, where they owned substantial assets in addition to a property in the UK. An unexpected change in their circumstances meant that our customers needing financing, so they could continue to meet the high cost of living abroad while they resolved their personal affairs. We advanced the funds secured against their UK property, with repayment achieved through the sale of their overseas residence.

**Loan Amount**  
£258,600 - LTV 21%  
**Term** 24 months

#### **Assisting developers with an acquisition**

Our customer was an offshore company which owned a flat in Central London. Its principals included an architect and surveyor who undertook high-quality refurbishments.

The principals wanted to purchase another flat and had been let down by their bank. A Notice to Complete had already been served. We structured the transaction with two security properties, one owned by the company and the other by the principals. We then advanced £413,500, so the company could complete its purchase within the

deadline. The loan will be repaid through the sale of one of the security properties.

**Loan Amount**  
£413,500 - LTV 39%  
**Term** 10 months


#### **Helping to complete an overseas development**

Our customers were experienced property developers who specialised in high-quality developments in Italy. Their latest project was nearing completion, but funds were required to finish the communal swimming pool and landscaping.

The customers had substantial equity in their UK residential property, which we were able to take as security for the loan. One of our Bridging Team flew to Italy to meet the customers, who were personally supervising the project. The loan will be repaid by the sale of the Italian units or by the customers remortgaging their UK residence.

**Loan Amount**  
£696,900 - LTV 65%  
**Term** 6 months



A decorative horizontal bar at the bottom of the page, divided into three segments of light blue, olive green, and red.

**United Trust Bank Limited**  
80 Haymarket London SW1Y 4TE

T: 020 7190 5555 F: 020 7190 5550  
E: [info@utbank.co.uk](mailto:info@utbank.co.uk)  
[www.utbank.co.uk](http://www.utbank.co.uk)

Authorised and regulated by the Financial Services Authority