

# Mortgage Lending - September 2024

Plan	Min Mortgage (Net)	Max Mortgage (Gross)	Repayment Period (Years)	Annual Variable Rate (Monthly)	Annual 2 Year Fixed (Monthly)	Annual 3 Year Fixed (Monthly)	Annual 5 Year Fixed (Monthly)	Max Adverse Units	Max LTV
Optimal 1	£3,000	£250,000	1 to 30 years	11.05 (0.921)	10.50 (0.875)	10.39 (0.866)	9.95 (0.829)	No Units	80%
Optimal 1 MAX	£250,000.01	£350,000	1 to 30 years	11.05 (0.921)	10.50 (0.875)	10.39 (0.866)	9.95 (0.829)	No Units	50%
Optimal 1 HLTV	£3,000	£150,000	1 to 30 years	12.76 (1.063)	12.11 (1.009)	11.99 (0.999)	11.48 (0.957)	No Units	85%
Optimal 2	£3,000	£250,000	1 to 30 years	11.56 (0.963)	10.97 (0.914)	10.86 (0.905)	10.40 (0.867)	No Units	80%
Optimal 2 MAX	£250,000.01	£350,000	1 to 30 years	11.56 (0.963)	10.97 (0.914)	10.86 (0.905)	10.40 (0.867)	No Units	50%
Optimal 2 HLTV	£3,000	£150,000	1 to 30 years	13.55 (1.129)	12.88 (1.073)	12.74 (1.062)	12.20 (1.017)	No Units	85%

## Optimal 1 Plan Definitions

- No adverse units
- Credit cards, Loans or/and Hire Purchases highest status 1 in the last 12 months - 0 as current status
- Mail order, public utility and/ or communications highest status 1 in the last 12 months - 0 as current status
- Minimum Equifax credit score of 300

## Optimal 2 Plan Definitions

- No adverse units
- Credit cards, Loans or/and Hire Purchases highest status 2 in the last 12 months - 0 as current status
- Mail order, public utility and/ or communications highest status 3 in the last 12 months - 0 as current status
- Minimum Equifax credit score of 250

## Specific Plan Information (Optimal)

- Minimum income £25,000 from all sources (Benefit income accepted if less than 50% of total income)
- Zero arrears on all Mortgage and Secured Loans in the last 12 months
- No current Debt management plans or DAS'
- IVAs and Trust Deeds considered if at month 54 in the clause period. We will need to consolidate these
- No payday loans in the last 12 months

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A	£3,000	£250,000	1 to 30 years	14.32 (1.193)	13.60 (1.133)	13.46 (1.122)	12.88 (1.073)	One Unit	75%
A HLTV	£3,000	£150,000	1 to 30 years	15.07 (1.256)	14.32 (1.193)	14.16 (1.180)	13.56 (1.130)	No Units	80%
B	£3,000	£70,000	1 to 30 years	15.19 (1.266)	14.44 (1.203)	14.28 (1.190)	13.67 (1.139)	Two Units	75%

## Plan Definitions

- Plan A**
- One adverse unit
  - Benefit income accepted if less than 50% of total income
- Plan A HLTV**
- No adverse units
  - Right to Buy Mortgages are **NOT** eligible on this plan
  - Benefit income accepted if less than 50% of total income
- Plan B**
- Maximum two adverse units but 1 month maximum mortgage/secured loan arrears in last 12 months
  - Applicants where 50% or more of total income is derived from benefits accepted

## Unit Definitions (Adverse Units)

- One Unit** = 1 CCJ / Default in last 12 months for £300 or more
- One Unit** = Maximum of 1 months Mortgage/Secured Loan arrears in last 12 months
- One Unit** = Any Unsecured credit for £300 or more with 3 or more current missed payments (**excluding mail orders**)

## Specific Plan Information (A, A HLTV, B)

- For joint incomes from £15k to £20k a minimum Equifax credit score of 350 applies.
- For joint incomes from £20,000.01 upwards a minimum Equifax score of 200 applies.
- IVAs & Debt Management Plans = Look at the individual credit within these plans and follow normal rules in relation to units (see adverse units section).
- Mail order, communications and public utility arrears and defaults are all ignored.
- Satisfied defaults and CCJs less than £3,000 are all ignored.

## General Plan Information (Applicable to all Plans)

- Minimum age 21 and mortgage to complete before age 85.
- We will use a maximum of 50% DTI calculation on all plans to include all secured and unsecured credit.
- Gambling debits on bank statements must not exceed 5% of monthly gross salary.
- Binding offers now issued with consent to follow.
- £100 Minimum I&E surplus on all cases.
- Child related income can be used for the full term of the loan where the children are below the age of 14 on application. Where child related income is received for children 14 and over and the loan term will take them beyond the end date of the child related income an explanation will be required to demonstrate future affordability.

## Early Repayment Charges (ERCs): Sliding Scale

Variable Plans	2 Year Fixed	3 Year Fixed	5 Year Fixed
NO ERC	Year 1: 2% of the outstanding balance	Year 1: 3% of the outstanding balance	Year 1: 5% of the outstanding balance
	Year 2: 1% of the outstanding balance	Year 2: 2% of the outstanding balance	Year 2: 4% of the outstanding balance
	Year 3: Transfer to the Variable rate & no ERC	Year 3: 1% of the outstanding balance	Year 3: 3% of the outstanding balance
		Year 4: Transfer to the Variable rate & no ERC	Year 4: 2% of the outstanding balance
			Year 5: 1% of the outstanding balance
NB. All plans are subject to a £150.00 Redemption Administration Fee as well as the stated ERC calculation.			Year 6: Transfer to the Variable rate & no ERC

Broker Fees (Loan Amount)		Fixed Lender Fees (Loan Amount)	
£3,000 - £20,000:	15% (Max £4950)	Under £15,000:	£695
£20,000.01 - £350,000:	12.5% (Max £4950)	Between £15,000.01 and £50,000:	£995
		Above £50,000:	£1495

For all Further Advances the Lender Fee is fixed at £495.