

Frequently Asked Questions

REFURB TO LET

Q. What will Keystone finance?

We will finance the property, and the client will finance the refurbishment. The client will need the funds for the refurbishment while the funds for the property will be covered by the client's deposit and the mortgage provided by Keystone.

Q. What type of refurbishment work can be completed?

We accept light refurbishment work such as decorative, updating kitchens and bathrooms, new fittings and fixtures etc. We do not accept any changes where planning permission for the property is required however where planning permission is needed for the property to be let as a small HMO, please contact us. The refurbishment work should be no more than 20% of the initial property value.

Q. What types of properties are accepted?

The Refurb to Let application must be submitted for a standard property. However, after the refurbishment is completed the property can either remain as a standard property or be converted to a small HMO with 6 or less occupants with C3 or C4 planning.

Q. How do I access the Refurb to Let product?

A simplified FMA is completed via the MyKeystone portal. Once the FMA is submitted, for underwriting to begin and to process the application you will need to submit the following documents:

- Schedule of works - view our form [here](#).
- Proof of income
- Proof of deposit on all purchases and some remos via bank statement
- Proof of refurbishment funds
- A completed direct debit mandate (even if interest roll up is selected)

If the loan is to be serviced, we will need proof of affordability for the monthly repayments, usually provided via a bank statement. This information is saved to the case and will be cloned to the Refurb Exit product to save you and the client time and effort when submitting an exit with us.

Q. What is the product term?

The product term is 6 months during which there are no ERCs. You have the ability to run the Refurb Exit application alongside the Refurb to Let submission. The client can redeem their loan early and access our Refurb Exit products which can be found on our website

Q. Can the arrangement fee be added to the loan?

Yes, the arrangement fee can be added to the loan and will form part of the loan amount if you move onto our Refurb Exit product once the works are complete.

Q. What are the interest types?

There are two interest types:

- **Rolled up** – There are no payments required until the end of the product term, freeing up the client's funds for the refurbishment
- **Serviced** – The client can choose to service the interest where a monthly instalment will need to be paid. With either interest type, the client will redeem the balance at the end of the term or take a Refurb Exit product with us, where they can either keep the loan amount the same or increase it to release capital from the property, subject to the LTV and stress test calculations.

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Q. When can I submit the FMA for the Refurb exit product?

Immediately after the refurbishment FMA is submitted. An underwrite in line with our normal lending criteria will take place for the exit product and can be completed while the Refurb to Let product term is ongoing. We can make the Refurb Exit product Offer and even instruct the legals all while inside the term of the Refurb to Let product. Where the Refurb Exit product is selected well in advance of completion of the Refurb Exit, the product may need to be updated. If the client has chosen to wait to submit the Refurb Exit we will send a reminder to you and the client 3 months before end of the term. The Refurb Exit product should be submitted 90 days before the end of the Refurb to Let term to allow for a smooth switch from one product to the other.

Q. Is a Valuation required?

Yes, a valuation will be instructed once the fee is paid and if the client has chosen to exit with Keystone a free revaluation will take place after the works have been completed.

Q. When will the client receive their Offer?

The case will be reviewed by our underwriting team once the supporting documentation has been uploaded via the MyKeystone portal. To make sure that the Offer is sent to the client as soon as possible we have dedicated underwriters for Refurb to Let cases.

Q. What is the legal process?

Title insurance will be used for Refurb to Let which will speed up the legal process, reduce the time for the loan to complete and provide protection for the client. The clients legals will be carried out on a dual representation basis using solicitors well practiced in both refurbishment products and title insurance. As the solicitor will already be familiar with the property and the client, the client can continue to use the same solicitor that was used for the Refurb to Let for the Refurb Exit with Keystone.

Q. What fees need to be paid?

There will be an application fee, valuation fee and legal fees including title insurance. After the refurbishment work has been completed a reinspection will be provided for free where they have chosen a Refurb Exit product with Keystone. There will be no application fee for the Refurb Exit.

Q. How does the Refurb Exit product work?

The Refurb Exit product can be submitted any time after the Refurb to Let product FMA has been completed. We will clone over the information which you have already submitted and ask you for additional information to complete an underwrite in line with our normal lending criteria, where full legals will be required. The client will receive an Offer and the legal process will continue in line with a remortgage. The Refurb Exit product should complete on the same day that the loan term for the Refurb to Let ends so the products can switch seamlessly. Please submit your Refurb Exit application 90 days ahead of the Refurb to Let end date to allow for the completion of the Refurb Exit.

Q. What happens if the works are not completed before the end of the 6 month Refurb to Let term?

The works must be completed within the 6 month term. If the client becomes aware that the works will not be completed within the term, please contact us immediately.

Q. What is the proc fee?

1% on the Refurb to Let, followed by up to 0.55% on the Refurb Exit