



Later life lending product guide

Our retirement interest only (RIO) mortgage products

3 and 5 year discounted variable rate RIO products

Initial rate	Product and term where Early Repayment Charges may apply ¹	Followed by our SVR	The overall cost for comparison is	Maximum LTV	Maximum loan	Interest rate floor ²	Product fees	Remortgage incentives
3.34%	1.90% discount for 3 years	5.24%	5.1% APRC	60%	£1million	3.09%	£499 arrangement fee ³	Free standard valuation ⁴ ; and free standard legals ⁵
3.54%	1.70% discount for 5 years	5.24%	5.0% APRC	60%	£1million	3.29%	£499 arrangement fee ³	Free standard valuation ⁴ ; and free standard legals ⁵

Whole of term discounted variable rate RIO product

Initial rate	Product and term where Early Repayment Charges may apply ¹	Followed by our SVR	The overall cost for comparison is	Maximum LTV	Maximum loan	Interest rate floor ²	Product fees	Remortgage incentives
3.54%	1.70% discount for the mortgage term	5.24%	3.6% APRC	60%	£1million	3.54%	£499 arrangement fee ³	None

3 and 5 year fixed rate RIO products

Product and term where Early Repayment Charges may apply ¹	Followed by our SVR	The overall cost for comparison is	Maximum LTV	Maximum loan	Product fees	Remortgage incentives
3.45% fixed to 31 August 2022	5.24%	5.1% APRC	60%	£1million	£999 arrangement fee ³	Free standard valuation ⁴ ; and free standard legals ⁵
3.65% fixed to 31 August 2024	5.24%	5.0% APRC	60%	£1million	£999 arrangement fee ³	Free standard valuation ⁴ ; and free standard legals ⁵

Our standard later life mortgage products

3 discounted variable rate standard product for Over 55's

Initial rate	Product and term where Early Repayment Charges may apply ¹	Followed by our SVR	The overall cost for comparison is	Maximum LTV	Maximum loan	Interest rate floor ²	Product fees	Purchase incentives	Remortgage incentives
2.54%	2.70% discount for 3 years	5.24%	4.6% APRC	75%	£450,000	2.54%	£499 arrangement fee ³	Free standard valuation ⁴ ;	Free standard valuation ⁴ ; and free standard legals ⁵

3 and 5 year fixed rate standard products for Over 55's

Product and term where Early Repayment Charges may apply ¹	Followed by our SVR	The overall cost for comparison is	Maximum LTV	Maximum loan	Product fees	Purchase incentives	Remortgage incentives
3.29% fixed to 31 August 2022	5.24%	4.8% APRC	75%	£450,000	£499 arrangement fee ³	Free standard valuation ⁴ ;	Free standard valuation ⁴ ; and free standard legals ⁵
3.49% fixed to 31 August 2024	5.24%	4.5% APRC	75%	£450,000	£499 arrangement fee ³	Free standard valuation ⁴ ;	Free standard valuation ⁴ ; and free standard legals ⁵

Notes

- 1 Early Repayment Charges apply during the product term. Up to 10% of the original mortgage amount can be overpaid each year without charge. If the mortgage is redeemed or switched to another product during the product term then the full amount of the Early Repayment Charge will apply. For further details contact a member of the team.
- 2 Interest rates on our discount products are floored and can't fall below the rate shown.
- 3 The arrangement fee can be deducted from the advance or added to the mortgage.
- 4 We'll cover the cost of a standard mortgage valuation on a property valued up to £400,000. Your client may choose to have a RICS Homebuyers Report, however they'll have to cover the difference in cost between a standard mortgage valuation and the RICS Homebuyers Report.
- 5 We'll cover the costs of any standard legal fees involved. Any non-standard costs must be paid by your client. You'll be advised of any non-standard costs should any apply. If your client chooses to use our own conveyancers they'll only act for us, and not for your client, during the remortgage transaction. If your client needs to add or remove a name on the mortgage they must appoint their own solicitors, in which case they'll receive £150 cashback towards their costs.

Strictly for intermediary use only. Under no circumstances should this communication be given, copied or distributed to customers or potential customers.

Applications are accepted throughout England and Wales. Properties located in Scotland, Northern Ireland or the Isle of Man will not be accepted. The minimum property value is £75,000 (increasing to £250,000 for properties located within the M25 corridor). Rates correct at 15 April 2019 and can be withdrawn without notice.

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Income multiples and affordability

For joint applications, each borrower must be able to individually satisfy affordability criteria. This can be established either by a transfer of pension rights, joint investments or a specific life policy.

Applicants must be retired and receiving verifiable income from a pension or other sustainable source, such as investments or rental income.

Once affordability is satisfied, we apply a 4.49 times income multiplier to determine the maximum level of borrowing.

To verify if your clients meet affordability criteria, contact a member of the team directly.

Mortgage and client criteria

Your client must be aged 55 or over and receiving verifiable pension income. For joint applications, both of your clients must be aged 55 or over and each applicant must be able to individually satisfy affordability.

Your clients can use the sale of their home as their repayment strategy provided they have a minimum of 40% equity in their property. Up to 25% of the property value can be released for capital raising purposes.

The mortgage must be repaid following a life event, including:

- death of the sole borrower or the surviving borrower for joint mortgages;
- sole borrower or surviving borrower for joint mortgages entering long-term residential care; or
- sale of the property.

Lending on retirement properties

If your client is looking to purchase a purpose built retirement property, our full later life product range, including RIO products is available.

The following criteria restrictions apply:

- Maximum 60% LTV
- £75,000 minimum property value;
- Section 106 restrictions are accepted where the developer has specific right to first refusal of buy back as long as no onerous terms or reduced value apply;
- New build apartments are accepted; and
- Properties within a large scale retirement village will be considered subject to valuer feedback.

Mortgage packaging

Before you submit an application it's always beneficial to complete a decision in principle (DIP) application form first. You can access our online form from our website.

When we receive a DIP, a member of our team will advise whether or not we can assist, and if so, how much your clients can borrow. We aim to respond to all DIPs within 24 hours.

To help reduce the time it takes to issue your clients with their mortgage offer, provide the following items for all new mortgage applications:

- certified proof of identity and proof of address;
- pension advice notification from pension provider;
- previous three months bank statements showing pension credits going in; and
- proof of deposit.

We aim to issue a mortgage offer within 14 working days of receiving of a fully packaged mortgage application.