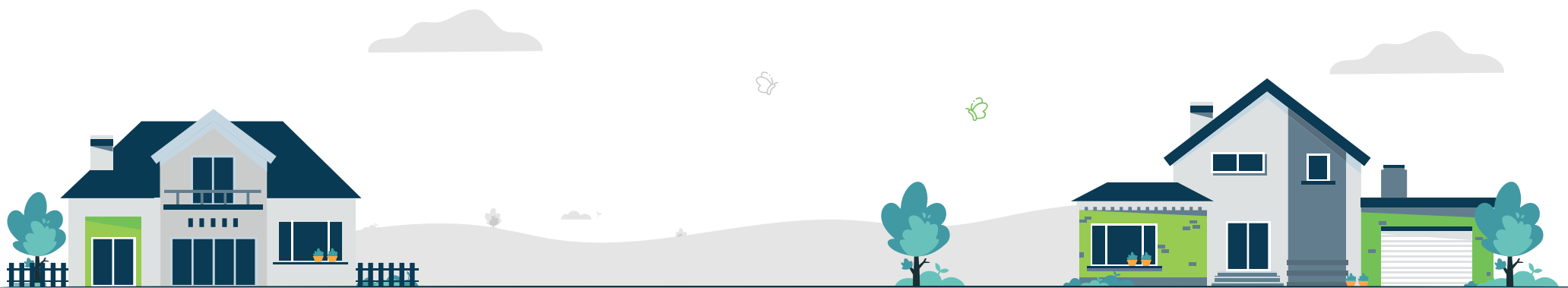


Residential & Buy to Let Second Charge Product Guide

Released July 2023

Spring Finance Administered Variable Rate (SAVR) is 13.45% as at 13th July 2023



For Intermediaries Only

Product Guide - Prestige

LTV Bandings	Product	Prestige 1 Max 1 Demerits	Prestige 2 Max 2 Demerits	Maximum Gross Loan
<60%	2 Year Fixed	10.15%	10.55%	£200,000
	5 Year Fixed	10.70%	11.10%	
	Lifetime Tracker*	10.95%	11.35%	
60% - 70%	2 Year Fixed	10.40%	10.80%	
	5 Year Fixed	10.95%	11.35%	
	Lifetime Tracker*	11.20%	11.60%	
70% - 75%	2 Year Fixed	10.65%	11.05%	£150,000
	5 Year Fixed	11.20%	11.60%	
	Lifetime Tracker*	11.45%	11.85%	
75% - 80%	2 Year Fixed	11.10%	11.40%	£75,000
	5 Year Fixed	11.65%	11.95%	
	Lifetime Tracker*	11.90%	12.10%	

*Lifetime tracker rates follow the Spring Administered Variable Rate +/- a margin.
Commission - 2% of net loan capped at £2,000.

Demerits

Type	Definition	Eligibility
Mortgage /Secured Loans	• 1 unit per missed payment in last 12 months	<ul style="list-style-type: none"> • 0 in last 3 months • 6 months minimum mortgage history • Security and background properties assessed
CCJ/Defaults	• 1 unit per CCJ/Default in last 12 months	<ul style="list-style-type: none"> • Ignore accounts under £350 • Max CCJ/Default limit £10,000 per item - refer if greater
Unsecured Credit	• 1 unit per account where worst status is 3 or higher in last 6 months	<ul style="list-style-type: none"> • Ignore accounts under £350
IVA/DMP	• 1 unit per plan - missed payments in last 12 months treated as an additional demerit	<ul style="list-style-type: none"> • Must have been in place for a minimum of 12 months
Bankruptcies	-	<ul style="list-style-type: none"> • Must have been satisfied over 2 years ago
Pay Day Loans (must be settled from loan advance)	-	<ul style="list-style-type: none"> • None in last 6 months - max 2 in last 12

Early Repayment Charge

	Year 1	Year 2	Year 3	Year 4	Year 5
2 Year Fixed	2%	1%	-	-	-
5 Year Fixed	5%	4%	3%	2%	1%
Lifetime Tracker	1%	-	-	-	-

Lender Fee

Loan Amount	Fee
<=£50,000	£1,195
<=£200,000	£1,495

Reversion Rate

LTV	Rate
<70%	-0.10%
>=70%	+0.9%

Product Guide - Core

LTV Bandings	Product	Core 1 Max 3 Demerits	Core 2 Max 4 Demerits	Core 3 4+ Demerits	Maximum Gross Loan
<60%	2 Year Fixed	11.05%	11.70%	12.65%	£200,000 (£100,000 max on Core 3)
	5 Year Fixed	11.50%	12.15%	13.10%	
	Lifetime Tracker*	11.75%	12.40%	13.35%	
60% - 70%	2 Year Fixed	11.30%	11.90%	12.90%	
	5 Year Fixed	11.75%	12.40%	13.35%	
	Lifetime Tracker*	12.00%	12.65%	13.60%	
70% - 75%	2 Year Fixed	11.55%	12.20%	-	£150,000
	5 Year Fixed	12.00%	12.65%	-	
	Lifetime Tracker*	12.25%	12.90%	-	
75% - 80%	2 Year Fixed	11.90%	-	-	£75,000
	5 Year Fixed	12.35%	-	-	
	Lifetime Tracker*	12.60%	-	-	

*Lifetime tracker rates follow the Spring Administered Variable Rate +/- a margin.
Commission - 2% of net loan capped at £2,000.

Demerits

Type	Definition	Eligibility
Mortgage /Secured Loans	• 1 unit per missed payment in last 12 months	• 3 months minimum mortgage history • Security property assessed
CCJ/Defaults	• 1 unit per CCJ/Default in last 12 months	• Ignore accounts under £350
Unsecured Credit	• 1 unit per account where worst status is 3 or higher in last 6 months	• Ignore accounts under £350
IVA/DMP	• 1 unit per plan - missed payments in last 12 months treated as an additional demerit	• Must have been in place for a minimum of 6 months
Bankruptcies	-	• Core 3 only - must be annulled from the loan advance
Pay Day Loans (must be settled from loan advance)	-	• Refer if any in last 3 months, and/or 4 or more in the last 12 months

Early Repayment Charge

	Year 1	Year 2	Year 3	Year 4	Year 5
2 Year Fixed	2%	1%	-	-	-
5 Year Fixed	5%	4%	3%	2%	1%
Lifetime Tracker	1%	-	-	-	-

Lender Fee

Loan Amount	Fee
<=£50,000	£1,195
<=£200,000	£1,495

Reversion Rate

LTV	Rate
<80%	+1.9%

The Loan		Self Employed Income		The Property	
Minimum Term	• 3 years	Minimum Trading Period	• 1 year	Location	• England, Wales and mainland Scotland only
Maximum Term	• 30 years	Bank Statements	• 3 most recent business bank statements to evidence still trading	Minimum Value	• £100,000
Repayment	• Capital Repayment	Evidence - Sole Trader	• 1 years HMRC tax calculation and supporting overview - 2 years evidence required if trading for 2 years or longer	Tenure	• Freehold or leasehold - subject to 75 years remaining at start of loan and 55 at end of term
Overpayments	• Up to 10% per annum. Overpayments exceeding 10% are subject to the relevant product early repayment charge	Evidence - Limited Company/Partnership	• 1 years HMRC tax calculation and supporting overview AND signed accounts or accountants reference • 2 years evidence required if trading for 2 years or longer	Hometrack	• Maximum gross loan £100,000 • Maximum property value £1,000,000
Loan Purpose	• All legal purposes considered. Loans for business purpose considered on referral • Loans for speculative purposes not accepted	Contractor Income		Hometrack Confidence Level	• Minimum confidence level 4 up to 60% LTV • Minimum confidence level 5 between 60 and 70% LTV
Further Advances	• Considered after 6 months subject to account conduct • Commission will be paid on the new borrowing only	Income Calculation	• Day rate x 5 x 46	Hometrack Property Restrictions	• Not permitted on ex-local authority flats or maisonettes
Employment and Income		Minimum Time Contracting	• 3 months	Driveby Valuations	• Maximum gross loan £100,000 • Maximum property value £1,000,000
Minimum Income	• Minimum gross annual household income of £18,000 - £15,000 must be earned from employment and/or private pensions	Minimum Contract Remaining	• 3 months or evidence of renewal	Driveby LTV	• Maximum LTV 65%
Employed Income		Gaps Allowed	• 4 weeks in the last 12 months	Driveby Property Restrictions	• Not permitted on flats or maisonettes
Time Employed	• 3 months history required. Probation considered subject to evidence of previous employment	Evidence	• Contract and 3 most recent payslips, invoices or bank statements	Internal Valuation	• Required where an application fails Hometrack or Driveby criteria
Evidence	• 3 x payslips monthly, 4 x payslips weekly	Pension Income		Mortgage Information	
Bonus/Commission /Over-time	• 100% if evidenced on all payslips. Annual bonus considered on referral subject to 2 years evidence	State and Private	• 3 most recent remittance slips or bank statements	1st Mortgage Balance	• LTV calculated on balance outstanding where LTV is below 75%. Redemption figure used where LTV is over 75%
Shift/Car/Location Allowance	• 100% if received across all payslips	Benefit Income		Mortgage Reference/ Payment Profile	• Equifax accepted providing no arrangement recorded in the last 12 months, or a succession of 6's
Maternity Pay	• Company and statutory maternity pay considered on referral	Child Tax Credit/Child Benefit	• Accepted for children aged 16 or under at the start of the loan - subject to a plausible explanation for any future changes in income, award letter and 3 most recent bank statements	Consent	• Required in favour of Spring Finance Ltd if applicable. We may consider lending where consent has been declined
		Working Tax Credit	• Accepted subject to award letter and 3 most recent bank statements		

Product Guide - Buy to Let

LTV Bandings	Product	BTL 0 Max 0 Demerits	BTL 1 Max 1 Demerits	Maximum Gross Loan
<60%	2 Year Fixed	10.75%	11.05%	£150,000
	5 Year Fixed	11.30%	11.60%	
	Lifetime Tracker*	11.55%	11.85%	
60% - 70%	2 Year Fixed	11.00%	11.30%	£100,000
	5 Year Fixed	11.55%	11.85%	
	Lifetime Tracker*	11.80%	12.10%	
70% - 75%	2 Year Fixed	11.35%	-	£75,000
	5 Year Fixed	11.90%	-	
	Lifetime Tracker*	12.15%	-	

LTV Bandings	Product	BTL Core Max 3 Demerits	Maximum Gross Loan
<65%	2 Year Fixed	11.60%	£75,000
	5 Year Fixed	12.15%	
	Lifetime Tracker*	12.40%	

*Lifetime tracker rates follow the Spring Administered Variable Rate +/- a margin.
Commission - 2% of net loan capped at £2,000.

Demerits

Type	Definition	Prestige Eligibility	Core Eligibility
Mortgage /Secured Loans	• 1 unit per missed payment in last 12 months	• 6 months minimum mortgage history • Security property assessed	• 3 months minimum mortgage history • Security property assessed
CCJ/Defaults	• 1 unit per CCJ/Default in last 12 months	• Ignore accounts under £350 • Max CCJ/Default limit £10,000 per item - refer if greater	• Ignore accounts under £350
Unsecured Credit	• 1 unit per account where worst status is 3 or higher in last 6 months	• Ignore accounts under £350	• Not assessed
IVA/DMP	• 1 unit per plan - missed payments in last 12 months treated as an additional demerit	• Must have been in place for a minimum of 12 months	• Must have been in place for a minimum of 6 months
Bankruptcies	-	• Must have been satisfied over 2 years ago	• BTL Core only - must be annulled from the loan advance
Pay Day Loans (must be settled from loan advance)	-	• None in last 6 months - max 2 in last 12	• Refer if any in last 3 months, and/or 4 or more in the last 12 months

Early Repayment Charge

	Year 1	Year 2	Year 3	Year 4	Year 5
2 Year Fixed	2%	1%	-	-	-
5 Year Fixed	5%	4%	3%	2%	1%
Lifetime Tracker	1%	-	-	-	-

Lender Fee

Fee
2.5% of net loan subject to a minimum fee of £1,195

Reversion Rate

LTV	Rate
<70%	+0.9%
>=70%	+1.4%
BTL Core 65%	+1.4%

The Loan		Income		Mortgage Information	
Minimum Term	• 3 years	Income	• Evidence of income required on all cases	1st Mortgage Balance	• LTV calculated on balance outstanding where LTV is below 75%
Maximum Term	• 30 years	Employed	• Latest payslip required	Mortgage Reference/ Payment Profile	• Equifax accepted providing no arrangement recorded in the last 12 months, or a succession of 6's
Repayment	• Capital Repayment or Interest Only	Self-Employed	• Latest tax return and overview required	Consent	• Required in favour of Spring Finance Ltd if applicable. We may consider lending where consent has been declined
Overpayments	• Up to 10% per annum. Overpayments exceeding 10% are subject to the relevant product early repayment charge	Pension	• Latest remittance slip or bank statement required		
Loan Purpose	• All legal purposes considered. Loans for business purpose considered on referral • Loans for speculative purposes not accepted	The Property			
Further Advances	• Considered after 6 months subject to account conduct • Commission will be paid on the new borrowing only	Location	• England, Wales and mainland Scotland only		
		Minimum Value	• £100,000		
		Tenure	• Freehold or leasehold - subject to 75 years remaining at start of loan and 55 at end of term		
Employment and Income		Energy Performance Certificate (EPC)	• Minimum EPC rating of E or above - unless the property is exempt from the regulations		
Minimum Income	• Minimum gross annual income £18,000 for the 1st applicant - £15,000 must be earned from employment and/or private pensions	Hometrack	• Maximum gross loan £100,000 • Maximum property value £1,000,000		
Affordability		Hometrack Confidence Level	• Minimum confidence level 4 up to 60% LTV • Minimum confidence level 5 between 60 and 70% LTV • Rental confidence level 5		
Rental Coverage	• Assessed on the lower of the AST or valuers rental assessment	Hometrack Property Restrictions	• Not permitted on ex-local authority flats or maisonettes		
Rental Coverage Requirements	• 125% rental coverage required for low rate tax payers • 145% rental coverage required for high rate tax payers • 155% rental coverage required for additional rate tax payers	Driveby Valuations	• Maximum gross loan £100,000 • Maximum property value £1,000,000 • Rental confidence level 5		
Income Top Up	• Personal income can be used to support rental coverage subject to a minimum ICR of 130% - subject to a full I&E on the applicants residential property	Driveby LTV	• Maximum LTV 65%		
		Driveby Property Restrictions	• Not permitted on flats or maisonettes		
		Internal Valuation	• Required where an application fails • Hometrack or Driveby criteria		