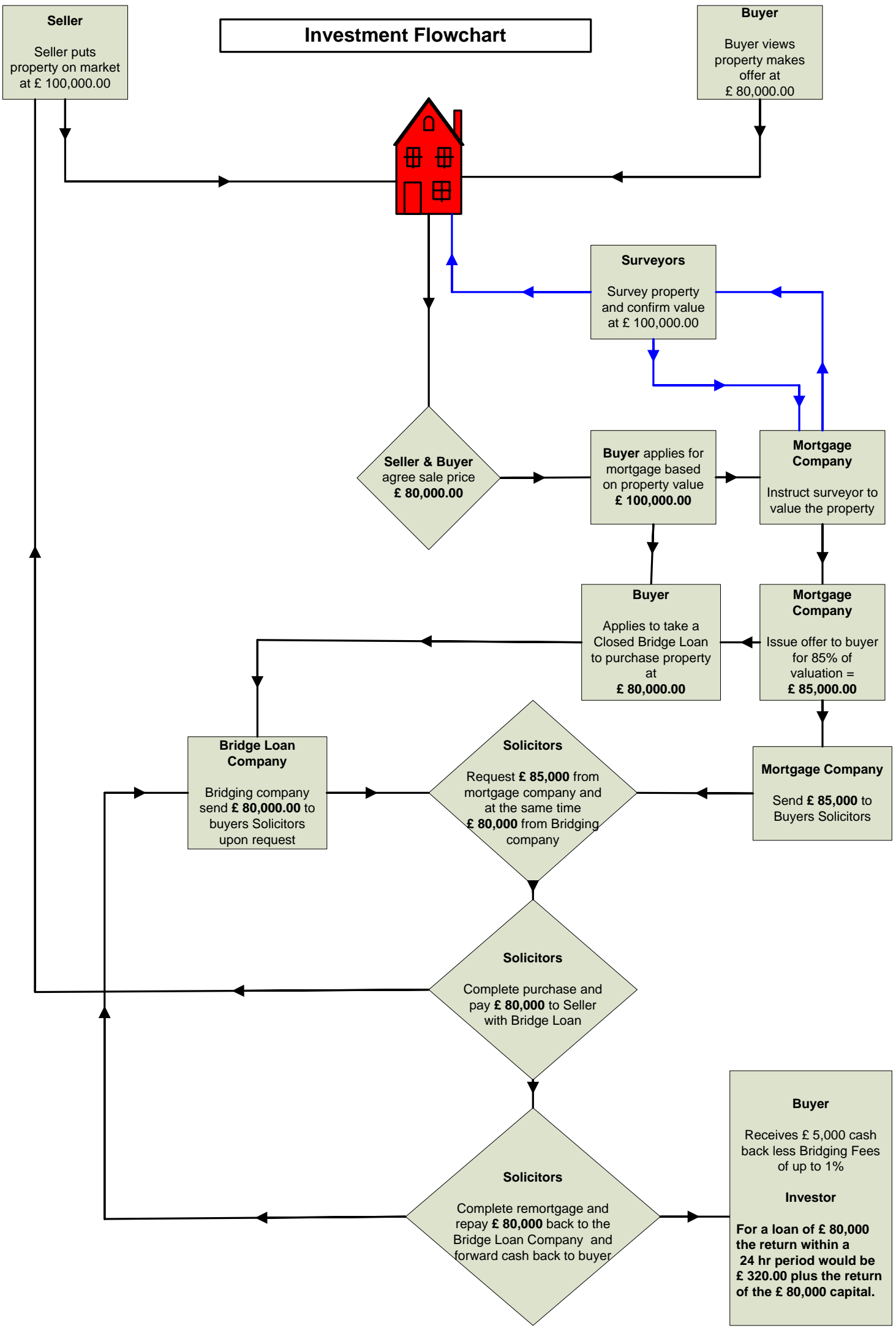


Investment Flowchart



Seller
Seller puts property on market at £ 100,000.00

Buyer
Buyer views property makes offer at £ 80,000.00



Surveyors
Survey property and confirm value at £ 100,000.00

Seller & Buyer agree sale price £ 80,000.00

Buyer applies for mortgage based on property value £ 100,000.00

Mortgage Company
Instruct surveyor to value the property

Buyer
Applies to take a Closed Bridge Loan to purchase property at £ 80,000.00

Mortgage Company
Issue offer to buyer for 85% of valuation = £ 85,000.00

Bridge Loan Company
Bridging company send £ 80,000.00 to buyers Solicitors upon request

Solicitors
Request £ 85,000 from mortgage company and at the same time £ 80,000 from Bridging company

Mortgage Company
Send £ 85,000 to Buyers Solicitors

Solicitors
Complete purchase and pay £ 80,000 to Seller with Bridge Loan

Solicitors
Complete remortgage and repay £ 80,000 back to the Bridge Loan Company and forward cash back to buyer

Buyer
Receives £ 5,000 cash back less Bridging Fees of up to 1%

Investor
For a loan of £ 80,000 the return within a 24 hr period would be £ 320.00 plus the return of the £ 80,000 capital.

Frequently Asked Questions

You say this is a RISK FREE investment, how can I be sure that it is truly risk free?

The reason we say that it is **RISK FREE** is because your money is only used once the Buyer's Solicitor is in receipt of the mortgage money from the actual mortgage company. The Buyer's Solicitor provides us with a 'professional undertaking' to the effect that he will NOT draw down the Bridge Loan money until he is ready to complete the mortgage. The purchase and remortgage of the property take place together and that is why the Bridge Loan is only required for a very short period (usually just 24hrs)

Why does the buyer need a Bridging Loan when he has a Mortgage in place already?

The reason the Buyer needs a Bridging Loan is because he has purchased the property at a reduced price but has mortgaged at the true market value so that he can purchase the property without a deposit and/ or receive cash back from the mortgage he has taken out.

The buyer needs to purchase the property from the seller at the reduced price before he can remortgage it at the true market value thus providing him cash back to refurbish the property or to allow the Buyer to purchase the property without putting down a 15% deposit . This means that the Buyer has added another property to his portfolio without using any of his own money.

How is my money safeguarded?

Your money is transferred directly into the Solicitor's Client account from your account or our account. Under the Law Society's rules and regulations any money within a Solicitor's Client account is fully protected against the incident of theft or any other misappropriation.

How much can I invest?

We stipulate a minimum investment of £ 25,000.00 and there is no upper limit. All we need to know is how much money you wish to make available for use. Please also consider that we may need to draw upon the money at short notice, within a matter of hours. Therefore, the money must be in an account that is accessible and be capable of accepting and making electronic transfers.

When and how will I receive my interest?

Your capital will be returned to you as part of the mortgage and remortgage deal, usually within a 24 hr period. You will also receive your interest payment along with the capital repayment. The acting Solicitor will return the money directly to account it came from.

Please note that all transfers are done by way of CHAPS transfers. The cost of a CHAPS transfer varies from £ 25.00 to £ 35.00 these fees are paid by the borrower not you.