

NEWSRELEASE

FOR IMMEDIATE RELEASE: Date Monday 31st July 2006

100% LTV Funding for Purchase Property Renovation Launched by First Mortgage Options

First Mortgage Options (FMO) have today launched an exclusive 100% LTV first charge loan product for the purchase of property in need of renovation or refurbishment available to people in the building trade or DIY enthusiasts. Up to 100% of the purchase price is available for periods between 2 months and 12 months provided the applicants can evidence the ability to fund the necessary materials and/or labour to increase the property value to its true market value. Advances in excess of 100% are available provided a suitable residential or commercial property is available for security on a second charge basis to provide the funds to restore/re-furbish the property

Alan Hill FMO's Group Managing Director said "We have successfully piloted this product over the past year and we have funded numerous projects where plumbers, electricians, carpenters and DIY enthusiasts have purchased properties that in the main are not considered suitable for mortgage purposes in their current condition. However, with an investment of time and money these properties can be bought back to marketability and either sold on for profit or retained by the purchaser as an investment property, and mortgaged conventionally. Properties can be purchased via any source including auctions, provided the funding level is pre-approved. We have arranged advances in 48 hours so we understand the need in some instances to move quickly to secure a bargain. We have no set criteria on property type, condition or structure provided we are satisfied that the necessary work can be carried out within an agreed budget and a given time scale, and the applicant has the expertise available for such a project. We are not looking at properties that need a lick of paint and new kitchen doors, we need to see that sufficient profit is in the completed article. We are initially restricting this product to properties located in the North West, but we will consider exceptional opportunities in other parts of the country, and we expect to lend in other areas during 2007".

Full details of this product and an enquiry/DIP form can be accessed via the FMO web site firstmortgageoptions.com, but in summary FMO are offering terms on these funds on a case by case basis, with typical rates between 1.5% and 2.5% per month and the cases are underwritten with a BTL mortgage offer to replace the initial funding once the property is in a traditional mortgageable condition. Introducer/Broker procurement fees of 0.6% to 2.0% of the advance. Funds can be arranged with or without a conventional lender in place to mortgage the property on satisfactory completion of all necessary restoration/refurbishment work. Interest can be rolled up (i.e. no monthly re-payments required) depending upon the project and assessed on the merits of each application.

A detailed description of this service and a comprehensive list of all the FMO lenders, Insurers, products and services are available from FMO's web-site on www.firstmortgageoptions.com where over 500 products and services can now be accessed by independent firms DA and ARs.

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Note to Editors

Cheshire-based, First Mortgage Options is a specialist mortgage distribution and support services company, providing an extensive range of services to IFAs and mortgage intermediaries. These include compliance support services, packaging services for a panel of 12 (mainly sub-prime) lenders and a direct submission panel (FMO Mortgage Club) with over 30 lenders. FMO provide secured and unsecured loans from a panel of 10 lenders. First Mortgage Options provides a specially modified 'white-labelled' version of Trigold called Optimiser that fully integrates with CETA for general insurance illustrations. Non-regulated life is available via links to the FMO website at www.firstmortgageoptions.com. First Mortgage Options also provides a flourishing commercial lending facility via subsidiary, First4Business Finance providing commercial mortgages from a panel of 19 lenders.

First Mortgage Options also provides an Appointed Representative Network facility via its sister company Your Mortgage Options for mortgage brokers to gain experience and confidence to apply to the FSA for Direct Authorisation.

During 2005 FMO as a group were responsible for handling over £0.4 Billion of mortgages and loans, and over £250,000 of commission generated via Protection and General Insurance products.

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