




Roma
Lending
less ordinary

Intermediary Packaging Guide

NACFB
Helping Fund UK Business

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FIBA | Partner

For introducer and professional property trader use only.

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Roma Finance offers lending less ordinary, with a progressive range of lending solutions, designed to support intermediaries with their borrowers on standard to complex property projects.

Whether it be a purchase or re-finance to raise capital, we work closely with our intermediary partners to ensure we are all able to achieve the right outcome.

Our bridging products are available for residential, semi-commercial and commercial properties as well as land. We have options for short term finance including refurbishment, conversion, renovation, auction and development finance from ground up to developer exit.

Our buy-to-let, HMO, holiday let and serviced accommodation finance offer medium term facility of 5 years. This guide has been designed to help our intermediary partners understand our requirements and provide more insight into our process from start to finish.

All outstanding requirements are a guide, these lists are not exhaustive and each application is underwritten in its own merit.

For all new enquiries please contact a member of the team to discuss:

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The Application Process

If you have an application you would like to discuss, your dedicated Business Account Manager will review the borrower's requirements and provide guidance on a structure that best suits their needs.

All initial discussions and quotes can be provided by your dedicated Business Account Manager, Once agreed, an Agreement in Principle (AIP) will be issued along with confirmation of any fees payable and the application documentation.

01.
Enquiry agreed
and AIP issued

02.
AIP & Supporting
documents
including valuation
and legal fees

03.
Searches and
preliminary
assessment
completed

04.
Application
passed to
underwriting

The Underwriting Process

Once the minimum information has been submitted, and the relevant fees paid, the application will be passed into underwriting and will be underwritten within 24 hours of receipt.

If the borrowers legal fees have not been paid, we will not be able to instruct the borrower meeting or solicitors. Paying all fees as early as possible will provide a quicker underwriting process.

01.
Application
underwritten
& Intermediary
updated
Instructions sent.

02.
Intermediary
information
received along with
borrower meeting
report

03.
Application
mandated and
solicitors confirm
date to provide
documents

04.
Application
completes and
funds released
same day

Standard application requirements, all products

Submitting accurate information is essential to a quick turnaround. We require the following documentation as a minimum across our entire product range.

- ✔ Agreement in Principle – This document must be signed by all parties to the application
- ✔ Application form fully completed and signed
- ✔ Proof of name for all individual borrowers and guarantors
- ✔ Proof of address for all borrowers
- ✔ The last three continuous months personal bank statements for all borrowers
- ✔ The last three continuous months Business bank statements if we are lending to a Limited Company
- ✔ Proof of deposit and confirmation of source if applicable

Lender checks - Identification and Verification

Credas: ID Checker

As part of our underwriting process, all applicants are required to complete an online ID verification. Credas offers additional benefits to simply having sight of the applicant's documentation, in that it uses technology which can perform Biometric Facial recognition to confirm the borrower identity. It also uses Electronic Data Verification, document authentication and chip reading to confirm authenticity. Our processing team carry out their additional searches and send the Credas ID link via email or text message.

Open Banking/Account Score

Along with the Credas ID check we send a link to sign up to Open Banking. This offers valuable additional information to paper/online banking statements, it provides in-depth profiling of the borrower's financial management. The borrower remains in control of the consents and access levels given to us, thus offering them additional security. If completed, we will not require sight of the borrower's paper statements further speeding up the overall process.

Borrower Meeting

We meet our borrowers face to face and have a conversation about the project. This will usually be requested at the same time we instruct our solicitors. As we cannot personally meet every borrower, we may outsource this to a 3rd party who aim to meet the borrower within an agreed 48 hour SLA and submit their report within 24 hours of the appointment. This meeting will usually take place at the security property and the borrower is required to bring original identification.



Know your customer: Acceptable documentation

Evidence of Name:

- ✔ Passport: Current EU / UK passport
- ✔ Passport: Current non EU / UK passport with Rights to reside documentation
- ✔ Driving licence

Evidence of address:

- ✔ Utility bill dated within the last 3 months
- ✔ Mortgage statement dated within the current issue year
- ✔ Council tax bill dated within the current issue year
- ✔ Bank Statement dated within the last 3 months
- ✔ Current signed full EU Driving licence
- ✔ Current signed provisional EU Driving licence (Photocard only)

Proof of address is only required for the current address and must be addressed to the borrowers correct name and home address.



Auction Finance

Usually when a property is purchased at auction, the borrowers pay a 10% deposit and have a limited timeframe to find the balance of the purchase price and complete, usually 14-28 days.

We understand the importance of a quick completion for these properties and recommend the following information is submitted with the initial documentation.

Purchasing a property at Auction

- ✓ Payment of legal fees - The quicker we can instruct our solicitors the better chance we have of a quick turnaround. Our solicitors will review auction cases as a priority.
- ✓ Payment of valuation fees - The valuation report needs to be with the underwriter as soon as possible to ensure there are no unforeseen issues.
- ✓ Confirmation of the works being completed/plans for the property/timescales and Gross Development Value (GDV).
- ✓ A copy of the auction pack if available: Being in receipt of the auction pack can, in some cases mitigate the requirements needed on day one, therefore speeding up the process even more.

Refurbishment Bridging

We can facilitate all types of property refurbishment projects. Our underwriting requirements will be subject to the levels of works required against the Current Market Value (CMV).

Where the borrower is completing Medium/Heavy or Development, the schedule of works including costings and Gross Development Value (GDV) will need to be sent to the surveyor.

↓ Light - 10%-50% of CMV

- Schedule of works & timeframe
- GDV

↓ Medium - 50%-100% of CMV

- Schedule of works & timeframe
- Builder information
- GDV
- Confirmation of approved planning with documentation (if applicable)

↓ Heavy - Over 100% of CMV

- Schedule of works, costings, contingency and timeframe
- Confirmation of approved planning with documentation
- Details of the builder and/or project manager - depending on the size of the project we may require confirmation of the builder experience
- Confirmation of the borrower's experience with similar projects
- Any warranties that will be put in place and/or confirmation the borrower has investigated any warranties available to them

Development Finance

Details of borrower's experience and/or project management and contractors will be required on all applications. Our underwriting team will check that the borrower has the correct planning permission and all conditions have been/will be met, along with whether the borrower has investigated any building warranties required throughout and on completion of the build.

Ultimately, we need to ensure that the borrower has considered all factors and can exit our loan within the required timeframe.

Where we are funding works to a project, the payments towards works are made in arrears. When the borrower has completed works to the property with the effect of increasing the valuation, they can request further funds and we will require confirmation of costs. A new valuation and/or a site visit by our Asset Manager will be instructed. This process can continue until the full advance agreed has been drawn down.

Our care team are also available to offer guidance, advice and support should the borrower exit be delayed, or any significant issues have arisen.

When submitting a Development application, we will require additional information relating to the works:

- ✓ Schedule of works, costings, contingency and timeframe
- ✓ Confirmation of approved planning with documentation
- ✓ Details of the builder and or project manager, depending on the size of the project we may require confirmation of the builder experience
- ✓ Confirmation of the borrower experience of similar projects
- ✓ Any warranties that will be put in place / confirmation the borrower has investigated any warranties available to them

5 Year Term Lending

We will consider term lending across a wide range of property types, including Buy to Let, Holiday Let, HMO and Serviced Accommodation. This product has been created for properties ready for immediate letting. We are unable to offer a term product if the property requires additional works before it can start to generate an income. Where rental income is being used, we will calculate to 125% rental coverage.



Buy to Let / HMO

We require a signed tenancy where the property is already let or evidence of 3 months rental equivalent in the borrower's bank account to cover payments should it take time to source a tenant.

- ✓ Evidence of the deposit paid, and the borrower has received the "How to rent guide" where the property is already let
- ✓ EPC Certificate rated E or above

Holiday let and Serviced Accommodation (SA)

- ✓ Where the property is not already being used as such by the borrower, we will require a Single-Family AST estimate which will be confirmed by the surveyor
- ✓ For an existing SA or Holiday let we will require 12 months evidence of previous income and projected income based on evidenced bookings

Prior to completion the underwriter will require sight of the Gas and Electrical safety certificates, these can be obtained via solicitors.

Valuations – Process and Panel

We require the valuation fee on submission of the initial documentation. When the application has been underwritten, we will check that you are happy for the valuation to be instructed, as fees are non-refundable once the instruction is undertaken.

Our valuation panel includes:

- ✓ Method for residential and Commercial – National coverage
- ✓ Gateway for residential – National coverage
- ✓ VAS for residential and commercial – National coverage
- ✓ Ord Carmel and Kritzler - Residential property within the M25
- ✓ DM Hall – Scotland

Valuations are valid for three months, and we will require a Current Market Value, 90 day figure and Insurance reinstatement value.

For Refurbishment Bridging applications, all schedules, and costs along with the Gross Development Value (GDV) will be referred to the surveyor for feedback.

All valuations are based on a bricks and mortar value with vacant possession and must be accompanied by photographs of the Kitchen, Bathroom, front, back and street scene (left and right).

All valuations are based on surveyor knowledge and comparable evidence. Confirmation of supporting comparable must be provided by the surveyor on all reports.

Servicing Repayments & Top Slicing

Where a borrower is servicing or Top Slicing repayments by substituting their own income, we will need to complete a full income and expenditure assessment to ensure the repayments are affordable. Servicing our term products is acceptable, for Servicing Bridging Finance please refer to your Business Account Manager.



In addition to the standard requirements we will require the following:

- ✓ Declaration of income and expenditure - this will be issued with the application documentation.
- ✓ Last two SA302 documents with the most recent dated within 18 months if the applicant is self-employed, alternatively, we require two years management accounts. We reserve the right to request SA302 information on all applications.
- ✓ Last three payslips if the applicant is employed.

The income is calculated as total net income - household expenditure - debt repayments = disposable income.



Solicitors: Our panel and advice requirements

Solicitors fees must be paid to enable our underwriting team to complete instructions. We will liaise with you directly with any solicitor feedback.

Our panel includes:



Dual representation is only currently available to existing borrowers (Bridge to Term). The borrower's solicitor must have a minimum two SRA Partners and full registration with The Law Society.

Legal advice

Independent Legal Advice is required for the following:

- Signing of Personal Guarantee documentation
- Signing of any third party legal charges
- Signing of a Deed of Subordination

Legal Advice is required for the following:

- Signing of facility letters and other completion documentation
- Deed of gift letter - by application

General Underwriting Guide/Criteria

Additional Security: Additional security can be taken by way of a First or Second charge to allow a higher lending amount.

Address history: Confirmation of the last three years address history is required for all applicants.

Agreement in Principle: Required on all applications and must fully outline the product information accurately. This will be produced and sent by the Sales team.

Application Form: A fully completed and signed Roma Finance application form is required for all applications; it is important that all sections are completed with accurate and full information.

Architects certificates: The architect monitoring construction must be registered with A.R.C.U.K (Architects registration Council of the UK) or Architectural Technologist (BAOT Qualified). The Architect must release certificates at stages throughout the project with a final certificate on completion of the build. In the case of staged release of funds/tranches we will require sight of the architect's stage certificates up to the most recent certificate issued.

Bank statements: Three months bank statements are required for each individual borrower named on the application. They must be consecutive and dated up to the last date of the previous month. The borrowers name, home address and bank information must be evidenced, and we will not accept retracted statement information. We will require sight of the full documentation. Where we are using personal income to support an application, the bank statements will be cross referenced for accuracy against the declared expenditure.

Bankruptcy: We will consider lending to individuals that have been declared bankrupt or have a pending bankruptcy hearing. Without exception, the purpose of the loan must be to annul the bankruptcy, with no additional funds or any other loan purpose. These applications are strictly by referral.

Commercial lending: We currently only offer bridging finance on a 100% commercial security. Commercial products are packaged much the same as a standard bridge. In the event of the exit we will need to understand the potential requirements for a lender to re finance our advance i.e. where a new commercial premise is being built, new lenders usually require 12 months accounts before lending on a term basis. Our underwriters will fully assess the exit plausibility and may require additional information in support of this.

Construction type: We will consider lending on most construction types, including but not limited to Standard, Timber Clad, Wimpey no-fines and Cross Wall Construction. Unacceptable construction types include Timber framed, Wychert Construction, Cob Construction – we may consider lending on all security types subject to valuers' comments and the overall application. Please refer to your New Business Account Manager.

Credit reports: Adverse credit is taken into consideration and compared with the overall management of the borrower's credit file. CCJs & Defaults unsatisfied over three years old or satisfied over 12 months ago are ignored on our bridging products, with the exception of Secured/ Mortgage defaults. Adverse on our term lending is by referral.

Debenture: Where our lending is via a Limited Company we will take additional security over the company by way of a debenture.

Declaration of income and expenditure: Where personal income is being used to support an application, we will require a declaration of the applicant's expenditure, this must fully detail all household expenditure payable by the borrower. We are unable to accept part payments on any joint accounts. All loans/credit where the borrower is named, 100% of the repayment will be used in the expenditure.

Calculation used for personal income: Total income – household expenditure – credit repayments including mortgages = Amount sufficient to maintain our monthly repayment.

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Deed of Subordination: Documents required via solicitors in the following scenarios a) deposit funds are being provided by another company owned by one or all borrowers, where the funds are not by way of a gift b) deposit funds are being provided by a third party Company or individual and are not by way of a gift c) Deposit funds are being provided by a private investor. This document provides assurance our funds will hold first legal charge and our advance will rank first in priority.

Deposit Source: We will accept deposits from a range of sources including 3rd party investment, family gift and other borrower owned Companies – a deed of subordination will be required as part of the legal process in the event of a 3rd party loan and a declaration of gift is required if part of the deposit is gifted. All additional documentation can be obtained via solicitors. In most cases we will require the borrower to put in 10% of the purchase price from their own funds.

Employed applicants: If we are using the borrower's income, we will require the last three months payslips dated to the end of the previous month. Payslips must include the name and address, company name and year to date information:

EPC Certificates: Required on all term products and the property must be category E or above

Fee and Commission payments: Upon confirmation of completion by our solicitors, we will contact you for an invoice for payment (NB you can send this at any point throughout the process) once received your fee and commission payments will be released the same day.

Flying freehold: In most cases we cannot accept a flying freehold, please refer to your New Business Account Manager.

Freehold property: We will lend against most freehold titles apart from flats and maisonettes.

Holiday let & Serviced accommodation: Where we are taking security on an active holiday let or serviced accommodation, we will require sight of the last 12 months bookings and income along with future booking evidence and projections. Where a borrower is unable to evidence previous or potential income, we will require an estimate of the property rental value under a single AST.

Confirmation of this figure will be required from the valuer and the monthly repayments must fit to a 125% rental coverage.

Japanese Knotweed: Where Japanese Knotweed is or was present at the security we will consider it, strictly on the basis of 1) Remedial treatment carried out/underway by a recognised specialist firm 2) Confirmation of the guarantees provided/to be provided by the specialist 3) Confirmation of when the treatment was carried out and its current stage or when the treatment will start 4) Confirmation of local authority notification.

Leasehold property: We can lend on a leasehold title where there is a minimum 70 years remaining on the lease. We can lend funds to extend the title length, however, the extension must already be approved and assigned to our borrower. In the event of a purchase, the existing owner must apply for the extension and transfer the right with the purchase. A purchaser cannot extend the lease of a property until they have maintained ownership for a minimum two years. Shorter leases in central London can be considered by referral.

Lending to a Company: Where we are lending to a UK registered Limited Company, we will take additional security by way of a Personal Guarantee from all directors and/or controlling shareholders along with a Mortgage Debenture. In some cases, we may require a Cross Company Guarantee.

Listed Buildings: We will consider lending on Grade II listed buildings by referral and where works are being completed, full confirmation of the relevant authority approval will be required. We will not consider lending on a Grade I listed building.

Minimum valuation: The minimum property value accepted on a bridge is £50,000 and £100,000 on our term products.

New Build Warranties: In the event of a Development project getting underway or a project recently completed (within 10 years) we will require sight or confirmation of any warranties covering the build. The main warranties accepted are NHBC Buildmark, Zurich Municipal or Checkmate Guarantee.

Continued...

Occupiers: Caution will be taken when considering bridging finance against a property with an existing tenant or Occupier. If removal is required to complete works or exit our product, we may reduce lending. If we have serious concerns in relation to sitting tenants and the overall risk of our lending, we may not proceed.

Personal Guarantee: Each director requires independent legal advice from a solicitor separate from the solicitor acting in our transaction.

Planning approval: Where the GDV is key to the exit of our loan we will require sight of fully approved planning prior to the release of funds. There are some occasions planning is not required, for example, a large house being turned into a HMO, if planning is not yet approved or is declined post completion the borrower has other options with the property. Where we are funding in tranches, we will not release any additional funds until full planning is approved. Outline planning is not acceptable in most cases and where full planning is provided with conditions the underwriter will fully assess the conditions and discuss with you the borrower's intentions.

Property type: We will not generally lend against the following property types, however, if you feel there is a good case to put forward please refer to your New Business Account Manager. Single use industrial units (purpose-built factories or chemical works) Contaminated property, petrol stations, operating night clubs, pubs, care homes, single use leisure (amusements, sports, casinos) religious buildings, schools, charity owned buildings or livestock.

Schedule of works: For light works, a simple list of the borrower's intentions will be acceptable. Where there is medium/heavy works being completed we will need to see confirmation of the full schedule including timescales and costings. In most cases we will require the borrower to have considered a contingency amount. Where we are lending funds in tranches, we need to have a full understanding of the time schedule to ensure we can monitor post completion

Self-employed applicants: Where the borrower's income is being used to support the application, we will require the last two SA302 documents with the most recent dated within 18 months along with the accompanying tax overview. SA302 documents must be 100% completed and include the borrower's name. Alternatively, we can review the last two years management accounts for the borrower's company.

Security: Lending is acceptable in England, Wales and Scotland on bridging products and England and Wales on term products.

Term Lending Property Type: We will only lend against residential security on our term product, for semi commercial property, we can lend if the title is split and our main security is residential with additional security taken over the commercial element.

Third party legal charge: We can take a 3rd party legal charge over additional security to support our application. The owner of the security we are taking a charge over will be required to seek independent legal advice. All applications will be fully underwritten to ensure the charge is in the best interests of all parties.

Valuation reports: We will consider using the CMV (Current Market Value) for all First Charge products. We will consider various factors within the valuation reports which could affect the amount we are willing to lend. If there is more than 15% between the CMV and FSV (Forced Sale Value), or there are any poor comments noted by the surveyor may reduce the originally agreed LTV. Where a Second Charge is being taken as additional security lending is based on the 90 day figure.



Let's talk. Call **0161 817 7480**, to see how we could support you and your business, alternatively you can [email us enquiries@romafinance.co.uk](mailto:enquiries@romafinance.co.uk).

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