

# The Criteria Corner



## Top tips from the Paradigm Mortgage Helpdesk

### Welcome back to The Criteria Corner!



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The Criteria Corner is our mini newsletter designed to give you a brief insight into the topics we see frequently on the Mortgage Helpdesk. We aim to provide you with some great hints and tips which will help you with future cases. If you think we may be able to assist with your next case, please don't hesitate to get in touch!

In this edition of Criteria Corner, we're focusing on the most commonly discussed topic on our Mortgage Helpdesk: **The Subject Property**. We'll be providing hints and tips on some of the key players in the market that are well poised to help you place a case for those more challenging property types. With "valuer's comments" pushed to the side, we'll be covering topics such as low leaseholds, close commercial proximity and spray foam insulation.

### Low Leaseholds

Purchasing a property with a low leasehold (usually considered below 80 years) can present several pitfalls for potential buyers. This can commonly include stricter Lending criteria, unmortgageable properties, increased costs of extension ('Marriage Value'), declining property value and an overall reduction in options.

Fortunately, thanks to the Leasehold Reform Act, as of January 2025, buyers of leasehold properties no longer need to wait 2 years to qualify for a lease extension. This change in legislation means that Bridging Lenders are now even more in a prime position to help with these scenarios and potentially provide the client with the possibility of a mainstream exit strategy.

This segment will aim to provide guidance on the Lenders in the market with policies that can consider properties with low leaseholds. However, it must be stressed that despite policy allowing the short lease, the Lender will be heavily reliant on the valuer's comments to confirm positive resale value and it is always best to refer these cases prior to any form of submission.

### ***Who could consider a mortgage where the lease is less than 70 years remaining at application?***

Bath BS, Beverley BS, Bluestone Mortgages, Earl Shilton BS, Family BS, Foundation Homeloans, Harpenden BS, HSBC, Kent Reliance, Keystone, Landbay, Market Harborough BS, Metro Bank, Moda Mortgages, Nationwide, NatWest, Progressive BS, Quantum Mortgages, RAW Capital Partners, Santander, The Mortgage Lender, Together, United Trust Bank, Vernon BS, Vida Homeloans & West One.





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ready to  
roll?**

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## Commercial Adjacency

Lending on properties situated above or near commercial businesses can present unique challenges that make them difficult to advise on. Factors such as noise, smells and extended operating hours can sometimes impact resale value, making Lenders cautious. If you've encountered difficulties securing finance for such properties from other Lenders, our helpdesk has identified several Lenders who are often able to assist in these situations:

Foundation Homeloans, Hampshire Trust Bank, Market Financial Solutions, Together, United Trust Bank and West One.



## Spray Foam Insulation

Normally considered unmortgageable by most, we have found that there are some Lenders willing to consider properties where there has been spray foam insulation applied in the loft. Whether this is placeable between mainstream or specialist will depend on the spray foam itself and how it has been applied.

In order to give that degree of comfort to a mainstream Lender, they will need confirmation that the installation has been in accordance with the manufacturer's recommendations, including a pre-survey suitability report, a condensation risk assessment, evidence of BBA certification and a warranty/guarantee of the insulation. It can also help if an invasive inspection can be undertaken from a RICS qualified surveyor to confirm the suitability of the property and any potential remediation works.

Without the above, while still under the discretion of the valuer and subject to possible LTV restrictions, we have found Lenders such as United Trust Bank and West One who are able to consider these properties.



## Bridging

This month, our director of Mortgages, Richard Howes, collaborated with Precise to produce a well written and comprehensive introduction to bridging finance, [available on our website](#)

While this guide will provide an overview of what Precise has to offer, Paradigm has numerous alternative options to consider for both regulated and non-regulated bridging, these include the following:

Castle Trust Bank, Hampshire Trust Bank, LendInvest, Market Harborough BS, RAW Capital Partners, ScotLend Group, Together and United Trust Bank.

As always, we must advise that criteria does regularly change and therefore it is always prudent to double check with a Lender prior to submitting an application. Lenders provided are based on findings at the time of research, and may not include every option available.

