



Fixed Fee Loan

A transparent loan which allows you to easily calculate profit.

HOPE
CAPITAL

CASE STUDY

Fixed fee loan put into practice.

An experienced property investor and developer came to Hope Capital requesting a loan to assist in the purchase of a residential property he had been offered by an associate. He had a track record of being able to purchase properties at prices substantially below market value and then redevelop or renovate them to make a profit.

The borrower had used a number of other bridging lenders but had found that other lenders either didn't understand his needs or didn't deliver the funds when they said they would.

Hope Capital immediately understood what the borrower was trying to achieve and offered terms for a six month loan just one hour from the initial enquiry. Hope Capital provided a loan for 75% of the valuation of the property within just ten days from application.

The deal the borrower took advantage of was Hope Capital's unique 'Fixed Fee Loan' which provided him with a clear and defined fixed fee at the start of the loan period. This meant that he knew from day one exactly what his loan would cost him and therefore could judge more accurately what profit he would make.

Because interest was not deducted from the gross loan, it gave the client a much higher net loan figure than on a conventional bridge. The enhanced net release on day one meant the borrower could use less of his own funds and his profits stood to be higher and so he could get a higher loan to value to purchase.

With the house marketed and sold, the client was extremely happy with his higher profit margin.



Benefits of this deal...

- 1 Upto 73% net in the borrowers hand.
- 2 Fixed fee payable when the borrower generates profit.
- 3 Complete clarity of how much the facility will cost.



“We have taken a standard product and turned it around to create a transparent loan which allows property investors to easily calculate what their profit potential will be on any deal. Only paying the fees when the loan is drawn down means that the developer can both borrow more but also doesn't need to pay a penny until their project is completed.”

JONATHAN SEALEY



GET IN TOUCH

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