

RESIDENTIAL LENDING CRITERIA (EFFECTIVE FROM 01 September 2001)

Minimum Advance:	£5,000 *
Maximum Advance:	£1,500,000 *
* Restrictions may be applied to individual products, please check the product sheet.	

Minimum Term:	1 year. Certain products may have restrictions on early repayment.
Maximum Term:	Capital & Interest 30 years Interest Only – Negotiable

Minimum Property Value:	Within a 25 mile radius of Head Office £15,000 * Outside a 25 mile radius of Head Office £35,000
	* Where the property is valued at £25,000 or less restrictions will apply as follows: <ul style="list-style-type: none"> • Maximum loan to value 90% • Maximum Term 20 years • Capital & Interest only

Maximum Advance & Loan to Value:	Further restrictions may be applied to individual products, please check the product sheet. The applicant must be able to demonstrate that they can meet the deposit from their own resources.			
	Purchase Price/Value	Max LTV	Re-mortgage	Capital Raising
	Up to £25,000	90%	90%	75%*
	£25,001 - £150,000	95%	90%	75%*
	£150,001 - £250,000	90%	85%	75%*
	£250,001 plus	Neg	Neg	75%*
* 80% for existing Society borrowers with a minimum of 12 months standing				

High Percentage Lending Fee:	A high percentage lending fee is required, unless stated in specific product details, in all cases where the loan to value exceeds 75% (80% for existing customers although where applicable the fee is calculated back to 75%). The fee is calculated on the full amount of borrowing over 75%, the minimum fee being £250. Fees can be added to the loan subject to the total loan not exceeding 95%.
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High Percentage Lending Fee Rates:	LTV	New Borrowers	Existing Borrowers
	75% - 80%	3.95%	n/a
	80% - 85%	4.95%	4.95%
	85% - 90%	6.35%	6.35%
	90% - 95%	7.60%	7.60%
Notes			
1. Fee calculated on 100% of the excess over 75% in all cases.			
2. Fee can be added to the loan.			
3. Minimum fee of £250.00 in all cases.			
4. Collateral Security may be acceptable as an alternative. Please request details.			

The Applicant:	<p>Age Minimum 18, Maximum 70 at the end of the loan. Applicants whose age exceeds 70 at the end of the term may be considered on an individual basis as follows:</p> <ol style="list-style-type: none"> 1. Maximum loan to value 75%. 2. Must have a private or occupational pension in addition to state pension, or independent means of income. 3. Where there are joint borrowers the surviving party in the event of the death of the other must have the means to meet the loan repayments.
	<p>Nationality & Residency The applicant must be a UK citizen registered on the electoral role for a minimum period of 3 years or must have a minimum of 3 years residency in the UK and have a permanent right to remain and work in the UK. Documentary evidence will be required.</p>

Employment:	<p>Cases which do not meet the criteria listed below will be considered by the Society on their individual merits. If the loan to value is greater than 75% the Society must be satisfied that the case can be referred to its MIG Insurers.</p> <p>For loans up to 95%:</p> <p>Permanent The applicant must be employed on a permanent basis, and;</p> <ol style="list-style-type: none"> 1. either the applicant has been employed by the current employer for at least 6 months, or 2. if the applicant has been employed for less than 6 months, immediately prior to the present employment, then the previous employment should have been for a minimum of 12 months with no gap in employment. <p>Fixed Term Contracts or Contracts for Services (Professions) If the applicant is employed under a fixed term contract or engaged under a contract for services, and is a member of the professions the applicant is treated as employed provided that:</p> <ol style="list-style-type: none"> 1. Fixed Term Contracts <ol style="list-style-type: none"> 1.1. The applicant has been employed continually in the same capacity for 3 years and has a remaining contract for at least 1 year, or 1.2. the applicant has been employed continually in the same capacity for 1 year and has a remaining contract for at least 2 years. 2. Contract for Services <ol style="list-style-type: none"> 2.1. The applicant has been engaged under the contract for a minimum period of 3 years; 2.2. Can provide tax assessments for the previous 3 years, and 2.3. Can provide confirmation of income for the last 6 months. <p>Self-employed & Directors If the applicant is self-employed or wishes to include in addition to remuneration profit from a company where the applicant has a shareholding of 25% or more then audited or certified accounts for the preceding 3 years are required.</p> <p>If the accounts are not prepared by Chartered, Certified or Public Accountants, tax assessments will be required to support the accounts.</p>
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Employment:	<p>For loans up to 75%:</p> <p>Permanent The applicant must have been employed on a permanent basis for a minimum of 6 months.</p> <p>Fixed Term Contracts or Contracts for Services (Professions) If the applicant is employed under a fixed term contract or engaged under a contract for services, and is a member of the professions the applicant is treated as employed provided that:</p> <ol style="list-style-type: none"> 1. Fixed Term Contracts <ol style="list-style-type: none"> 1.1. The applicant has been employed continually in the same capacity for 1 year and has a remaining contract for at least 1 year. 2. Contract for Services <ol style="list-style-type: none"> 2.1. Can provide confirmation of income for the last 6 months. <p>Self-employed & Directors If the applicant is self-employed or wishes to include in addition to remuneration profit from a company where the applicant has a shareholding of 25% or more then audited or certified accounts for the preceding 2 years are required.</p> <p>If the accounts are not prepared by Chartered, Certified or Public Accountants, tax assessments will be required to support the accounts.</p>
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Basic Income Multiples (Employed): <i>(Based on Annual Income)</i>		Loan to Value up to 95%	Loan to Value up to 75%*	Loan to value up to 50%*
	Single Applicant	Income x 3	Income x 3.5	Income x 3.75
	Joint Applicants	Higher Income x 3 plus Lower Income x 1 or Joint Income x 2.5	Higher Income x 3.5 plus Lower Income x 1 or Joint Income x 2.5	Higher Income x 3.75 plus Lower Income x 1 or Joint Income x 2.75
	Multiple Applicants	Higher income x 3 plus each other income x 1 (up to a maximum of 4)		
* Enhanced multiples only apply to applicants over the age of 25.				
Notes to Income Multiples: (For loans up to 95%)	<p>The aggregate of the following sums received by the applicant during the year immediately preceding the application for mortgage:</p> <p>Total basic annual gross salary (including any anticipated pay increase confirmed by the employer in writing).</p> <p>Overtime or Bonus Payments All payments guaranteed by the contract of employment. For payments not guaranteed 50% of such payments provided they have been paid to the applicant on a regular basis during the preceding 2 year.</p> <p>Contractual Commission Earnings Where evidenced for the preceding 2 years 60% of the payments received. Where evidenced for the preceding 6 months 25% of the payments received.</p> <p>Shift Allowances All payments guaranteed by the applicant's contract of employment.</p> <p>Rent Allowances All payments guaranteed by the applicant's contract of employment.</p> <p>Maintenance Payments Payments made to the applicant under a Court Order but not payments awarded in respect of children by the Child Support Agency.</p> <p>Retirement Income Any retirement income (excluding State Pensions) provided satisfactory evidence is obtained.</p> <p>Other Guaranteed Income Any other income guaranteed by the applicants contract of employment eg, Large Town Weighting.</p>			

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Financial Commitments (Other Loans):	<p>Where the total monthly payments exceed £100 and there is a term greater than 12 months these will be deducted from annual income before applying income multiples.</p>
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Guarantors:	<p>Guarantors will be considered on a limited basis. Please request details.</p>
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Bankruptcy:	<p>Applications will be considered from discharged bankrupts 6 years after the date of bankruptcy subject to the applicant being discharged for a minimum of 3 years.</p>
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County Court Judgements:	<p>For loans up to 95% An applicant with 1 or 2 CCJ's will be considered provided the total judgement debt does not exceed £500, the judgements are more than one year old and they have been satisfied or will be satisfied before completion.</p> <p>For loans up to 75% Applications will be considered on their individual merits.</p>
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Previous Arrears / Re-Possession:	<p>An applicant will not be considered if they have previously had a previous property re-possessed.</p> <p>If an applicant has a previous history of arrears then the maximum loan to value will normally be restricted to 75%. The applicant must be able to provide satisfactory evidence that their account has been maintained for a minimum period of 12 months.</p>
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