FAQ

Query	Guidance
Enquiries	
Who should be the first contact point for all enquiries and correspondence (including certificate of title submission)?	The relevant Relationship Director for the transaction that you are instructed on.
Valuation	
If there is a valuation report, will you provide us with a copy?	Yes. We will provide you with a valuation report upon receipt from our valuer. Please would you ensure that any assumptions referenced by the valuer and any other areas highlighted for your review in the valuation are given due consideration ahead of submitting your certificate of title to us.
Ownership	
Do we need to notify you if the owner/registered proprietor of the property will have owned the security property for less than six months at completion?	Yes.
Do we need to notify you if the seller is not the owner/registered proprietor?	Yes aside from the where the seller is: • a personal representative of the owner/registered proprietor; • an institutional mortgagee exercising its power of sale; or • a receiver, trustee in bankruptcy or liquidator.
Occupation	
What is your stance in respect of occupation of the security property by the borrower or any family member as a main residence?	We will not permit any property offered as security to the Bank to be occupied for residential purposes by the borrower or any family member of the borrower. Please let us know immediately if you become aware that this is envisaged by the borrower at any stage of your instruction.
What is your stance in respect of occupation of the security property by the borrower as business premises?	If the security property is used by the borrower as their business premises, we do not require any formal occupation document. In all other circumstances we will require confirmation that a valid tenancy agreement or lease is in place.
Indemnity Insurance	

Query	Guidance
Do you accept search indemnity insurance?	Yes. Please would you get in touch to inform us whenever it is proposed that this approach be adopted in order to obtain our prior agreement.
Do you have any specific requirements in respect of our arranging indemnity insurance?	Yes. Please note the following requirements: • the terms of any such policy are to be approved by you on our behalf; • the level of coverage must not be less than the higher of the purchase price of the security property and the valuation; • the policy must not be effected at any cost to us; • you must disclose all relevant information to the insurers; • the policy must be obtained for our benefit and the benefit of the borrower and any subsequent owner or mortgagee; • the policy must not contain any conditions which prejudice our interests; • the policy must be obtained ahead of first drawdown, together with a full explanation as to why such policy is being utilised; • the borrower must be made aware of any conditions with which the borrower will need to comply and any circumstances in which the borrower will not be covered by the policy; • the borrower must be made aware of any obligation to notify us in respect of any claim pursuant to the terms of any such policy; and • the cover must be provided by a reputable indemnity insurance provider and we shall rely on you to ensure that this is the case. Additionally, whenever indemnity insurance is utilised, we require you to definitively confirm to us in writing ahead of first drawdown that such insurance will sufficiently protect our interests. Please would you also liaise with the valuer to ensure that ahead of completion we are satisfied with the extent of any impact on the value and marketability of the security property and its suitability as security.
Do you require sight of a draft of any indemnity policy prior to completion?	Draft indemnity policies should not be sent to us unless we specifically ask for them prior to completion. However, a certified copy of any such policy should be provided to us promptly after completion has occurred.
Do you accept restrictive covenant indemnity insurance?	We require that you establish whether any breaches of restrictive covenants relating to the security property have occurred and accordingly,

Query	Guidance
	where any such breaches have occurred, we will rely on you to ensure that such covenants are unenforceable. If you are unable to provide an unqualified certificate of title, we will require that you ensure that appropriate indemnity insurance cover is put in place at completion.
Do you accept absence of easement indemnity insurance?	Yes. Please however advise us immediately if this is the case.
Do you accept indemnity insurance if the landlord is absent or insolvent?	Yes. Please however advise us immediately if this is the case.
Searches and Reports	
Are you willing to accept searches that are more than six months' old at first drawdown?	No.
Do you accept personal searches?	Yes provided that this will enable you to provide a clean certificate of title.
Do you require copies of any of the searches to be submitted together with the certificate of title?	On the basis that the search results enable you to provide a clean certificate of title, you do not need to provide this information to us.
Do you require a drainage search?	We will require you to obtain a drainage search carried out within six months of first drawdown. In the event of there being any adverse entries, please report further to us and ensure that specific comments from our valuer on any impact on value/marketability are included.
Do you require an environmental search?	We will require you to obtain an environmental search carried out within the last six months of first drawdown. In the event of there being any adverse entries, please report further to us and ensure that specific comments from our valuer on any impact on value/marketability are included.
Do you require geological searches (e.g. mining and minerals) to be carried out?	We will always require you to obtain appropriate geological searches in respect of the particular geography of the security property, such searches to have been carried out within the last six months of first drawdown. In the event of there being any adverse entries, please report further to us and ensure that specific comments from our valuer on any impact on value/marketability are included.

Query	Guidance
Do you require a chancel search?	We will require you to obtain a chancel search carried out within the last six months of first drawdown. In the event of the property being located in an area of chancel repair liability, we are willing to accept indemnity insurance. Please discuss further with us on a case by case basis.
Planning & Building Regulations	
Do you require an original/certified copy of any planning permission/building regulations?	No. Where applicable, we require you to ensure and confirm to us that the security property has the benefit of any necessary planning consent/building regulations/certifications for its construction and any subsequent change to the property and its current use. Additionally, where applicable, we require you to confirm that there is no evidence of any breach of any conditions or enforcement action.
Are you prepared to accept indemnity insurance in respect of absence of/inadequate planning permission/building regulations?	Yes. In the event of it being necessary to obtain such cover, please provide us with the relevant information in order that we can fully evaluate the position on a case by case basis. If the decision is taken to proceed with such indemnity insurance, please liaise with the valuer in order to fully evaluate any impact on the value and marketability of the property and its suitability as security.
Good & Marketable Title	
Are you prepared to accept indemnity insurance in respect of lost or missing title documents/possessory title indemnity insurance?	Yes. In the event of it being necessary to obtain such cover, please provide us with the relevant information in order that we can fully evaluate the position on a case by case basis. If the decision is taken to proceed with such indemnity insurance, please liaise with the valuer in order to fully evaluate any impact on the value and marketability of the property and its suitability as security.

Query	Guidance
Flying/Creeping Freeholds and Commonhold	
What is your stance in respect of flying/creeping freeholds?	We will consider accepting a property as security if part of it comprises or is affected by a flying or creeping freehold and we may consider indemnity insurance in order to remedy this issue if necessary. Please contact us on a case by case basis to discuss further.
What is your stance in respect of commonhold?	If any part of the property comprises commonhold we will not accept it as security. Please contact us immediately if you establish that this is the case.
Leasehold Property	
What are your due diligence requirements in respect of leases?	We require your assurance that the lease does not contain any onerous or non-standard covenants and that it accords with all assumptions made in the valuation report.
What is the minimum unexpired leasehold term that you will accept?	We require an unexpired term of not less than 75 years from the date that security is granted to us.
What is your stance in respect of forfeiture provisions?	Forfeiture provisions are not acceptable. There must be no provision for forfeiture of the tenant or any superior tenant in the lease.
What is your stance in respect of ground rent and service charges?	We will not lend against leasehold property where the ground rent/ service charge/other analogous fees exceed more than 0.1% of the property value at the date of commencement of the legal charge. It is however acceptable for ground rent escalation to be linked to RPI (Retail Price Index) or a similar index or to escalate periodically in line with the increase in the RPI since the date of the last review. Unreasonable multipliers of ground rent will not however be permitted and cases other than described above must be referred to us in the first instance. Please ensure that as part of your due diligence you enquire as to whether the landlord or management company have planned or foresee any significant works which will require service of an improvements notice on the leaseholder.
Do you require a clear ground rent/service charge statement?	Yes. Please ensure that this is provided prior to completion.

Query	Guidance
Do you require a receipted copy of the notice or evidence of service charge?	Yes. Please ensure that this is provided prior to completion.
In the event that there is a management company, will you require the original/a certified copy of any management company share certificate(s)?	No. However, we ask that you please report to us in respect of any management company arrangement and formally confirm to us in writing that you are entirely satisfied in this regard.
What are your requirements in respect of insurance, maintenance and repair of common parts/services?	You should ensure that responsibility for insurance, maintenance and repair of common parts/services is that of: • the landlord, or • one or more of the tenants in the building of which the security property forms part; or • the management company Where responsibility is that of one or more of the tenants, please ensure that the lease has adequate provision for enforcement of these obligations by the landlord or management company at the tenants request. In the absence of any such provisions we shall require that indemnity insurance is put in place.
Do you require disclosure of any Green Deal affecting the property?	Yes. Please provide us with full details.
Do you require disclosure of any incentives?	Yes. Please provide us with full details.
What are your requirements in respect of a lost leasehold title?	We will require you to formally confirm to us in writing that a valid Land Registry copy exists.
What are your requirements for checking the terms of a lease?	Please ensure that the lease does not contain any onerous or non-standard covenants and that it accords with all assumptions made in the valuation report.
Corporate Borrowers	
Do you require a copy of a corporate borrower's constitutional documents?	No.
What due diligence do you require us to undertake in respect of corporate borrowers?	We will always require you to undertake a company search and verify that the company/limited liability partnership is in existence, is solvent and is registered at Companies House. Any apparent concerns in respect of a corporate borrower, however material, should be immediately reported to us.

Query	Guidance
Do you have a preferred form of board minutes?	Yes. Please ensure that you use our template form of board minutes which can be obtained from our website.
Requirements for New Build properties	
Do you require a new home warranty for residential property built within the last 10 years?	Yes and we will not release funds under the facility letter until we are satisfied that this is in place. The following new home warranty providers are acceptable to us • NHBC • Building Life Plan • Build Assure (New Homes Insurance) • Premier Guarantees • LABC New Home Warranty • Build Zone Structural Warranty • Zurich Municipal • Checkmate Castle 10 New Home Warranty • Global Home Warranties 10 year Structural Defects Insurance Policy • CRL New Build 10 Year Structural Defects Insurance If the property does not benefit from one of the above then please contact us for instructions.
What new home warranty documentation should be sent to you?	If the new home warranty is already in place, we only require your written confirmation of the same and certified copies of the warranty documentation and certificate can be sent to us post-completion. For Development funding requirements, please see our Conditions for Commercial Facilities December 2018.
What are your requirements in respect of new build commercial security properties?	We require a satisfactory new build warranty. If this is not available, we shall require a suitable collateral warranty package together with evidence of up to date professional indemnity insurance or alternatively, latent buildings defects insurance in an amount of not less than the value of the security property
Roads	
Do you require notification if the road(s) servicing the property are not adopted?	Yes. Where any roads are not adopted or are to be adopted but are maintained by local residents or a management company, this will be acceptable provided reasonable arrangements for maintenance are in place and that these

Query	Guidance
	arrangements are referred to our valuer for comment.
Do you require notification if the property is affected by redevelopment or road proposals or any proposals to this effect?	Yes.
Easements	
Do you require notification if the property does not benefit from all necessary easements?	Yes. We require that you check that the security property benefits from all necessary easements for its full use. All such rights must be enforceable by the borrower or successors in title. If they are not we require that you report to us with your recommended solution. We will consider an indemnity policy if appropriate and necessary. Please contact us to discuss further.
Rights of Pre-emption & Restrictions on Re-sale	
Do you require notification of any pre-emption rights or restrictions on subsequent sales?	Yes. You must ensure that there are no rights of pre-emption, restrictions on resale, options or similar arrangements which affect our security.
Improvements and Repair Grants	
Do you require notification if the security property is subject to an improvement or repair grant that will not be discharged at completion?	Yes.
Asbestos Survey	
Do you require an Asbestos Management Survey?	The Control of Asbestos Regulations 2012 require an Asbestos Management survey and any management report to be made available for all non-domestic property and for residential properties which have common parts which were built prior to 2000. For all such properties offered as security (aside from where the security being offered to us comprises less than four flats) we require your formal written confirmation that a satisfactory report is held and for you to provide us with a copy of that report prior to completion.

Query	Guidance
Energy Performance Certificates (EPC)	
Do you require an EPC?	We require confirmation that all security properties within England and Wales (excluding any property which is exempt under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015) has a valid EPC with a minimum grade of 'E'.
Fire Risk Assessments (FRA)	
Do you require an FRA?	Wherever an FRA is required by any applicable regulation for a security property then we require your confirmation that a satisfactory, valid FRA is held.
Boundaries	
Do you require that a boundaries check is made?	All boundaries must be clearly defined and confirmed by reference to the HM Land Registry plan and the valuation report. We require you to report any discrepancies to us immediately.
Transfers/transaction at an undervalue	
Do you require notification if the property is being sold or transferred below valuation?	Yes. If the property is being sold by a third party who is not related to the borrower at a purchase price any less than 90% of the valuation we require that you report to us. A maximum variance of 10% between valuation and purchase price is acceptable to us. If the property is being sold to a related party, we require you to raise this with us immediately. If the property is being transferred as opposed to being sold then please contact us to discuss further.
Security	
Do you lend against properties that are outside of England and Wales and Scotland?	No. Please contact us immediately to discuss in the event that your due diligence reveals that the borrower is proposing a security package that comprises any such properties.
Do you lend against a Building Contract?	No.

Query	Guidance
The Facility	
How much notice do you require ahead of drawdown?	Two working days.
Will fees be deducted from the advance?	Yes. Unless paid in advance by the borrower, all fees relating to the facility will be deducted.
On a delayed completion, when and how should the advance be returned to you?	The advance must be returned by electronic transfer during the next working day. Our account details are as follows: Account Name: Cynergy Bank plc Sort Code: 40-63-77 Account Number: 92010002
Do you charge interest if an advance is returned?	Yes. Interest is calculated on a daily basis.
Document Retention	
Do you require the original mortgage deed or any other title documents prior to drawdown?	No, the only original document that we require is the signed offer letter. We ask that you provide us with a complete set of certified copy transaction documents promptly following completion.