

Interest rates and fees 02 February 2011

Paragon for professional landlords

Full criteria:- Including HMOs, multi-unit blocks, limited companies

Tracker rates*

Product	Initial rate	APR	Reversion rate	Early redemption terms	Product fee †	Max LTV
2 year tracker	4.30% [†] (LIBOR + 3.5%)	5.2%	After the tracker term, SVR to the end of year 5, then SVR + 0.5% for the remainder of the loan term	3% for 2 years	2.00%	65%
2 year tracker	4.80% [†] (LIBOR + 4%)	5.6%	After the tracker term, SVR + 0.25% to the end of year 5, then SVR + 0.75% for the remainder of the loan term	3% for 2 years	2.25%	75%
5 year tracker	4.55% [†] (LIBOR + 3.75%)	5.3%	After the tracker term, SVR + 0.5% for the remainder of the loan term	3% for 2 years	2.00%	65%
5 year tracker	5.05% [†] (LIBOR + 4.25%)	5.7%	After the tracker term, SVR + 0.75% for the remainder of the loan term	3% for 2 years	2.25%	75%

APR calculated using a typical loan of £100,000

* Subject to availability of funds and withdrawal at any time

† Where the mortgage application is one or a combination of a Limited Company, HMO or multi-unit block the Product fee is subject to an increase of 0.25%

† Subject always to a minimum rate of 4%

Please note that Paragon Mortgages will only accept a payment method of Interest Only for the first 5 years of a loan term on these products. After this period all loans convert to Capital & Interest Repayment.

Interest coverage ratio

The gross rental income from the property is subject to an absolute minimum of 130% of an interest only loan payment calculated at a rate of 7%.

Advance

Up to 75% LTV	Up to 70% LTV	Up to 65% LTV	Minimum loan	Maximum aggregate loan	Minimum age	Minimum term	Maximum term
£500,000	£1,000,000	£2,000,000	£30,000	£5,000,000 may be advanced to an applicant on a property portfolio	21	5 years	25 years

Standard Variable Rate (SVR): 4.6%

LIBOR: 0.8% Next reset date: 01.04.11

Please refer to our Lending guidelines and submission requirements for full details of criteria

Paragon for private investors

Single self contained properties only, no limited companies

Fixed rates* (Limited edition)

Product	Initial rate	APR	Reversion rate	Early redemption terms	Product fee	Max LTV
2 year fixed (to 31 May 2013)	4.25%	5.3%	After the fixed term, Standard Variable Rate (SVR) + 0.5% for the remainder of the term	5% to 31 May 2013	2.00% maximum £2,000	65%
2 year fixed (to 31 May 2013)	4.89%	5.4%	After the fixed term, Standard Variable Rate (SVR) + 0.5% for the remainder of the term	5% to 31 May 2013	2.00% maximum £2,000	70%
2 year fixed (to 31 May 2013)	5.19%	5.5%	After the fixed term, Standard Variable Rate (SVR) + 0.5% for the remainder of the term	5% to 31 May 2013	2.00% maximum £2,000	75%

Tracker rates* (Limited edition)

Product	Initial rate	APR	Reversion rate	Early redemption terms	Product fee	Max LTV
2 year tracker	3.30% (LIBOR + 2.5%)	5.1%	After the tracker term, Standard Variable Rate (SVR) + 0.5% for the remainder of the term	5% for 2 years	2.00% maximum £2,000	65%
2 year tracker	3.99% (LIBOR + 3.19%)	5.3%	After the tracker term, Standard Variable Rate (SVR) + 0.5% for the remainder of the term	5% for 2 years	2.00% maximum £2,000	70%
2 year tracker	4.60% [†] (LIBOR + 3.8%)	5.4%	After the tracker term, Standard Variable Rate (SVR) + 0.5% for the remainder of the term	5% for 2 years	2.00% maximum £2,000	75%
3 year tracker	3.60% (LIBOR + 2.8%)	5.1%	After the tracker term, Standard Variable Rate (SVR) + 0.5% for the remainder of the term	5% for 3 years	2.00% maximum £2,000	60%

APR calculated using a typical loan of £100,000

*Subject to availability of funds and withdrawal at any time

† Subject always to a minimum rate of 4%

Lending criteria for limited edition products are varied as detailed below;

- Gross rental income from the property should equal or exceed 125% of the interest only loan payment calculated at a rate of 5%
- Maximum lending across all limited edition products is £1,000,000 and/or 5 properties, whichever is the lower, per borrower
- Interest only, capital and interest repayment and part interest only and part capital repayment loans available for the life of the loan
- Applicant(s) should have a minimum combined gross income of £40,000 per annum (based on no more than 2 incomes)
- Applications considered for up to four individuals, no limited company applications
- Applications for single self contained properties only, no HMOs or multi-unit blocks

Submission requirements for limited edition products are as follows;

- Fully completed application form (please download from the website)
- Please note that we will need the debit/credit card details, on the payment details page of the application form, fully completed in order to process an application
- Where the application is submitted by an introducer, proof of income must be validated by the introducer. Paragon retains the right to ask for proof of income in support of an application

Standard Variable Rate (SVR): 4.6%

LIBOR: 0.8% Next reset date: 01.04.11

Applications for Limited edition products must be received by 31 March 2011 and complete by 31 May 2011

Fees

Purchase price/remortgage estimated valuation	Combined administration fee and valuation fee
£75,000 to £100,000	£430
£100,001 to £150,000	£450
£150,001 to £200,000	£490
£200,001 to £300,000	£545
£300,001 to £400,000	£600
£400,001 to £500,000	£640
£500,001 to £600,000	£720
£600,001 to £700,000	£800
£700,001 to £800,000	£840
£800,001 to £900,000	£900
£900,001 to £1,000,000	£965
£1,000,001 to £1,500,000	£1,150
£1,500,001 to £2,000,000	£1,400
£2,000,001 to £2,500,000	£1,650
£2,500,001 plus	Refer to lender

The above table includes a non-refundable administration fee of £150.

Re-inspection fee	If a re-inspection of the property becomes necessary at any time after the original valuation, a fee will be charged and normally added to the loan on completion of the mortgage.	£100
Product fee	This fee can be added to the loan and is excluded from LTV calculation. See individual product details.	
Funds transfer fee	Charged for the telegraphic transfer of funds to the solicitor and will normally be added to the loan on completion of the mortgage.	£50
Property insurance contingency fee	Where building insurance is not arranged with Paragon Mortgages a fee will be charged and is normally added to the loan on completion of the mortgage.	£25
Revised documents fee	This fee is payable where revision of an offer of loan is due to a product change. This fee will normally be added to the loan on completion of the mortgage.	£50

Please refer to our Lending guidelines and submission requirements for full details of criteria