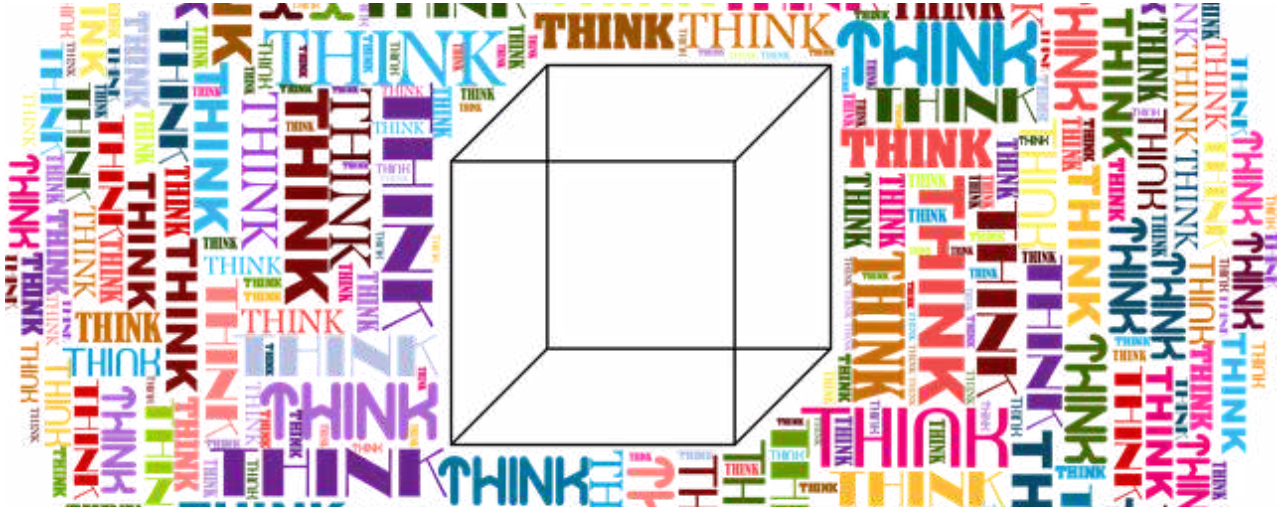




## Fiducia Commercial Solutions' Monthly Newsletter For Introducers, Network ARs and Partners



### THINKING OUTSIDE THE BOX FOR COMMERCIAL FINANCE SOLUTIONS

Understandably, when you receive a new Commercial Finance enquiry as it is not your primary space you will deal with what is in front of you – and requested of you – probably without varying. It's natural.

You don't know any different at the outset – but that is the power of working with a partner where many of us have seen most scenarios before, and with a broad range of products and lenders at our disposal we have the ability to 'think outside the box' to source suitable solutions for your clients.

- We look for other ways to fund requirements when one route is not viable – why not have a Plan B in your mind already?
- Some clients approach us for unsecured Business Finance which by its nature is riskier for the lender and more expensive for the client – we can sometimes use property and asset based finance to significantly reduce the cost of their funding
- In our experience a client may approach you for one type of finance because they are just not aware that there are other ways to look at their requirements

This month we wanted to highlight some of our partners and products that could add value to your clients, and help to source suitable Commercial Finance solutions for them.

#### THIS MONTH:

- 'Thinking Outside The Box' For Commercial Finance Solutions
  - Regulated Referrals
- Regulated Bridging Loan Referrals - SPF Short Term Finance
- Thinking Outside The Box - Refinancing Term Loans / CBILS
  - 2nd Charge Mortgage Referrals - Loans Warehouse
- Thinking Outside The Box - Business Finance Solutions

## REGULATED REFERRALS

The products that we work with under our FCA permissions are all UNREGULATED – and in property terms our ‘yardstick’ for this is that client and/or close family has never lived in more than 40% of the property – and obviously for residential BTL that 99% of the time counts them out if they have or will.

Part of our early conversations with clients that you introduce us to with residential property is to establish the history and intentions with the property - for example, it may come to light that they inherited the property from a family member while not having previously lived in it themselves, but to our lenders this would still class the property loan as regulated.

We have regulated loan lending partners on our panel in a couple of areas where we can refer clients to them – completely hand them off as we cannot be involved in regulated loan cases – but this is another example of where we have more than the obvious / vanilla solutions that we can help your clients with:

- Regulated Bridging loans - We can refer cases to our partner SPF Private Clients - Short Term Finance.
- 2nd Charge Mortgages - We can refer cases to our partner Loans Warehouse.

## REGULATED BRIDGING LOANS REFERRALS

### CASE STUDY: How SPF Short Term Finance have been able to help with a Regulated Bridge



An Openwork Partnership adviser called us to say he had a client that was in a difficult situation and wondered if there was anything that we could do to help:

- The client had lost her mother and had been left the house as part of the will. This had gone to probate and she wanted to sell the house.
- The property was valued at £400,000 and she was liable for inheritance tax for a total amount of £100,000. She could not sell the property until this amount had been settled and she was not in a position to raise this kind of money.
- SPF advised that as long as this had already gone to probate and the Will was available then this was something that they could help with.
- All SPF needed was the clients name, contact details and the valuation of the property to proceed.

## **CASE STUDY: How SPF have been able to help with a Regulated Bridge (contd.)**

We introduced the client to SPF Short Term Finance ('handed off', as we can't be the adviser to clients on regulated loans).

The terms that SPF Short Term Finance offered:

- Net Loan - £100,000
- Term - 12 Months
- Rate - 0.47% per month
- ERC's - None
- Lender Fee - 2% added to the loan
- Monthly repayments rolled so this is not serviced on a monthly basis

As the exit would be the sale of property then there is no minimum income required.

This is a great solution and outcome when a client is in this situation.

### **About SPF Short Term Finance :**

SPF, the award-winning UK mortgage brokerage, has experienced and dedicated teams covering every area of secured property finance.

SPF Short term finance offers market-leading expertise in bridging finance. With many decades of experience across our entire team, SPF works with a wide network of providers of all property loans and finance solutions.

As an established finance intermediary with a great deal of experience, we are able to secure bridging, development, self-build and other financial arrangements for properties. We pride ourselves on our approach to arranging the ideal financing required by borrowers and have hundreds of satisfied clients. We always ensure that the property finance we arrange is the best available and we help find tailored arrangements for the individual needs of borrowers.

The process of arranging property finance with us is straightforward and hassle-free, allowing you to arrange the finance you need quickly and conveniently through a team of dedicated and experienced experts.

<https://spf.co.uk/>

## **THINKING OUTSIDE THE BOX - REFINANCING TERM LOANS / CBILS**

A great example of 'thinking outside of the box' to resolve a client requirement: One of our lending partners saw 15-20% of its business in 2021 sourced from business owners who consolidated CBILS and other term loan debt into their business loan facility - using residential or BTL property as security.

For example, your client approaches you with CBILS and other unsecured term loans over 5 year terms, at rates of 9%, 10%, 13% or more depending on who they are with. They want to consolidate and free up cash flow / working capital.

Our lending partner's facility would allow them to refinance at up to 30 years, at a typical rate of 6% to 8% - with personal residential or BTL property as security.

That would dramatically improve their cash flow profile.

## REGULATED REFERRALS – 2ND CHARGE MORTGAGES



### Case Study: How Loans Warehouse Have Helped With A 2nd Charge Mortgage - For An Unsecured Business Loan Enquiry

An AR colleague on The Fiducia Commercial Network received a business funding enquiry from a good, creditworthy client whose business had taken on significant debt prior to / during the Covid-19 pandemic.

Although meeting their regular repayments, the client needed to intrinsically reduce payment commitments to manage cash flow.

The AR could not source suitable consolidated loan finance within the business funding sector of the market, so was advised by the Fiducia Commercial Solutions broker team to speak to Loans Warehouse:

- Loans Warehouse operates within the regulated loans sector of the market and so the AR 'handed off' the client to their team to work with directly.
- A suitable second charge mortgage against available equity within the business owner's residential property was sourced / underwritten within 48 hours.
- This enabled approximately £55,000 debt to be restructured at half the current interest rate.
- Additionally the term increased from three to twenty one years, and that reduced the monthly repayment by £1,800.
- The client is now in a position to continue to develop her business with reduced monthly costs.

#### About Loans Warehouse:

##### Experience and understanding:

Our team of advisers have many decades of combined experience in the industry but with a true perspective of how money affects us in our daily lives. We don't make decisions lightly or without all the facts and we place a great deal of importance on making things easier for people so they can look forward without worrying about finance.

We do this by listening to people's individual needs, and by finding the solution that will meet them and we do it as well as anyone in the industry. It's also why we make friends with everyone we provide finance for.

##### Choice and value:

Offering a choice of products is, for us, one of the most important decisions we have made as a business. We can never know too much about every loan product available, because for us, the right option can always be found if the choice is there in the first place. Our lender relationships are second to none so we can offer truly exceptional value, to all our customers.

<https://www.loanswarehouse.co.uk/secured-loans/>

## THINKING OUTSIDE THE BOX - BUSINESS FINANCE SOLUTIONS

Here are just a few other examples of where we can 'think out of the box' and utilise Business Finance solutions for your clients from our large panel of lenders:

- A client required a large unsecured business loan, presuming with no commercial property it would be their only option; we sourced an offer for Invoice Discounting which leveraged their customer invoices and the cost of funding was 1/3 that of an unsecured loan option.
- An online retailer had grown significantly due to demand during the pandemic - but had chronic cashflow issues to source stock from manufacturers. We worked with our lending partner who specialises in E-Commerce Trade Finance to tailor fit a solution for them.
- A Hair Salon owner needed funds for marketing, stock and a new website to re-build from the pandemic, but was concerned any dips in business would leave him short on cash flow to meet regular loan payments; we worked with a Merchant Cash Advance lending partner to use the level of card payments in his business to service the loan - even in quieter periods.
- A Manufacturing client asked about a loan for working capital, because their bank had security over their commercial property and a debenture on the company, and this restricted their ability to look elsewhere for Invoice Finance. A Business Finance specialist lending partner on our panel could provide funding against customer invoices (the 'debtors book') without taking security over any property or the company as a whole.

### THE FIDUCIA COMMERCIAL NETWORK OUR COMMERCIAL FINANCE APPOINTED REPRESENTATIVE NETWORK



A PARTNERSHIP WITH YOU THAT ENABLES YOU TO DELIVER SUITABLE  
COMMERCIAL FUNDING SOLUTIONS - AND SO MUCH MORE

#### THE CORE COMMERCIAL NETWORK PROPOSITION

- FCA authorisation, including all regulatory reporting
- PI Insurance - a significant saving on its own
- NACFB membership - unlocks a whole of market panel of commercial finance lenders
- NO UPFRONT FEES to join the Fiducia Commercial Network

#### AND SO MUCH MORE!

- Training and set up support while your application is authorised
- Compliance, Admin and Finance support
- System support with a CRM and sourcing system plus white label documentation
- Full direct access to BDMS at our entire 'whole of market' lender panel
- Direct access to the internal Fiducia broking team for business support with your cases
- Access to the Fiducia brokers can include jointly working cases - ask for more details
- Monthly lender webinars for the network
- Monthly newsletter, and frequent news and product / rate updates from lenders

[fiduciagroup.co.uk/commercial-network/](https://fiduciagroup.co.uk/commercial-network/)

E-Mail Mark Grant at [mark@fiduciagroup.co.uk](mailto:mark@fiduciagroup.co.uk), and start a conversation about how we can work together in commercial finance.

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