

# Specialist finance information: commercial including buy-to-let (BTL)

The questions below will make sure you collect the relevant information to deal with your commercial enquiries as efficiently as possible.

These questions should not replace your own fact-find process – they're designed to be a guide to make sure your commercial enquiries are dealt with swiftly

1. COVID Impact questions
2. Is the application being made as a Special Purpose Vehicle (SPV) or an individual
3. Is the property a trading business or an investment
4. Is the applicant looking to raise funds for a purchase or to refinance
5. Property type
6. Loan amount required
7. Current value of property
8. Address/location of property
9. Rental/net profit if trading business
10. What experience, if any, does the applicant have in BTL properties
11. Does the applicant currently have any other BTLs
12. Multiple occupants: is a HMO license required, and if so, is one in place or has an application been made for one
13. Is interest-only financing a priority
14. If the property is semi-commercial, what is the split of residential and commercial
15. Any adverse credit or issues we should know about
16. Any quirks – or additional information that may aid or support the enquiry/application

See the next page to find out why we think you should ask some of these questions. If you need any further help with your enquiry, just get in touch with the Clever Lending team by calling 0800 316 2224 or emailing [candb@cleverlending.co.uk](mailto:candb@cleverlending.co.uk)

## Specialist finance information: commercial BTL

The notes below explain the reasons for - and relevance of - some of the questions we think you should ask as part of a commercial or BTL enquiry.

### **1. Has the business been affected by the impact of COVID-19, either directly or indirectly. Has the business taken advantage of the government helps schemes.**

Has the industry that the business is within or the business itself been adversely impacted by COVID. Has the supply chain to those industries adversely affected. COVID impacted business are unlikely to be able to secure funding unless there is strong evidence of continued trade and profit. If the business has taken advantage of the Covid Business Interruption Lending Scheme (CBILS), then again, they will be asked why and it may adversely affect any successful application.

### **2. Special Purpose Vehicle (SPV) or an Individual**

A SPV is a legal entity (limited company) created for a limited purpose. SPVs are used for a number of purposes including the acquisition, financing of a project or managing property projects.

### **10. What experience, if any, does the applicant have in BTL properties**

See note 11 below

### **11. Does the applicant have any other BTLs**

It is imperative to know the details of any other properties the applicant has and how these are structured, for example in a SPV limited company. The level of experience of a property investor forms part of the overall risk assessment of any potential lender.

### **12. Multiple occupants: is a HMO license required, and if so, has an application been made for one**

Smaller properties used as HMOs in England which house five people or more in two or more separate households will - in many cases - require a licence.

### **13. Is interest-only a priority**

The applicant can take out an interest-only mortgage - however, some lenders won't provide this type of mortgage for commercial purposes due to affordability considerations.

### **15. Any adverse credit or issues we should know about**

As with any standard mortgage, if the applicant has an impaired credit history, it may affect their ability to borrow or the products that would be available to them.