

Newcastle Building Society Launches New Market Leading Day 1 Closed Bridge Product For Buy To Let Borrowers

Newcastle Building Society has announced the launch of its new Day 1 bridging product which is designed to provide a fast bridging option for buy to let investors.

The Day 1 Bridge complements the existing 30 day bridging product which has proven very popular with brokers and their clients. The unique selling point of the Day 1 Bridge, just like the 30 day bridge, is that it provides investors with the opportunity to purchase buy to let property virtually as a cashless process, with Newcastle providing up to 100 per cent of the purchase price, provided it does not exceed 85 per cent of the value. This is especially useful where properties are being bought at a discount.

Newcastle's bridging products are on a closed basis, whereby there is a mortgage offer from another lender who will have agreed to refinance the bridge with the lender. That lender views the transaction as a straight remortgage at 85 per cent of value.

Whereas the 30 day bridge charges interest for a minimum of 30 days, the Day 1 Bridge is structured around same day completion and redemption. The charging structure between the products is different however they do increase the options available to the broker and their client.

Steven Marks, lending and operations executive at Newcastle Building Society, commented:

"Newcastle Building Society is delighted to launch a market leading One Day Bridge product - the Society's most recent offering to the bridging loan market. This product is designed to enhance the product choices open to investors and the comparable rates offered ensure that brokers are provided with an attractive and competitive bridging product."

"Newcastle Building Society is confident that the Day 1 Bridge will provide buy to let investors with further options to grow their portfolios while considering the best use of their cash resources."

-ENDS-

Notes to Editors

Product Details:

Lender	Newcastle Building Society
Product Type:	Day 1 Closed Bridge
Geographical availability:	England, Scotland & Wales
Rate:	There is no interest rate. Instead, there is a

	Completion Fee and Penalty Fee (if appropriate).
Redemption & Repayment charges:	The amount required to redeem the loan will be equal to the loan amount, plus the application of a Penalty Fee at £500 per day (if applied). There will be no additional repayment charges.
Completion Fees:	1.1% of advance amount. This amount will be debited from the advance, with the balance remitted to the Solicitor upon completion.
Minimum Loan:	£42,500
Minimum Property Value:	£50,000
Proc Fees:	0.5%
	The lower of 100% of the discounted purchase price / 85% of open market value on properties valued up to £500,000.
Maximum LTV:	80% on properties valued over £500,000 Applications above £500,000 individually or by aggregate, by agreement and referral prior to submission.
Penalty Fee:	This is a One Day Bridging product and it is expected that funds will be requested only when the Solicitor is certain that the Society's mortgage account will be redeemed by return. Should this not occur a daily penalty rate of £500 per day will be debited to the mortgage account, from the second day after completion, for each part day thereafter, until redemption occurs.
Interest Calculated:	There will be no daily interest applied in addition to the completion and penalty fees advised.
Lending Type:	Buy to Let only
Compulsory Insurances:	None
Repayment Method:	On remortgage or sale of the property
Valuation Fees:	Payable by customer
Legal fees:	Payable by customer
Underwriting Requirements:	Unconditional re-mortgage offer Valuation addressed to NBS Application form Money laundering requirements
Additional Details:	Borrower criteria – minimum age of 21
Property Types:	Flats in blocks of more than 20 flats or four stories

(to be confirmed by the valuer as either prime, executive or desirable). Exposure limited to the lower of 25% or five in number, in any block or development, unless agreed prior to submission. Studio flats to be agreed prior to submission. No bedsits.

For further information please contact:

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