

RESIDENTIAL

# First Charge Mortgage Product Guide

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# Residential First Charge Mortgage Rates



## Key Features

No credit scoring  
AVMs up to 65% LTV  
Unsecured credit status 1 + 2 ignored  
CCJs/defaults under £300 or over 3 years ignored



## Fees-Free Remortgages

No lender or application fee  
Free valuation – we will use an AVM where possible  
£35 funds transfer fee still applies  
Additional fees may apply on non-standard applications  
e.g. Transfer of Equity



## Key Features

Max age 85 at term  
Unlimited gifted deposits / equity from immediate family  
Contract workers from 3 months in role  
Retained profit considered

PLAN	MHO			MH1	
Maximum LTV	70%	75%	80%	70%	75%
Minimum Loan	£40,000				
Maximum Loan	£1,000,000	£600,000	£400,000	£1,000,000	£600,000
PRODUCT TYPE					
2 Year Fixed	3.19%	3.39%	3.74%	3.84%	4.24%
5 Year Fixed	3.49%	3.60%	3.94%	4.14%	4.45%
Lender Fee	£995			£1,295	
Application Fee	£150				
Reversion Rate*	4.50%	5.00%	5.50%	4.90%	5.40%
FEES-FREE REMORTGAGES					
2 Year Fixed	3.69%	3.89%	4.24%		
5 Year Fixed	3.79%	3.90%	4.24%		
Reversion Rate*	4.50%	5.00%	5.50%		
CREDIT PROFILE					
Total Units	0 in 24			1 in 24 / 0 in 3	
Worst Status Mortgage Arrears	1 in 24			2 in 24	
Maximum unsatisfied CCJs/defaults**	1 in 36			2 in 36	
Debt Management Plans	Satisfied > 24				
IVA/Bankrupt/Sequestration	Satisfied/discharged > 36				

\*Reversion Rates change by tracking the movement in the Masthaven Bank Administered Variable Rate (MBAVR) which is currently 5.25%\*

## UNIT DEFINITION

1. A unit is defined as:
- 1 missed mortgage payment
  - 1 unsecured credit account > £300 where the worst status is 3 or more regardless of whether the account has subsequently settled
  - 1 CCJ/default > £300 registered whether satisfied or not

2. We ignore CCJs/defaults that are:
- Less than £300
  - Older than 36 months
  - Incurred in months 24-36 which are now satisfied
- \*\*Unsatisfied CCJs/defaults > £2,500 by referral

PROPERTY VALUE	VALUATION FEE	HOME BUYERS
£100,000	£220	£375
£150,000	£250	£425
£200,000	£290	£475
£300,000	£370	£550
£400,000	£425	£550
£500,000	£525	£625
£600,000	£600	£675
£700,000	£650	£875
£800,000	£725	£975
£900,000	£775	£1,175
£1,000,000	£850	£1,250
£1,250,000	£1,100	£1,350
£1,500,000	£1,200	£1,500
£1,750,000	£1,500	£1,700
£2,000,000	£1,600	£1,900
£2M - £5M	Please ask	Please ask

## EARLY REPAYMENT CHARGES

2 Year Fixed - 3% Year 1, 2% Year 2  
  
5 Year Fixed - 5% Year 1, 4% Year 2, 3% Year 3, 2% Years 4-5

## PROCURATION FEE

0.5% of the NET advance, subject to a maximum of £5,000

# Residential First Charge Mortgage Criteria

THE LOAN AND APPLICANT	
Minimum age	21 employed, 25 self-employed
Maximum age	85 at term. No maximum age on application but anything over 70 at start is subject to referral and independent legal advice
Maximum number of applicants	2
UK Residency	Applicants must have resided in the UK for a minimum of 3 years  UK Citizens EU Citizens - proof of identity and Settled Status required Worldwide nationals - proof of identity, residency and evidence of rights to remain required
Minimum income	£12,500 for the main applicant in their main job
Location	England, Wales and mainland Scotland
Deposit	Unlimited gifted deposit from immediate family members, 5% vendor/builder
Purpose	<ul style="list-style-type: none"> <li>Property purchase – including first time buyer</li> <li>Re-mortgage of an existing security</li> <li>Investment property</li> <li>Home improvements/maintenance</li> <li>Purchase of equity – subject to both parties obtaining independent legal advice</li> <li>Transfer of equity – subject to a legal fee of £350 to cover associated legal work</li> <li>Car purchase</li> <li>Debt consolidation (re-mortgage only) – loan must be on capital and interest repayment</li> <li>Business purpose</li> <li>Gift to a family member</li> <li>Capital injection in to a new business venture</li> <li>Purchasing a time share</li> </ul>
Minimum term: 3 years	Maximum term: 35 years
Capital & interest	Yes
Interest only	Maximum 60%
Part and part	Maximum 60% interest only
Overpayments	Maximum of 10% of the balance at the start of the mortgage year before ERC apply as detailed in the mortgage illustration
Unsecured debt	At the time of the application, the total value of unsecured debt must be no greater than the customer(s)' total annual income and all unsecured debts must be operating within their agreed credit limit

EMPLOYMENT AND INCOME			
<b>EMPLOYED</b>		<b>CONTRACTOR</b>	
Time employed	3 months and probation period completed, evidenced by x3 payslips monthly, x4 payslips weekly	Calculation	Day rate X 5 X 46
		Minimum time contracting	3 months
Bonus/Commission/Overtime	100% if guaranteed or over 3 years 50% if regular/less than 3 years	Minimum contract remaining	1 month or evidence of renewal
Shift allowance	100% if guaranteed	Gaps allowed	4 weeks in last 12 months
Car allowance	100% if guaranteed	Evidence	Contract and 3 most recent payslips, invoices or bank statements
Location allowance	100% if guaranteed		
<b>SELF-EMPLOYED</b>			
Minimum trading	18 months		
Evidence	<b>LTD COMPANY/PARTNERSHIP</b> 2 years' full signed accounts (not abbreviated) audited if available supported by either: 2 years' SA302s/tax calculations with corresponding HMRC tax overview statements OR An accountant's reference completed by the applicant's accountant <b>SOLE TRADER</b> 2 years' SA302s/tax calculations with corresponding HMRC tax overview statements AND An accountant's reference completed by the applicant's accountant We may consider using projections subject to 2 years' finalised figures and at least 9 months of the current financial year having elapsed, subject to the projection being no more than a 20% increase on the most recent year's profit. An explanation from the accountant will be required.		
<b>OTHER INCOME</b>			
Maintenance	Court ordered/private arrangement child maintenance only - 100%, prorated on child's age. Only acceptable for children under the age of 14. Restricted to 30% of total income. CSA not accepted.		
Investment income	On referral		
Pension income	100% - most recent award letter. Bank statement may be required if statement is annual		
Second jobs	100% - must be permanent in role for 6 months		
Working family tax credits	100% - restricted to 30% of total income		
Rental income	100% of net income after mortgage payment and expenditure		

THE PROPERTY	
Minimum value	£100,000
Minimum Ownership	6 months for remortgage
Tenure	Freehold, Leasehold subject to 75 years remaining at the start of term and 50 years at the end
Hometrack Automated Valuation Model (flats, new builds, private sales, HMOs and ex-local authority properties excluded)	Accepted on properties subject to a maximum valuation of £1m and: <ul style="list-style-type: none"> <li>Minimum confidence level 5 – maximum loan of £250,000 and 65% LTV</li> <li>Minimum confidence level 6 – maximum loan of £350,000 and 65% LTV</li> </ul>
<b>Unacceptable properties</b>	
<ul style="list-style-type: none"> <li>Commercial properties/live-work units/semi-commercial properties</li> <li>Concrete houses which are listed as defective under 1984 Housing Defects Act</li> <li>Farms or small holdings</li> <li>Flying freehold where the % exceeds 10% of the overall floor space</li> <li>Flats above premises classed as use Eb or Sui Generis</li> <li>Flats located on the 4th floor or above where the property is not serviced by a lift</li> <li>Freehold flats/maisonettes</li> <li>Grade 1 listed buildings (grade A in Scotland)</li> <li>Mobile homes</li> <li>Properties affected by an agricultural restriction</li> <li>Properties affected by an invasive growth such as Japanese Knotweed</li> <li>Properties classed as uninhabitable</li> <li>Properties containing asbestos in the main walls</li> <li>Properties containing mundic block materials unless classified as class A1</li> <li>Properties located on contaminated land</li> <li>Properties with greater than 5 acres</li> <li>Properties with possessory title</li> <li>Properties where the valuer has recommended a retention, which cannot be ignored</li> <li>Sale and rent back properties</li> <li>Shared ownership</li> <li>Studio flats that are less than 30 square metres – MB will only lend if the property has self-contained facilities</li> </ul>	

# Residential Highlights



No credit scoring



Unlimited gifted deposit/equity from immediate family



First time contractors



Fees Free Remortgages available up to 80% LTV



No age limit on application  
Maximum age 85 at end of term



Low ERCs



Unsecured credit status  
1+2 ignored

