

RLS3.0 - COMMERCIAL MORTGAGE



GOOD NEWS

COMMERCIAL MORTGAGE SCHEME

The Government announced an extension to the 'Recovery Loan Scheme', know as 'RLS 3.0'.

This scheme sees the Government provide lenders with a guarantee in return for the lender passing a benefit to the borrower via better terms, interest or tolerance for accounts impacted by or during covid.

The new iteration of this scheme allows for commercial mortgages to be raised, backed by a Government guarantee in addition to standard mortgage security. The scheme will be time limited.

It means:

- Businesses can borrow to finance a commercial property purchase
- Can refinance existing borrowing onto this scheme
- Can release capital for pretty much any legitimate business purpose

You need to know:

- You still have to make the repayments
- It is subject to affordability tests, albeit these should be more tolerant than normal
- Amounts from £250k up to £2m are available, typically up to 75% of property value
- It is always subject to lender checks, details and individual requirements

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