

# SPECIALIST LENDING TOOLKIT

# BRIDGING LOANS

A bridging loan is a short-term borrowing solution that can help you fund plans quickly.

They help to 'bridge the gap' until you have sorted out a longer-term finance solution.

For example, if you wanted to buy a house but you hadn't managed to sell your old one, you could use a bridging loan to help make the purchase while you wait for your property to sell. Once you have sold your property, you would use the proceeds to repay your loan.

There are many uses for bridging loans, including:

- Securing property quickly.
- To break a property chain.
- Refurbishments (light and heavy).
- Purchasing uninhabitable properties.
- Capital raising.



How much you can borrow depends on a few factors, such as: the loan purpose, the lender's criteria, your exit strategy (the plan of how you will pay the money back), your personal & financial circumstances.

The key with bridging is your exit strategy. You must have this mapped out to get approved.

All bridging loans are secured against a property. This means that if you fail to repay the loan you could have it repossessed by the lender. Additionally, bridging loans are usually more expensive than other types of finance.

