

Personal Finance December 2021 V1

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For use by professional finance and mortgage intermediaries only. This document and the information it contains should not be shared with clients. This pack and its contents supersedes all previous packs, criteria, special plans and commissions.



First-charge mortgages

Did you know?

▶ Our 2-year Fixed Prime plus is at its lowest ever rates from just 3.59%



Properties

▶ No minimum valuation.

Standard: standard construction houses and bungalows including ex-council, flats and maisonettes up to 6 storeys, ex council flats and maisonettes (up to 4 storeys) and purpose built apartments (not ex council)

Non-standard: all other property types, including ex-council flats and maisonettes (over 4 floors), non-standard construction, defective, high-rise (over 6 floors) or poor remarks on valuation. Reduce LTV by 15% for non-standard properties to a minimum of 50% LTV

Re-mortgage: 70% Max. LTV

Fire Risk Assessment and Cladding for Flats

For all flats in blocks (above and below six storeys), an up to date Fire Risk Assessment (FRA) must be in place and submitted with the application. In the following circumstances we also require an External Wall Review – EWS 1 Form:

- The property is known to have ACM cladding (any height), the property has an unknown cladding type and is above 6 storeys in height (over 18m), the property has balconies containing combustible materials (any height)



Valuations

- Max. LTV may be reduced if there is more than a 10% difference between market value and the 90 day projected market valuation
- We'll use the open market valuation or purchase price (whichever is lower)
- The broker or applicant must pay for any valuation that's needed, and it must be submitted with the pack



Valuation Bypass Schemes

- For purchases and remortgages
- Automated valuations are accepted on standard property (excludes new builds). Max. LTV and loan size may be reduced based on confidence level
- Use the minimum of HomeTrack valuation or the purchase price (or Council valuation for Right to Buy)
- Non-standard and new build properties not permitted (a 'New build' property is defined as being the first sale by the builder)
- Shared Ownership not permitted.

	HomeTrack valuation	Drive by valuation
Max. loan	£250k	£100k
Max. LTV	70%	50%
Confidence level	5+	N/A
Property types	Standard	
Max. valuations	N/A	

First-charge mortgages



Credit profiles

- Product selection is based on demerits. A demerit is allocated for each secured arrears, CCJ and default registered in the last 12 months
- Additional criteria is in place for Prime Plus (see page 4)
- Demerits are allocated based on age and value. One demerit is allocated for each CCJ and default for:

Unsatisfied: £300 - £10,000

Satisfied: > £3,000

Ignore all: ≤ £300 or satisfied ≤ £3,000

Refer: unsatisfied > £10,000



Arrears

- One demerit point is allocated for each secured arrears, CCJ and default registered and are based on the highest number of arrears in the last 12 months, these should be combined where there are more than one secured account
- No declining unsecured arrears in the last 6 months
- Up to three settled payday loans in the last 12 months are accepted. One active payday loan will be considered by referral, but must be repaid as part of the new mortgage (remortgage, deed cases and secured loans only)
- Additional criteria is in place for Prime Plus (see page 4)



Employment

- Employed, self-employed, contractors, zero-hour contracts and retired applicants accepted
- No minimum term in current role, if 12 months continuous employment
- For self-employed customers - up to date business banking statements (last three months) or a letter from their accountant confirming their current income
- Regular monthly bonuses, commission and overtime accepted as additional income
- Benefits/DWP can be accepted.
- Applicants currently on furlough, a secured deferred payment plan or at risk of redundancy are not accepted



Ownership

- ▶ Shared Ownership and Right to Buy permitted on Standard Fixed rate and Variable rate product
- ▶ Shared Ownership and Right to Buy 100% of the purchase price accepted up to the max. LTV
- First-time buyers accepted

Did you know?

- ▶ Shared Ownership and Right to Buy are now available on our Prime plus plans

Prime plus

First-charge mortgages

Key Criteria	2-year Fixed	5-year Fixed	Variable
Standard rate (Capital Repayment)	3.59%	4.99%	6.65%
Standard rate (Interest Only)	4.09%	5.49%	
Reversion rate	TMR + 1.8%		N/A
Loan term	3-40 years	6-40 years	3-40 years
ERCs	3%, 2%	5%, 4%, 3%, 2%, 1%	N/A
Arrangement fee	2.5% (min. £1,250, max. £7,500)		
Commission	1.5% (min £750, max. £7,500)		
Max. LTV	75% purchase (70% re-mortgage) Reduce max. LTV to 60% for non-standard property types		
Demerits	0 in 12 months		
Missed payments	Secured Arrears Max. 1 in 36 months accepted CCJs & Defaults max 0 in 24 accepted		
Unsecured arrears	0 in 6 months Max. 2 in 24 months accepted		
Debt Management Plans, Debt Arrangement Schemes, Bankruptcy, IVAs	Not accepted		
Loan size	Min. £50,000 Max. before referral £1m (60% max. LTV) Loans above £250,000 with an LTV above 70% must be referred		
Property value	No min. No max.		
Property type	Prime plus products are available on 100% residential properties only Shared Ownership and Right to Buy are permitted on Prime plus		
Age	Min. 18 years Max. 85 years at end of term		

First-charge mortgages

Key Criteria		2-year Fixed	5-year Fixed	Variable
Standard Rate (Capital Repayment)	0 demerits	4.29%	5.69%	7.35%
	1 demerit	4.59%*	5.99%*	7.65%*
Standard Rate (Interest Only)	0 demerits	4.79%	6.19%	7.35%
	1 demerit	5.09%*	6.49%*	7.65%*
Reversion rate		TMR + 1.8%*		N/A
Loan term		3-40 years	6-40 years	3-40 years
ERCs		3%, 2%	5%, 4%, 3%, 2%, 1%	N/A
Arrangement fee		2.5% (min. £1,250, max. £7,500)		
Commission		1.5% (min £750, max. £7,500)		
Max. LTV		75% purchase (70% re-mortgage) Reduce max. LTV to 60% for non-standard property types, and 65% for semi-commercial		
Demerits		Maximum 3 demerits. *For 2 demerits or above in the last 12 months, add 1% for each demerit to the 1 demerit rate		
Unsecured arrears		No declining unsecured arrears in the last 6 months		
Debt Management Plans, Debt Arrangement Schemes, Bankruptcy, IVAs		Must be satisfied for 2 or more years and must be referred		
Loan size		Min. £50,000 Max. before referral £1m (60% max. LTV) Loans above £250,000 with an LTV above 70% must be referred		
Property value		No min. No max.		
Property type		Shared Ownership and Right to Buy are permitted Semi-commercial (40%+ residential) considered		
Age		Min. 18 years Max. 85 years at end of term		

Second-charge mortgages



Properties

▶ No minimum valuation.

Standard: standard construction houses and bungalows including ex-council, flats and maisonettes up to 6 storeys, ex council flats and maisonettes (up to 4 storeys) and purpose built apartments (not ex council)

Non-standard: all other property types, including ex-council flats and maisonettes (over 4 floors), non-standard construction, defective, high-rise (over 6 floors) or poor remarks on valuation. Reduce LTV by 15% for non-standard properties to a minimum of 50% LTV

Fire Risk Assessment and Cladding for Flats

For all flats in blocks (above and below six storeys), an up to date Fire Risk Assessment (FRA) must be in place and submitted with the application. In the following circumstances we also require an External Wall Review – EWS 1 Form:

- The property is known to have ACM cladding (any height), the property has an unknown cladding type and is above 6 storeys in height (over 18m), the property has balconies containing combustible materials (any height)



Valuations

- Max. LTV may be reduced if there is more than a 10% difference between market value and the 90 day projected market valuation
- We'll use the open market valuation or purchase price (whichever is lower)
- The broker or applicant must pay for any valuation that's needed, and it must be submitted with the pack



Valuation Bypass Schemes

- Automated valuations are accepted on standard property (excludes new builds). Max. LTV and loan size may be reduced based on confidence level

	HomeTrack valuation	Drive by valuation
Max. loan	£250k	£100k
Max. LTV	70%	50%
Confidence level	5+	N/A
Property types	Standard	
Max. valuations	£750k	

Did you know?

▶ We've reduced our 2-year fixed Prime plus to our lowest ever rates from just 3.99%

Second-charge mortgages



Credit profiles

- Product selection is based on demerits. A demerit is allocated for each secured arrears, CCJ and default registered in the last 12 months
- Additional criteria is in place for Prime Plus (see page 8)

Demerits are allocated based on age and value. One demerit is allocated for each CCJ and default for:

Unsatisfied: £300 - £10,000

Satisfied: > £3,000

Ignore all: ≤ £300 or satisfied ≤ £3,000

Refer: unsatisfied > £10,000



Arrears

- One demerit point is allocated for each secured arrears, CCJ and default registered and are based on the highest number of arrears in the last 12 months, these should be combined where there are more than one secured account
- No declining unsecured arrears in the last 6 months
- .
- Up to three settled payday loans in the last 12 months are accepted. One active payday loan will be considered by referral, but must be repaid as part of the new mortgage (remortgage, deed cases and secured loans only)
- Additional criteria is in place for Prime Plus (see page 8)



Employment

- Employed, self-employed, contractors, zero-hour contracts and retired applicants accepted
- No minimum term in current role, if 12 months continuous employment
- For self-employed customers - up to date business banking statements (last three months) or a letter from their accountant confirming their current income (last three months)
- Regular monthly bonuses, commission and overtime accepted as additional income
- Benefits/DWP can be accepted
- Applicants currently on furlough, a secured deferred payment plan or at risk of redundancy are not accepted



Mortgage Reference & Redemption Figure Bypass

- Mortgage balance accepted on the Equifax search up to 75% LTV for loans ≤£150,000 and max. 50% LTV for loans ≤£250,000
- Flexible/open plan mortgages not permitted

Did you know?

- ▶ We've increased commission to 2% on all Second-charge mortgages

Prime plus

Second-charge mortgages

Key Criteria	2-year Fixed	5-year Fixed	Variable
Standard rate (Capital Repayment)	3.99%	4.99%	6.65%
Standard rate (Interest Only)	4.49%	5.49%	
Reversion rate	TMR + 1.8%		3-30 years
Loan term	3-30 years	5-30 years	3-30 years
ERCs	3%, 2%	5%, 4%, 3%, 2%, 1%	3-30 years
Arrangement fee	2.5% (max. £7,500)		
Commission	2% (max. £7,500)		
Max. LTV	75% Reduce max. LTV to 60% for non-standard property types		
Demerits	0 in 12 months		
Missed payments	Secured Arrears Max. 1 in 36 months accepted CCJs & Defaults max 0 in 24 accepted		
Unsecured arrears	0 in 6 months Max. 2 in 24 months accepted		
Debt Management Plans, Debt Arrangement Schemes, Bankruptcy, IVAs	Not accepted		
Debt consolidation	Not permitted on Interest Only		
Loan size	Min. £30,000 Max. before referral £250,000 Loans above £100,000 with an LTV above 70% must be referred		
Property value	No min. No max.		
Property type	Prime plus products are available on 100% residential properties only		
Age	Min. 18 years Max. 80 years at end of term		

Second-charge mortgages

Key Criteria		2-year Fixed	5-year Fixed	Variable
Standard Rate (Capital Repayment)	0 demerits	4.69%	5.69%	7.35%
	1 demerit	4.99%*	5.99%*	7.65%
Standard Rate (Interest Only)	0 demerits	5.19%	6.19%	7.35%
	1 demerit	5.49%*	6.49%*	7.65%
Reversion rate		TMR + 1.8%*		n/a
Loan term		3-30 years	5-30 years	3-30 years
ERCs		3%, 2%	5%, 4%, 3%, 2%, 1%	n/a
Arrangement fee		2.5% (max. £7,500)		
Commission		2% (max. £7,500)		
Max. LTV		75% Reduce max. LTV to 60% for non-standard property types, and 65% for semi-commercial		
Demerits		Maximum 3 demerits. *For 2 demerits or above in the last 12 months, add 1% for each demerit to the 1 demerit rate		
Unsecured arrears		No declining unsecured arrears in the last 6 months		
Debt Management Plans, Debt Arrangement Schemes, Bankruptcy, IVAs		Must be satisfied for 2 or more years and must be referred		
Debt consolidation		Not permitted on Interest Only		
Loan size		Min. £30,000 Max. before referral £250,000 Loans above £100,000 with an LTV above 70% must be referred		
Property value		No min. No max.		
Property type		Semi commercial (40%+ residential) considered		
Age		Min. 18 years Max. 80 years at end of term		

Consumer Buy to Let



Properties

▶ No minimum valuation.

Standard: standard construction houses and bungalows including ex-council, flats and maisonettes up to 6 storeys, ex council flats and maisonettes (up to 4 storeys) and purpose built apartments (not ex council)

Non-standard: all other property types, including ex-council flats and maisonettes (over 4 floors), non-standard construction, defective, high-rise (over 6 floors) or poor remarks on valuation. Reduce LTV by 15% for non-standard properties to a minimum of 50% LTV

Re-mortgage: 70% Max. LTV

Fire Risk Assessment and Cladding for Flats

For all flats in blocks (above and below six storeys), an up to date Fire Risk Assessment (FRA) must be in place and submitted with the application. In the following circumstances we also require an External Wall Review – EWS 1 Form:

- The property is known to have ACM cladding (any height), the property has an unknown cladding type and is above 6 storeys in height (over 18m), the property has balconies containing combustible materials (any height)



Valuations

- Max. LTV may be reduced if there is more than a 10% difference between market value and the 90 day projected market valuation.
- We'll use the open market valuation
- The broker or applicant must pay for any valuation that's needed, and it must be submitted with the pack

Valuation Bypass Schemes

- Non-standard and new build properties not permitted (a 'New build' property is defined as being the first sale by the builder)
- Automated valuations are accepted on standard property (excludes new builds). Max. LTV and loan size may be reduced based on confidence level

	HomeTrack valuation	Drive by valuation
Max. loan	£250k	£100k
Max. LTV	70%	50%
Confidence level	5+	N/A
Property types	Standard	
Max. valuations	£750k	

Did you know?

▶ Our Consumer Buy to Let rates start from just 5.49%



Mortgage Reference & Redemption Figure Bypass

- For second charge CBTL, existing mortgage balance accepted on the Equifax search up to 75% LTV for loans ≤£150,000 and max. 50% LTV for loans ≤£250,000
- Flexible/open plan mortgages not permitted

Consumer Buy to Let

Did you know?

▶ We've introduced a 2 year Fixed Rate to our Consumer Buy to Let range



Credit profiles

- Product selection is based on demerits. A demerit is allocated for each secured arrears, CCJ and default registered in the last 12 months
- Additional criteria is in place for Prime Plus (see page 7)
- Demerits are allocated based on age and value. One demerit is allocated for each CCJ and default for:

Unsatisfied: £300 - £10,000

Satisfied: > £3,000

Ignore all: ≤ £300 or satisfied ≤ £3,000

Refer: unsatisfied > £10,000



Arrears

- One demerit point is allocated for each secured arrears, CCJ and default registered and are based on the highest number of arrears in the last 12 months, these should be combined where there are more than one secured account
- Up to three settled payday loans in the last 12 months are accepted. One active payday loan will be considered by referral, but must be repaid as part of the new mortgage (remortgage, deed cases and secured loans only)



Affordability

▶ Affordability based on rental income only.

- Projected rents accepted to a maximum of 90%.
- Tiered ICR applies:
 - 125% - Basic rate taxpayers & Limited Company applicants
 - 145% - Higher rate taxpayers
 - 165% - Additional rate taxpayers
- Our loan and any background loans will be stressed as follows:
 - 1st & 2nd Charge CBTL = Rate +2% / Background Reg mortgages = Rate +3%
 - OR 5.5% if this is higher than either of the above
- 5-year Fixed rates will not be stressed. Note: any subsequent charge will continue to be stressed

First Charge

Consumer
Buy to Let

Key Criteria	2-year Fixed	5-year Fixed	Variable
Standard Rate (Capital Repayment or Interest Only)	5.69%*	5.99%*	5.49%*
Repayment type	Capital Repayment & Interest Only options available		
Reversion rate	TMR + 2.14%*		N/A
Loan term	4-30 years	5-30 years	4-30 years
ERCs	N/A		
Arrangement fee	2.5% (max. £7,500)		
Commission	1.5% (max. £7,500)		
Max. LTV	75% (65% for semi-commercial)		
Demerits	Maximum 3 demerits. *For 1 demerits or above in the last 12 months, add 1% to the above rate		
Unsecured arrears	No declining unsecured arrears in the last 6 months		
Debt Management Plans, Debt Arrangement Schemes, Bankruptcy, IVAs	Must be satisfied for 2 or more years and must be referred		
Loan size	Min. £50,000 Max. before referral £250,000 Loans above £250,000 with an LTV above 70% must be referred		
Property value	No min. No max.		
Property type	Semi-commercial (<50% business purposes) considered		
Age	No min. No max.		

Second Charge

Consumer
Buy to Let

Key Criteria	2-year Fixed	5-year Fixed	Variable
Standard Rate (Capital Repayment or Interest Only)	6.19%*	6.49%*	5.99%*
Repayment type	Capital Repayment & Interest Only options available		
Reversion rate	TMR + 2.14%*		N/A
Loan term	4-30 years	5-30 years	4-30 years
ERCs	N/A		
Arrangement fee	2.5% (max. £7,500)		
Commission	1.5% (max. £7,500)		
Max. LTV	75% (65% for semi-commercial)		
Demerits	Maximum 3 demerits. *For 1 demerits or above in the last 12 months, add 1% to the above rate		
Unsecured arrears	No declining unsecured arrears in the last 6 months		
Unsecured debt consolidation	Not permitted on Interest Only		
Debt Management Plans, Debt Arrangement Schemes, Bankruptcy, IVAs	Must be satisfied for 2 or more years and must be referred		
Loan size	Min. £50,000 Max. before referral £250,000 Loans above £100,000 with an LTV above 70% must be referred		
Property value	No min. No max.		
Property type	Semi-commercial (<50% business purposes) considered		
Age	No min. No max.		

Regulated Bridge



Properties

▶ No minimum valuation

Standard: standard construction houses and bungalows including ex-council, flats and maisonettes up to 6 storeys, ex council flats and maisonettes (up to 4 storeys) and purpose built apartments (not ex council)

Non-standard: all other property types, including ex-council flats and maisonettes (over 4 floors), non-standard construction, defective, high-rise (over 6 floors) or poor remarks on valuation. Reduce LTV by 15% for non-standard properties to a minimum of 50% LTV

Fire Risk Assessment and Cladding for Flats

For all flats in blocks (above and below six storeys), an up to date Fire Risk Assessment (FRA) must be in place and submitted with the application. In the following circumstances we also require an External Wall Review – EWS 1 Form:

- The property is known to have ACM cladding (any height), the property has an unknown cladding type and is above 6 storeys in height (over 18m), the property has balconies containing combustible materials (any height)



Valuations

- Max. LTV may be reduced if there is more than a 10% difference between market value and the 90 day projected market valuation, a 'cash' valuation has been supplied or 'poor' is detailed on the valuation – please refer
- We'll use the open market valuation or purchase price (whichever is lower)
- The broker or applicant must pay for any valuation that's needed

Valuation Bypass Schemes

- All property types (excluding non-standard and new build). A 'New build' property is defined as being the first sale by the builder
- Automated valuations are accepted on standard property (excludes new builds). Max. LTV and loan size may be reduced based on confidence level
- Available for purchases
- For purchases, use the minimum of HomeTrack valuation or the purchase price

	HomeTrack valuation	Drive by valuation
Max. Loan	£250k	£100k
Max. LTV	65%	50%
Confidence level	5+	N/A
Property types	Standard	
Max. Valuations	N/A	



Loan purpose and exit strategies

- Mortgages available on first-charge basis (Second-charge permitted via cross charge)
- First charge is always required against the property being purchased
- Exit strategies accepted: Sale of current owner-occupied property or inheritance where a grant of probate has been issued. Remortgage not accepted
- Re-bridging an existing bridging loan, re-finance, debt consolidation, transfer of equity and funds for business use will not be accepted
- Please note independent legal advice will be required on all applications

Key Criteria		Regulated Bridge	
LTV		≤50%	≤70%
Standard Rate	0 demerits	0.65%	0.75%
	1 demerit	0.80%	0.90%
	2+ demerits	0.90%	1.00%
Loan term		12 months	
ERCs		N/A	
Arrangement fee		2% (min. £1,495)	
Commission		2% (min £750)	
Max. LTV (including rolled-up)		70%	
Debt Management Plans, Debt Arrangement Schemes, Bankruptcy, IVAs		Must be satisfied for 2 or more years and must be referred	
Loan size		Min. £50,000 Max. before referral £500,000 Max. by referral £1m (50% max. LTV)	
Property Value		No min Over £1m by referral	
Loan purpose		Re-bridging an existing bridging loan, re-finance, debt consolidation, transfer of equity and funds for business use will not be accepted	
Age		Min. 18 years Max. 85 years at end of term	