



Product guide



Second Charge *Business Loans*

- *Residential and Buy to Let Properties*

Key points

- Competitive APRs starting from 4.95%
- Procuration fee of 3.5%
- No assessment, product, or origination fees
- Flexible structure with no early repayment penalty
- Fast turnaround time of 5 business days (from application till payout)

Our loan criteria at a glance ...



Loan Terms

Credit Line Amount: £25,000 – £400,000

Loan Duration: 6 months – 5 years

Early repayment charges: None

Two Repayment Options (To be discussed with a Selina loan officer):

- 1 **Partially drawn credit line:** Option to pay interest-only for a certain time period (see page 6)
- 2 **Fully drawn credit line:** Interest and capital repayment (see page 7)

Applicants / Loan Beneficiary

Maximum Number: 2

Credit Score: 720+

Acceptable applicants / loan beneficiaries

- 1 Limited Company
- 2 Limited Liability Partnership
- 3 Owner of a Limited Company
- 4 Sole Trader / Partner of a LLP (needs to own min. 25%)

Applicant – Credit events in the last 3 years

Mortgage arrears: None

Consecutive months of overdue loan payments: None

County Court Judgements: None unless lower than £500 and settled

Bankruptcies, IVAs, or DMPs: None

Loan Purpose

Any business related activity, including:

- Boost working capital, expansion financing, management-buy-out, etc.
- Debt consolidation (both secured and unsecured loans)
- Property Investment, Deposit financing, BTL refurbishment

Property / Security

Location: England, Wales, Scotland, or Northern Ireland

Acceptable Property Types: Residential, Buy-to-Let, Semi-Commercial, HMO

Maximum Properties Used for Security: 4

Minimum Value: £50,000

Minimum Leasehold Property Terms: 60 years

Valuation Fee

None

We use our in-house automated valuation model (AVM) to determine the current value of the property.

Once the borrower has passed the affordability stage, we may conduct a physical valuation, for which we will bear the costs.

Broker Commission

3.5% procurement fee

- 2% of the initial drawn balance at loan disbursement
- 1.5% of the drawn balance after 18 months from the Agreement Date

supported by attractive rates & fees



Combined LTV	Min. Loan	Max. Loan	Min. APR	Max. APR*	Origination Fee & ERC
< 60%	£25,000	£400,000	4.95%	12.00%	None
< 65%	£25,000	£380,000	5.40%	12.00%	None
< 70%	£25,000	£360,000	5.90%	12.00%	None
< 75%	£25,000	£340,000	6.50%	12.00%	None

* At origination – the interest rate may go higher throughout the loan tenure as the interest rate varies with the Bank of England base rate.

Representative example:

A loan of £30'000 drawn in full and payable over 5 years would require 60 monthly payments, the first of which would be £608.29 and the 60th of which would be £608.29. The interim monthly payments due would be determined by reference to the drawn balance. This is based on our variable tracker rate of 7.25% above the current Bank of England Base Rate (currently 0.75%), which applies throughout the term of the loan. On the assumption that the loan is drawn in full throughout the term the total amount payable would be £36'497.51 (This includes the amount borrowed of £30'000 plus £6497.51 interest). The overall cost of comparison is 8% APRC representative.

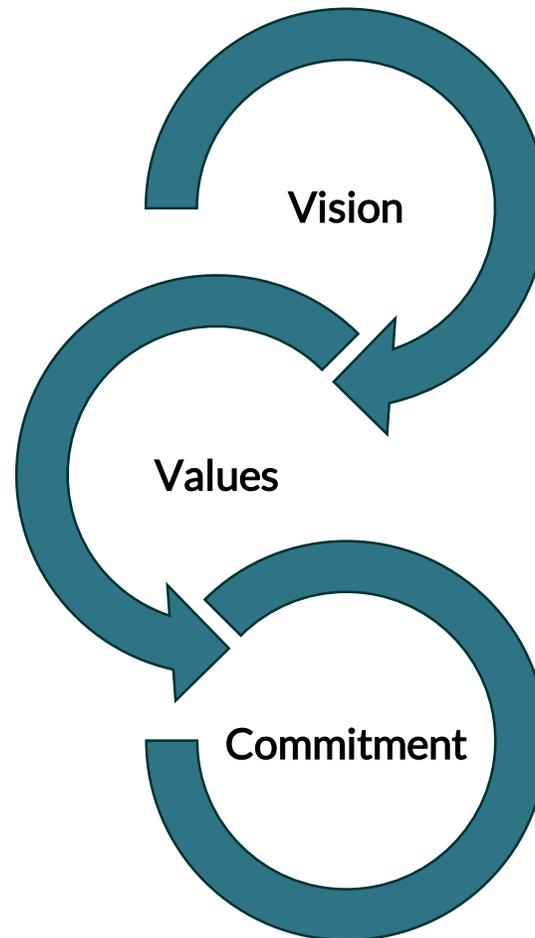
Our Underwriting Philosophy

Our Vision

Millions of UK residents reside on more than 2tn residential property, while high interest consumer and business loans are the main source of funding. Selina's vision is to enable homeowners to use their blocked assets to realise their personal dreams and business goals. We change a tedious home equity release process to digital and hassle-free solution that puts clients at ease.

Our Commitment

Our team is committed to deliver a personalized service that enables our business partners and their clients to make informed financing decisions. We leverage technology to provide our clients with lean internal processes and the fastest possible turnaround times while ensuring full transparency.



Our Values

Integrity: Our employees act at any point of time and in any situation in accordance with our ethical code. Each employee brings a high level of integrity to the firm as a part of his or her personality.

Innovation-driven: Our employees are motivated to constantly question the current procedures and status quo to ensure the highest possible value generated for our clients and partners.

Customer centricity: Selina aims to always put the needs of its clients first and always manage low information asymmetries between all involved parties.

1) Property / Security

Threshold: The Cumulative Loan to Value (CLTV), which includes all debts secured on the property, must be lower than **75%**

Interest rate: The lower the CLTV, the lower the interest rate, and vice versa. The property's region / neighbourhood will be incorporated into Selina's decision.

2) Affordability

Threshold: After all expenditures (tax, debt commitments, costs of living, etc.), the borrower needs to have at least **10% of his monthly income** and a minimum of **£100 p. month left over**.

Interest rate: The higher the ratio of income to expenditures, the lower the interest rate, and vice versa.

We assess each loan application according to 3 aspects. The decision in principle and the final interest rate depend on EACH of the three criteria.

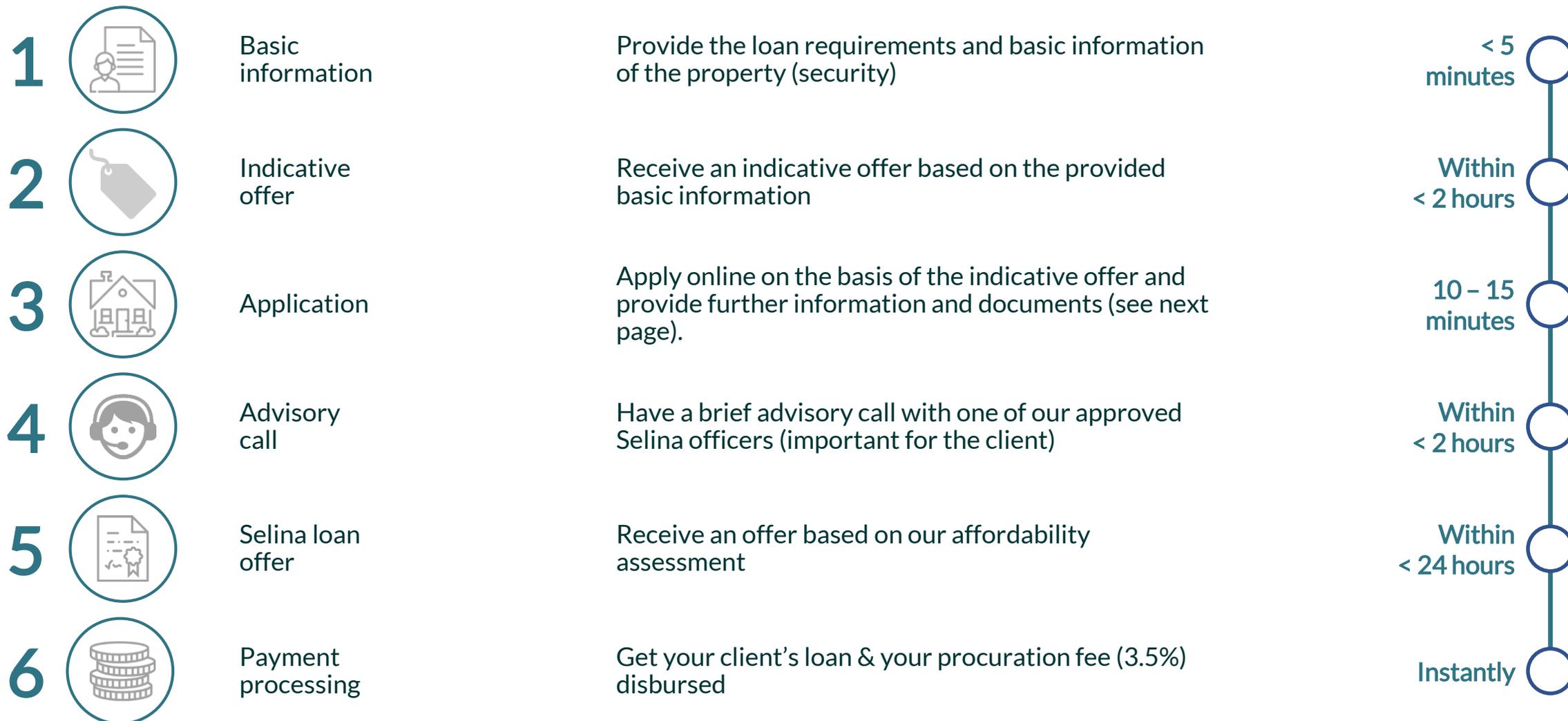
3) Credit Score

Threshold: The borrower's Experian credit score must be equal or higher than **720 points**.

Interest rate: The higher the borrower's credit score, the lower the interest rate, and vice versa.

How our loan issuance process works

Visit our website or give us a call at 020 8133 9282 to receive indicative terms for your client.



Which documents you must gather

For our affordability assessment, we require a set of documents about the business's financial situation. Please note that we do accept other income sources, such as rental income, besides the business income. This may boost the applicant's affordability and result in a higher approval likelihood as well as more attractive rates.

Mandatory Documents

Optional Documents

Business Information

- 1 Last 2 years of certified financial statements
- 2 Business bank statements for the last 3 months
- 3 Statements of significant liabilities / loans

- If there is additional relevant information, that is not covered by the latest financial statements, please get in touch with Selina's loan officer to discuss the type of evidence that may enhance the application
- For debt consolidation, we require the mortgage statement, confirmed settlement figure, and repayment plan
- We determine additional income sources on a case-by-case basis

Personal Information (Business Owner/ Director)

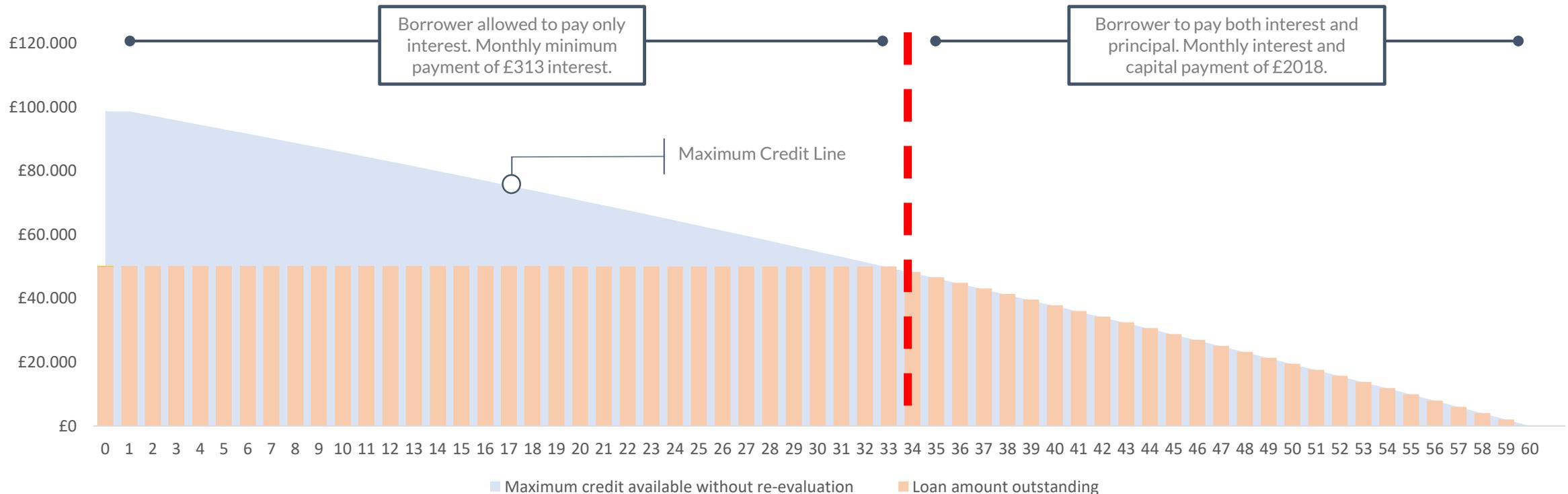
- 4 ID / Driver's license
- 5 The mortgage statement of ALL mortgages / secured loans

- Besides the business income, we also accept the following income sources with *(valid proof)*:
 - Base salary *(Last year's P60 form or latest 3 pay slips)*
 - Self-employment *(Previous 2 years SA302 form or tax year calculations)*
 - Rental income *(Assured Shorthold Tenancy (AST) for each property)*
 - Pension income *(Current or expected pension statement)*

Partially drawn credit line – illustrative example

Loan Description

- Approved for initial credit line of £100,000 (which amortizes over the life of the loan)
- Borrower decides to draw £50,000 to invest in their business/buy a property
- APR: 7.5%, Duration: 60 months



Fully drawn credit line – illustrative example

Loan Description

- Approved for initial credit line of £100,000 (which amortizes over the life of the loan)
- Customer decides to draw the entire £100,000 to invest in their business/buy a property
- APR: 7.5%, Duration: 60 months

