

# Regulated Bridging Finance

## Broker FAQ Pack



## 1. What is Afin's Regulated Bridging product?

Afin's Regulated Bridging is a short-term, first-charge residential bridging loan designed for situations where a customer needs time-critical funding with a clear exit strategy.

Typical scenarios include:

- Purchase before sale (chain break)
- Property sale delays
- Probate transactions
- Light refurbishment prior to refinance or sale
- Short-term refinance pending longer-term lending

The loan is exit-dependent, meaning repayment relies on the customer completing a robust, defined and evidenced exit strategy within the loan term.

### Product Basics

## 2. What is the maximum term?

Up to 12 months.

Loans are intended to be short-term bridging solutions and must have a credible exit that completes within the term.

## 3. How is the interest paid?

Interest is rolled up meaning:

- There are no monthly repayments
- Interest accrues during the term
- The loan plus accrued interest is repaid in full at maturity

Intermediaries should ensure customers understand that the balance increases during the term and is subject to a maximum LTV threshold.

## 4. How is the loan repaid?

Repayment occurs via a single lump-sum payment at the end of the term.

This normally comes from:

- Sale of a property, or
- Refinance to a lender
- Loan settlement via other assets

## 5. Are extensions available?

Extensions are not automatic and cannot be granted where doing so would extend the loan term beyond 12 months.

If a borrower requires more time:

- the case must be reassessed
- additional evidence may be required
- fees and updated disclosures may apply

Customers should not rely on an extension as part of the primary exit plan

## Eligibility

### 6. Who can apply?

- Individual borrowers
- Maximum two applicants
- UK residents
- Age 21–75 at end of term

Applications must be submitted via an authorised intermediary.

### 7. What properties are acceptable security?

- Residential property in England or Wales
- First charge only

*Further property restrictions and LTV limits apply (see criteria guide)*

### 8. Can the product fund refurbishment?

Yes, but only light refurbishment such as:

- cosmetic upgrades
- non-structural improvements
- like-for-like replacements

Significant structural works, planning-led projects or heavy development are not permitted

## Loan structure

### 9. How is the loan size determined?

The maximum facility is determined by:

- loan-to-value limits
- property valuation
- exit strategy viability
- affordability where relevant

The gross loan includes rolled interest and any capitalised fees.

Please see link here for [General Fees and Charges](#)

### 10. What is the difference between gross loan and net advance?

- Gross loan = total facility including interest and fees added to the loan
- Net advance = the funds the customer actually receives

Intermediaries should ensure customers clearly understand the difference.

### 11. What fees apply?

Typical bridging transactions may include:

- lender arrangement fee
- valuation fee
- legal fees
- broker fee (if applicable)
- title insurance (where used)

Full cost information is provided in the regulated disclosures and offer documentation

## Exit Strategy

### 12. Why is the exit strategy so important?

Bridging lending is exit-dependent.

Afin must be satisfied that the borrower can repay the loan within the term through a credible and evidenced exit.

### **13. What exit strategies are acceptable?**

Two primary exits are accepted:

Sale exit

- Sale of the security property or another property.

Refinance exit

- Refinance onto a mortgage product.

*Other exit routes will only be considered if clearly evidenced and credible.*

### **14. What evidence is required for an exit strategy?**

Evidence typically includes:

- Exit route description
- Timeline to completion
- Supporting documentation
- Contingency plan if the primary exit is delayed

Examples:

- agent marketing strategy for sale
- refinance decision trail or lender engagement
- affordability evidence where relevant

### **15. What happens if the exit is delayed?**

If the exit plan slips:

- costs may increase due to additional interest
- the borrower must contact Afin early
- contingency plans may need to be executed

Late engagement significantly reduces available options.

## **Application process**

### **16. Do you provide Indicative Heads of Terms?**

Yes. Afin may provide a Indicative Heads of Terms based on initial information.

However, the Indicative Heads of Terms are:

- conditional
- non-binding
- not a commitment to lend

### **17. What happens after receipt of Indicative Heads of Terms?**

The broker confirms the client\*(s) wish(es) to proceed and Afin issues an ESIS to share with the client(s)

Broker then submits the full application pack, including:

- property details
- credit information
- exit strategy evidence pack

Applicant completes ID verification link.

The case then proceeds to full underwriting and valuation.

### **18. Is a valuation always required?**

Yes. A valuation must be satisfactory to the lender before an offer can be issued.

### **19. What legal process is used?**

All bridging loans require:

- full legal due diligence and satisfactory title checks except where the loan is completed using title insurance
- completion of lender conditions

*We can consider Dual Representation to reduce the prospective legal costs and potentially speed up the process. Where a client wishes to use their own solicitor, we will require Separate Legal Representation, all costs of which are to be met by the Borrower by way of legal undertaking between the firms.*

## **During the Loan**

### **20. What happens at maturity?**

At the contractual maturity date:

- the loan must be repaid in full
- repayment normally comes from the agreed exit strategy

If the borrower anticipates difficulty redeeming the loan, they should contact Afin immediately.

## **Broker support**

### **21. Who can submit bridging cases?**

- Cases must be submitted by authorised brokers/intermediaries.
- Afin does not accept direct consumer applications.

### **22. How should brokers present bridging to customers?**

#### **Brokers should ensure customers clearly understand:**

- the short-term nature of bridging
- that interest rolls up
- repayment occurs in a lump sum at maturity
- the importance of a credible exit strategy
- that extensions are not guaranteed

## 23. Where can brokers get help?

### Brokers can contact the Afin Bridging team for:

- pre-case discussions
- criteria questions
- packaging guidance
- exit strategy queries

Contact details are available in the broker guide.

### Key reminder for brokers

Bridging finance is designed for short-term situations with a clear exit.

Customers should:

- understand the total cost of borrowing
- be confident in their exit strategy
- avoid relying on extensions or uncertain events

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