

Your guide to residential and owner-occupied
semi-commercial mortgages

Responsive residential mortgages



Plan and Criteria Changes

Proof of Residency

Council Tax Bill or Utility Bill now required for all cases

Broker Fee Split

New KFI to reflect this new functionality

Core Products & Criteria

Interest Only or Capital & Repayment mortgages;

Micro Mortgages from £5,000 - £30,000

3 months Early Payment Plan option;

2% Discounted Rate option;

100% Shared Ownership

All status

Demerit points still accepted on most plans

Bankruptcy annulment and IVA - "By referral"

Will lend to stave off repossession - "By referral"

All types of income source accepted; pension, benefits,
employed; self-employed; self-cert with proof; **DSS**; additional income

No maximum age

No cap on self-certification

All property types accepted; including semi-commercial & high rise flats

Mortgages

Residential & Owner-occupied Semi-commercial

Mortgages Residential & Owner-occupied Semi-commercial

Maximum LTV without PPI	65%	60%	55%	50%
Maximum Demerits	0	4	6	8
Max Arrears in last 12 months (missed payments)	0	4 (2 in last 6 months)	6 (1 in last 3 months)	any
Max CCJs in last 24 months (registered)	0	4 (2 in last 6 months)	6 (3 in last 6 months)	any
Discounted Rate	9.90%	10.50%	10.90%	11.50%
Nominal Rate	11.90%	12.50%	12.90%	13.50%
Property Type	A	A	A B C	A B C
Loan Amounts	£5,000 - £200,000 (> £200,001 - underwriter referral required)			
Term	7 - 30 years (+ 3 months if Early Payment Plan option taken)			
Minimum Valuation	£75,000			
Commission	1%			
Employed	accepted			
Self-certification of Income	accepted with proof			
Benefits/DSS paying First Charge	accepted			
Remortgage Purpose	any			

All mortgages with a combination of...

- ✓ **Interest Only**
Can be offered with an Early Payment Plan.
- ✓ **Early Payment Plan**
Pay 50% of the loan payment for the first 3 months.
- ✓ **Discounted Rate**
2% discount for 1 year. Can be offered with an Early Payment Plan.

Case outside criteria? We'll always take a view!

Notes for Mortgages

Qualifying Contracts residential & semi-commercial properties with >40% immediate family occupancy. **Maximum loan amount & LTV** includes broker fees. **Mortgages >£200,000** subject to underwriter approval. **A type** Standard construction houses and bungalows including ex-council. **B type** Standard construction flats and maisonettes (up to maximum of 6 floors including ex-council), purpose built apartments and flats that are not ex-council and properties detailed on our standard construction acceptable property list. **C type** All other property types including defective, high rise ex-council flats, properties below £75,000 and any poor remarks on valuation, etc.

Bankrupts discharged more than 1 year and **IVAs** with satisfactory conduct more than 1 year accepted. **Product Features** Rate loadings may apply see overleaf. **Right to Buy** Up to £5,000 extra for home improvement (written estimates may be required) included in the LTV. LTV is plus broker fee. Amount above purchase is strictly subject to underwriter approval. All current and future service charges will be considered as part of the decision. **Arrears** - cannot be last consecutive months, includes first or second charge arrears or a combination, and cannot be deducted from the redemption figure. Explanations required for arrears and large defaults/CCJs. **Non-conforming lender as first charge** - must be with same lender for a minimum of 6 months. **CCJs** If a CCJ amount is £3,000 or more, or more than £5,000 in total has been registered in the last 6 months, the case is strictly subject to approval. **Defaults** Registered in last 6 months: individual defaults less than £500 ignored; individual defaults up to £1,000 accepted and total defaults up to £2,000 accepted. All other defaults strictly subject to underwriter approval. **Self-certification proof** Trade invoice or VAT/Inland Revenue notification or accountants letter confirming self-employment, including nature of business and trading period. **LTVs** All LTVs are based on redemption figure. **Maximum LTV** may be reduced if the valuation is <£75,000; there is a large 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 to underwriters). **Responsible Lending** If a client is remortgaging or redeeming a second charge it must be in the client's best interests and to their benefit. **All other standard terms and conditions apply. See overleaf for more details.**



Bypass Schemes Valuation Bypass Schemes

Hometrack Realtime Valuation, Drive-by and comparables	Max Loan	Max LTV	Confidence Level	Property Types
<ul style="list-style-type: none"> • Minimum property valuation £75,000 • Maximum property valuation £250,000 Valuation Bypass Schemes not available on Shared Ownership, Buy to Let and Semi-commercial properties	£25,000	25%	4 or higher	A

Notes for Bypass Schemes

Bypass Schemes will be subject to audit controls and underwriter approval. (All maximum loans on Bypass Schemes are inclusive of broker fee). Must be used in conjunction with all other criteria. Part of our Risk Management Model requires that on a small percentage of Bypass Valuations a comparison between schemes will be conducted. Should this audit show a disparity between the valuations we may require a full valuation from a Panel Valuer, of which Cheshire Mortgage Corporation will meet 50% of the valuation costs. Valuation Bypass Schemes not available for Shared Ownership.

Income Calculation Net Pay

Maximum percentage for mortgage payment

Net Monthly Income	Maximum %
£800 - £1,000	40%
£1,001 - £1,500	45%
£1,501 - £3,000	50%
£3,001 - £5,000	55%
£5,001+	60%

Employed/Self-employed/DSS Income/Board & Lodgings Income accepted - please see overleaf for further details.
Responsible Lending: The customer must be able to afford the mortgage/loan. All income must be plausible.

Buy to Let Buy to Lets are completed under Blemain Finance (see plans for details) **unless** the Buy to Let will be occupied by >40% immediate family in which case it will be completed by Cheshire Mortgage Corporation and the rates below will apply.

Demerits	0	≤4	≤6	By Referral
Loans <£15,000	14.90%	15.90%	16.90%	17.90%
Loans £15,000 - £30,000	13.90%	14.90%	15.90%	16.90%
Loans >£30,000	12.90%	13.90%	14.90%	15.90%
Commission	£295 per case			
Available	Interest only, 2% discounted rate and EPP available Early Payment Plan			

Notes for Buy to Let

All other term loan underwriting criteria applies. Buy to Let and semi-commercial with >40% immediate family occupancy. **Rental Income** Rental Income (or Agent Assessed Rental Income) must be a minimum of 100% of the total secured lending repayments. If rent is less than secured lending payments then additional income acceptable with a full incoming and outgoings assessment.

Case outside criteria? We'll always take a view!

Shared Ownership Purchases and Remortgages

Max LTV Based on Property Value	75%	50%
Max LTV based on Clients Share	100% (including all Broker, Lender's & Solicitor's fees)	100%
Loan Amount	£5,000 - £200,000+ by referral	
Max CCJs in last 2 years (registered)	2 (0 in last 6 months)	3 (0 in last 6 months)
Discounted Rate	10.75%	11.75%
Nominal Rate	12.75%	13.75%
Property Type	A B C	
Employed	accepted	
Self-certification of Income	accepted with proof	
DSS Benefits / DSS paying First Charge	not accepted	accepted
Commission	1%	
Available	Interest only, 2% Discounted Rate and Early Payment Plan	

Notes for Shared Ownership

All other term loan underwriting criteria applies.

Loan to Value = ((Property valuation x Percentage to be purchased by client) x by criteria) e.g. Property value = £150,000. Client's share of 50% = £75,000. Maximum mortgage = £75,000 at 100%. **Minimum Valuation** £75,000. **Mortgage Protection Clause (MPC)** in favour of Cheshire Mortgage Corporation required on all mortgages or strictly subject to underwriter approval. Where fees are added to the loan advance MPC must cover the gross loan amount or fees, etc will be deducted. **Valuation Bypass Schemes** not allowed. **LTV** includes all fees. Maximum LTV is 75% based on market value. Rent reference required in all cases. Rent arrears accepted strictly by underwriter approval. All other standard conditions apply. Strictly subject to underwriter approval. **Remortgages - Strictly subject to Underwriter approval.** Maximum LTV as plan with a Mortgage Protection Clause (MPC), which must be included in the lease. LTV reduced to maximum 60% without an MPC, with underwriter approval. **Please see Shared Ownership notes overleaf.**

Case outside criteria? We'll always take a view!

Mortgages

Terms & Conditions

Acceptable Security

All property structures including land considered in England, Scotland and Wales. Minimum of 50 years + term of loan for leasehold properties. See plans for details.

B Type Property Accepted: Traditional Standard Construction Property, No Fines Carlisle, B15 Type 4 No Fines, O'Sullivan No Fines, Craft Cast Concrete, Prometo, Fidler Repaired PRC, Forrester - Marsh No Fines, Sectra, Incast Houses, Shepherd No Fines, Laidlaw Thornton, Spacemaker, Laing Easiform, Storiform, Maxim, Wimpey No Fines, No Fines, (excluding high rise).

Acceptance Fee

Included in LTV. Will be applied to all loans and mortgages. Please refer to Quick Quote Calculator.

Loan Amount	Fee
>£0 - £50,000	£595
£50,001 - £100,000	£995
£100,001 - £150,000	£1,495
£150,001 - £200,000	£1,995

Then an extra £500 will be charged for every additional £50,000.

Bankruptcies/IVAs/CVAs

See plans. It may be possible to clear the IVA/bankruptcy/CVA by underwriter referral.

Broker Fees

May be charged on all plans and must have been agreed with the client.

Clients Solicitors

If the mortgage is a purchase or mortgage is over £250,000, solicitors must act for the client. All solicitors acting for clients must have 3 or more solicitors within the practice, with a Law Society membership of 5 years or more.

Commissions

Maximum commission and packager allowance per case is £2,000. NOTE: This does not include the broker fee. Commissions are paid on the loan advance (not including Payment Protection or fees). Commissions may be reduced for shorter term loans. See plans for Buy to Let.

Demerit Points - Arrears, CQs, etc.

Demerit points are defined as 1 months arrears or a CQ. Current arrears are equivalent of 1 full calendar month payment. 'Arrears' are defined as current arrears as detailed on the credit bureaux or confirmation from the mortgage lender at the time of completion. Maximum arrears is the total of the first and second charge arrears. CQs defined as unsatisfied if >£250 or <2 years old. Also see plan. Defaults - see plans.

Early Repayment Charges

Mortgage redemptions will be calculated as a percentage of the initial balance for the first 8 years of the term being 6,6,6,5,4,3,2,1.

Early Payment Plan - 7,7,7,5,4,3,2,1. **Discounted Rate** - 8,8,8,5,4,3,2,1. If a **Discounted Rate with an Early Payment Plan** is selected add 1% in years 1-3.

Ex-council Properties

Ignore all pre-emption. We may also take into account any future costs or service charges that the applicant will be liable for and reduce the LTV accordingly.

Income Calculation

For cases that are submitted to Cheshire Mortgage Corporation the total debt to income is also assessed. This calculation is in addition to the standard income calculation and takes the applicants net income/take home pay minus all other outgoings including unsecured credit and household expenditure. Please ensure that the Declaration of Income and Affordability is completed in full with all outgoings declared. All income and outgoings will be assessed for plausibility and affordability; if we believe that either of these cannot be achieved we reserve the right to reject the case.

Income Proof

Employed - if monthly paid, 2 payslips dated within the last 3 months; if weekly paid, 4 payslips dated within the last 2 months. Additional income can be self-certified with proof. **Self-employed** - declaration of income and affordability with proof. Income up to a maximum of £5,000 per net month - must provide strong proof of self-employment e.g. Trade Invoice, 715 or SC60 certificate, VAT or Inland Revenue correspondence. Applicants self declaring income in excess of £5,000 per month must provide an original accountant's letter confirming employment status. **DSS** - declaration of income and affordability with proof. DSS income maximum 70% LTV or as plan. We will accept "Board" or "Lodgings" from family members up to a maximum of £250 per month. If "Board" or "Lodgings" exceeds this amount and it is required to make a case fit on income calculations then we will require proof in the form of regular sums seen on bank statements over a three month period. If an Early Payment Plan or Discounted Rate has been selected, the affordability will be calculated on the reversionary payment not the reduced payment. All income and outgoings will be assessed for plausibility and affordability; if we believe that either of these cannot be achieved we reserve the right to reject the case. If the term of the loan exceeds the clients

retirement age then a full assessment of affordability into retirement income is required as the client must be able to afford the payments.

Loan to Value (LTV)

LTVs based on market value or purchase price which ever is the lower. Right to Buys are based on market value. Shared Ownership properties are based on market value multiplied by client's share.

Loan Terms

7 to 30 years (+ 3 months if Early Payment Plan option taken).

Maximum Age

No maximum (maximum term may be restricted for applicants of state pensionable age).

Maximum Loan Amount

Includes loan amount, all insurances and all fees.

Proof of Residency

This is required in all cases for the applicant's main residence in the form of a council tax or utility bill. We will require the utility bill to be dated within the last three months and a council tax bill to be dated within the current tax year.

Shared Ownership Properties

No Bypass Schemes accepted. For purchases a draft lease will be required which must include a Mortgagee Protection Clause (MPC). If there is no MPC then LTV is restricted to 60% of the client's share. Term loans and mortgages are subject to all approval conditions of the Housing Association. Once the lease has been reviewed your underwriter will provide you with a list of requirements to complete the case. Strictly subject to underwriter approval. If the mortgage is >80% of the client's share you cannot offer an Early Payment Plan option.

Solicitor's Costs

Solicitor's costs are payable when advance >£25,001 and for all purchases. They include VAT where applicable. Please refer to Quick Quote Calculator.

Loan Amount	Fee
>£0 - £25,500	£0
£25,501 - £35,000	£177
£35,001 - £45,000	£236
£45,001 - £55,000	£294
£55,001 - £75,000	£353
£75,001 - £100,000	£470
£100,001 - £150,000	£529

Then an extra £59 will be charged for every additional £50,000 to a maximum of £1,170 (£975 +VAT).
All purchases £500.

Solicitors to Witness and Advise

Up to £100,000 not required. Required on certain cases, e.g. loans >£100,000, clients of state pensionable age, parent and child borrowers, etc. Independent Legal advice will be required if the loan is for business purposes and for a married couple where the business only relates to one of the applicants. All solicitors acting for clients must have 3 or more solicitors within the practice, with a Law Society membership of 5 years or more. If the client's solicitor does not fulfil these requirements please refer to the underwriter. Please refer to the General Underwriting and Processing Guide for more information.

Telegraphic Transfer

£30 fee.

Title Deeds

The Title Deeds to the property are always required when lending on a first charge in Scotland. Matrimonial Homes Affidavits must be obtained on all first charges where the applicant is single, divorced or widowed. This must be witnessed by a solicitor or notary public.

Title Insurance

Paid by client and added to the advance.

Loan Amount	Fee
>£0 - £25,500	£0
£25,501 - £75,000	£150
£75,001 - £150,000	£175
£150,001 - £500,000	£195
£500,001 - £550,000	£250

Then an extra £50 will be charged for every additional £50,000.

Underwriter Referral

Required if valuation <£75,000 or is a 'C' type property, semi-commercial, bridging finance, or the loan >£200,000.

Valuations

Residential Valuation Panel is available from your Business Development Executive. All valuations must be based within a 15 mile radius of the property. A specific valuer is required in some of the postcode areas surrounding London. Audit valuations may be required if the loan amount >£50,000, LTV >60% or property value >£500,000 or a Valuation Bypass Scheme has been used. We reserve the right to contact any valuers or other appropriate sources regarding the valuations of a property. Should any further information be discovered which is not reflected in the valuation or may have a detrimental effect on the value of the property, we reserve the right

to reduce the loan amount or decline the case. **For Sale Details:** If the property is currently for sale with an estate agent, please supply a copy of the sales particulars.

MORTGAGES

Early Payment Plan (EPP)

For the first 3 months of the loan 50% of the payment is required. The other 50% rolls up onto the loan balance. At the end of the initial period the balance plus the extra 50% of payments is then recalculated over the term of the loan. Loan amounts >£100,000 maximum LTV reduced by 5%. Rate loading 0.25%. Can be offered with a Discounted Rate.

Discounted Rate

The Discounted Rate period commences for a full 12 months from inception of the account. Can be offered with an Early Payment Plan. Early Payment Plan will accrue interest at the discounted rate during the period.

Interest Only & Capital Repayment

You can offer Interest Only or Capital Repayment with a Discounted Rate or an Early Payment Plan or both.

EPP periods are added to the term
e.g. 3 months + 120 months term = 123 months.

PLEASE REFER TO GENERAL UNDERWRITING & PROCESSING GUIDE FOR FURTHER DETAILS

All fees include VAT where applicable.

Help us to help you

To ensure you contact the department you need we have devised this list of 'useful numbers'. Please refer to it before contacting us so that you will access the department to suit your requirements. Many thanks!

New Enquiries & In Principle Decisions Team

Call: 0844 873 4180
Fax: 0844 873 4181
Email: applications@cheshiremortgage.co.uk

Processing Team

Call: 0844 873 4178
Fax: 0844 873 4179
Email: processingteam@cheshiremortgage.co.uk

Visit our websites at www.cheshiremortgage.co.uk or www.brokervenue.co.uk