

A guide to the **Limited Company Funding Declaration** & how to complete it



A Limited Company Funding Declaration is required to be completed and uploaded on all Limited Company Purchases. All relevant sections need to be fully completed, in order to be acceptable. Not doing so, will mean that Underwriters may re-request a new one to be uploaded.

Limited Company Funding Declaration

To: Foundation Home Loans, 5 Arlington Square, Downshire Way, Bracknell, Berkshire RG12 1WA

Application Details	
Application Number	201234567
Company Name	A Lettings Ltd
Full Name(s) of Directors	Mr Andy Smith Mrs Anne Smith

This form is a summary of all loans / shareholder funds / limited company funds used as sources of deposit for the above noted application. Please fully complete all sections that apply.

1. Directors Loan			
Name of Director	Mr Andy Smith		
Value of Loan	£25,000		
Source of Funds (Please tick all that apply)	<input type="checkbox"/> Capital Raising - Personal Property	<input type="checkbox"/> Gift (Excluding First Time Landlords)	<input type="checkbox"/> Encashment of Investment / Pension
	<input checked="" type="checkbox"/> Savings	<input type="checkbox"/> Inheritance	<input checked="" type="checkbox"/> Personal Dividend

Where the deposit comprises a loan from more than one 'Director', please provide full details (as per above) in the other information section overleaf.

2. Intercompany Loan (Loan between companies within the same group. Note: Common ownership – i.e. shareholders must be the same – must exist)			
Name of Company Providing the Loan	A Smith Haulage Ltd	Companies House Number	123456789
Value of Loan	£25,000		

Where the deposit comprises more than one 'Inter Company Loan', please provide full details (as per above) in the other information section overleaf.

3. Loan from another Company (Note: Common ownership – i.e. shareholders must be the same – must exist)			
Name of Company Providing the Loan		Companies House Number	
Value of Loan	£		

Where the deposit comprises more than one 'Loan from another Company', please provide full details (as per above) in the other information section overleaf.

4. Shareholder Funds			
Name of Shareholder	Mrs Anne Smith		
Value of Funds	£25,000		
Source of Funds (Please tick all that apply)	<input type="checkbox"/> Capital Raising - Personal Property	<input type="checkbox"/> Gift (Excluding First Time Landlords)	<input type="checkbox"/> Encashment of Investment / Pension
	<input type="checkbox"/> Equity in security property	<input type="checkbox"/> Savings	<input checked="" type="checkbox"/> Inheritance
			<input type="checkbox"/> Personal Dividend

Where the deposit comprises funds from more than one 'Shareholder', please provide full details (as per above) in the other information section overleaf. Equity in security property must be replaced by shares in the SPV

5. SPV Assets					
Retained profits in SPV	£25,000	Capital Raising of another SPV property	£	Developer Deposit / Incentive (Max 5%)	£

By signing this, I am confirming that all information contained within this document is accurate:

Director's Full Name:	Andy Smith
Director's Signature: (For and on behalf of the Limited Company)	<i>A Smith</i>
Date:	1 June 2019

- Application details should be fully completed, confirming the account number, SPV name and full names of all directors.
- Directors Loan – This is where the deposit is from funds in the Directors personal name, such as a remortgage of a property in their own name – such as their residential property, or savings, gifted from a family member, etc. The funds are expected to be repaid to the directors on sale or remortgage of the security, or via regular payments – This will affect the rental coverage. Commercial rates of interest need not apply.
- Intercompany Loan – This is where the funds are coming from another company within the same group. There must be a Holding Company, of which the SPV is a subsidiary. The funds are expected to be repaid to the other company on sale or remortgage of the security, or via regular payments – This will affect the rental coverage. Commercial rates of interest need not apply.
- Loan from another Company – This is also known as a loan from a company in common ownership. Both the SPV and the other company must have the same shareholders and directors. The funds are expected to be repaid to the other company on sale or remortgage of the security, or via regular payments – This will affect the rental coverage. Commercial rates of interest may apply.
- Shareholder Funds – This is where the deposit is from funds in the Shareholder's personal name, such as a remortgage of a property in their own name, savings or a gift from a family member, etc. The funds are not expected to be repaid to the Shareholders. Where there is more than 1 shareholder, the SPV shareholding should be changed to reflect the addition of these funds. any new funds
- Retained Profits in the SPV – This is where the SPV holds sufficient funds to cover the deposit within its bank account(s).
- Capital Raising of another SPV property – This is where the SPV is remortgaging or selling a property, and the funds raised will go to the deposit of this purchase.
- Developer Deposit/Incentive – This is where the Developer is offering an incentive as part of the purchase, there is a maximum of 5% of the purchase price allowed for this.