



CATALYST GUIDES

Drawdown guide

The **drawdown process** explained

01202 112 900

enquiry@catalystpf.co.uk

www.catalystpf.co.uk

#WeAreCatalysts

#NeverMissAGoodOpportunity

Your guide to The drawdown process

If a Catalyst loan has an element of funded works and the borrower has agreed for the loan to be paid in multiple drawdowns, they will be supported by our Servicing Team.

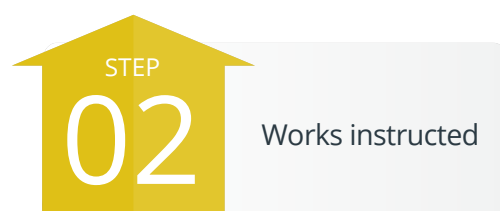
STEP 1: DAY ONE LOAN COMPLETION

Catalyst 'day one' loan funded



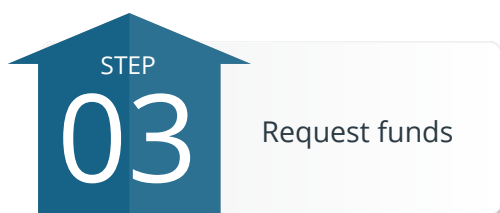
STEP 2: WORKS INSTRUCTED

The borrower must begin the works; each facility can have a different minimum drawdown amount. In order to get a drawdown for £25,000, the borrower will need to evidence £25,000 works and be able to supply invoices to support the request.



STEP 3: REQUEST DRAWDOWN FUNDS

When ready to begin the drawdown process, the customer emails drawdowns@catalystpf.co.uk to notify us they are ready for the drawdown and advise of the costs spent to date.



STEP 4: QUANTITY SURVEYOR/ ASSET MANAGER REPORT

Catalyst will then instruct the relevant third party to come out to visit the property; this will be dependent on the type of build. We use asset managers, monitoring surveyors and quantity surveyors. All payments and inspections for third party surveyors will be arranged directly between the customer and the surveyor. Any invoices for the asset manager/surveyor must be paid before the visit takes place.



In order for the surveyors/asset manager to create their report, they will require certain information from the borrower. This will include items such as a detailed schedule of works, building control reports and invoices. They will be unable to provide the report until they receive all the information that they require.



The report will then be sent across to Catalyst where we aim to assess it within 24/48 hours. Depending on the content of the report there may be additional information required prior to the release of funds, this will be requested as part of the assessment.

STEP 5: DRAWDOWN FUNDS RELEASED

Once all information has been received we will request the bank details to release the funds. We will require a bank statement/PDF to evidence the details and will also confirm these verbally over the phone for security purposes. The bank details must be in the name of the same company/SPV that the loan facility is under.

DRAWDOWN PROCESS: KEY POINTS TO REMEMBER

Overspend

There must always be enough money left in the facility to cover the remaining works. If there is an overspend this will need to be funded upfront by the borrower.

For example, if the drawdown facility is £100,000 but the schedule of works increases from £100,000 to £120,000, we will require the top up from the borrower before the funds are released. If there is £50,000 left of works to complete but the borrower has spent £70,000 we will only release £50,000 to ensure that there is £50,000 left remaining in the facility cover the remaining works.

Final drawdown

We must receive all signs offs before the final drawdown is released.

These will vary depending on the type of building, however some of the certificates we look for are below:

- > Gas sign off
- > Electricity sign off
- > Building control regulation sign off
- > Updated EPC certificates
- > Practical completion certificates

Catalyst funds drawdowns in arrears, we do not provide funds upfront for works.

Building control

If the works require building control visits, we will require the most recent reports prior to drawdown. We will also require the final sign off from building control to be received prior to the final drawdown.

Please note, we do not fund:

Materials unless they are fitted on site.

If the borrower is carrying out the works themselves, we will not pay for their labour time.

Any overspend, this must be covered by the borrower.

The cost of legals or valuations during the underwriting process

Value Added Tax (VAT).

Fees

Any asset manager/surveyor fees will be covered by the borrower. There is a £150 admin fee for each drawdown. Please see our tariff of charges for further information on fees.

DRAWDOWN PROCESS: CASE STUDY

Day one loan: £500,000

Drawdown facility: £100,000

Schedule of works: £100,000

Minimum drawdown: £20,000

Report for Case study:

- > All works completed are to a good standard
- > Cost of works completed to date £50,000
- > Cost of works left to complete £70,000
- > Building control report received confirm all works are satisfactory at this stage in the build
- > There has been an over spend and the cost of works has increased from £100,000 to £120,000.

Based on the above example report we would look to release £30,000. This is because as part of our risk appetite, we must ensure there is enough left in the drawdown facility to cover the remaining works. We will also require the customer to put their own funds in for any overspend.

Meet our Drawdown Team

Here to support you with drawdowns



Pascaline Guilloton-Nurse
Servicing Manager



Jaimee Coombes
Servicing Account Manager

01202 112 900 | drawdowns@catalystpf.co.uk

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR PROPERTY. YOUR PROPERTY MAY BE TAKEN INTO POSSESSION IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT

Catalyst Property Finance, Third Floor, Taylors House, 12-14 Dean Park Crescent, Bournemouth BH1 1HL
01202 112 900 | www.catalystpf.co.uk | drawdowns@catalystpf.co.uk