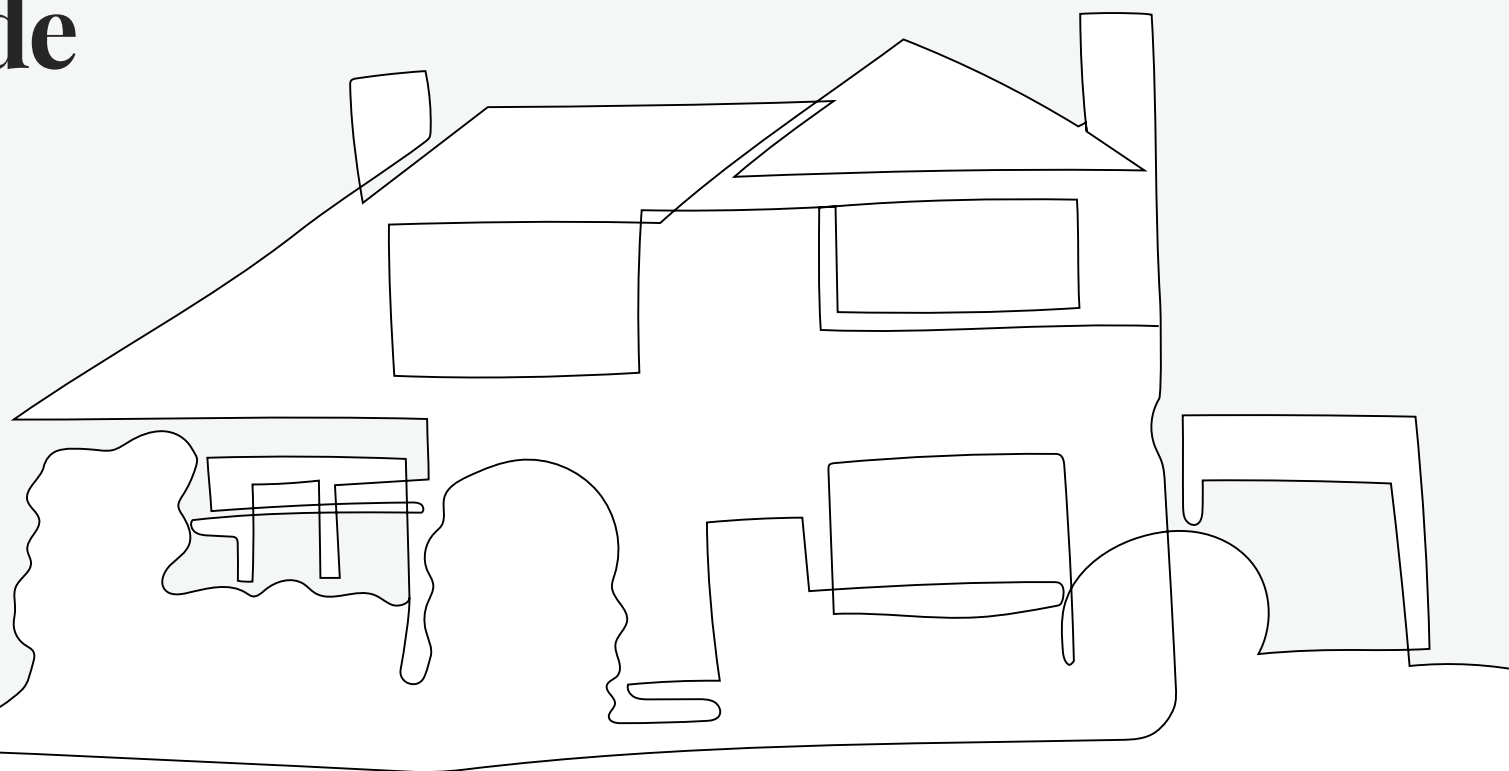


RESIDENTIAL

Second Charge Mortgage Product Guide

OCT 2021



Residential Second Charge Mortgage Rates



Key Features

No credit scoring
AVMs up to 65% LTV
Unsecured credit status 1 + 2 ignored
CCJs/defaults under £300 or over 3 years ignored



Key Features

Max age 85 at term
Retained profit considered
Contract workers from 3 months in role

PLAN	MS00	MS0
Maximum LTV	70%	70%
Minimum loan	£10,000	£10,000
Maximum loan	£150,000	£150,000
PRODUCT TYPE		
2 Year fixed	4.44%	5.34%
5 Year fixed	4.89%	5.65%
Reversion Rate*	5.25%	5.75%
Lifetime Variable*	4.19%	4.64%
MBAVR+/-	-1.06%	-0.61%
Lender fee	£495	£495
CREDIT PROFILE		
Total Units	0 in 24	0 in 12
Worst Status Mortgage Arrears	0 in 24	1 in 12
Worst Status Unsecured Credit	1 in 24	2 in 12
Unsatisfied CCJs/defaults**	0	1
Mortgage History	12 months history required	
Debt Management Plans	Satisfied > 24	
IVA/Bankrupt/ Sequestration	Satisfied/discharged > 36	

EARLY REPAYMENT CHARGES

Lifetime Variable: 2% Year 1, 1% Year 2
2 Year Fixed: 2% in Year 1, 1% in Year 2
5 Year Fixed: 2% in Year 1, 1% in Years 2,3,4,5

PROCURATION FEE

2% of the NET advance, subject to a maximum of £5000

UNIT DEFINITION

1. A unit is defined as:

- 1 missed mortgage payment
- 1 unsecured credit account > £300 where the worst status is 3 or more – regardless of whether the account has subsequently settled
- 1 CCJ/default > £300 whether satisfied or not

2. We ignore CCJs/defaults that are:

- Less than £300
- Older than 36 months
- Incurred in months 12-36 which are now satisfied (24-36 on MS00)

**Unsatisfied CCJs/defaults > £2,500 by referral

* Lifetime Variable and Reversion Rates change by tracking the movement in the Masthaven Bank Administered Variable Rate (MBAVR) which is currently 5.25%





Residential Second Charge Mortgage Criteria

THE LOAN AND APPLICANT	
Minimum age	21 employed, 25 self-employed
Maximum age	85 at term. No maximum age on application but anything over 70 at start is subject to referral and independent legal advice
Maximum number of applicants	2
Residency	Applicants must have resided in the UK for a minimum of 3 years <ul style="list-style-type: none"> • UK Citizens • EU citizens – proof of identity and Settled Status required • Worldwide nationals - proof of identity, residency and evidence of rights to remain required
Minimum income	£12,500 for the main applicant in their main job
Location	England, Wales and mainland Scotland
Purpose	<ul style="list-style-type: none"> • Business purpose • Car purchase • Debt consolidation • Gift to a family member • Home improvements/maintenance • Investment/holiday property • Purchasing a time share • Transfer of equity – subject to a legal fee of £350 to cover associated legal work
Unsecured debt	At the time of the application, the total value of unsecured debt must be no greater than the customer(s)' total annual income and all unsecured debts must be operating within their agreed credit limit
Minimum term	3 years
Maximum term	35 years
Repayment	Capital and interest
Overpayments	Maximum of 10% of the balance at the start of the mortgage year before ERC apply as detailed in the mortgage illustration

EMPLOYMENT AND INCOME			
EMPLOYED		CONTRACTOR	
Time employed	3 months and probation period completed	Calculation	Day rate x 5 x 46
Evidence	3 x payslips monthly, 4 x payslips weekly	Minimum time contracting	3 months
Bonus/ Commission/ Overtime	100% if guaranteed or over 3 years 50% if regular/less than 3 years	Minimum contract remaining	1 month or evidence of renewal
Shift allowance	100% if guaranteed	Gaps allowed	4 weeks in last 12 months
Car allowance	100% if guaranteed	Evidence	Contract and 3 most recent payslips, invoices or bank statements
Location allowance	100% if guaranteed		
SELF-EMPLOYED			
Minimum trading	18 months		
Evidence	LTD COMPANY/PARTNERSHIP 2 years' full signed accounts (not abbreviated) audited if available supported by either: 2 years' SA302s/tax calculations with corresponding HMRC tax overview statements OR An accountant's reference completed by the applicant's accountant SOLE TRADER 2 years' SA302s/tax calculations with corresponding HMRC tax overview statements AND An accountant's reference completed by the applicant's accountant We may consider using projections subject to 2 years' finalised figures and at least 9 months of the current financial year having elapsed, subject to the projection being no more than a 20% increase on the most recent year's profit. An explanation from the accountant will be required.		

THE PROPERTY	
Minimum value	£100,000
Minimum ownership	6 months
Tenure	Freehold, Leasehold subject to 75 years remaining at start of term and 50 years at the end
Hometrack Automated Valuation Model (flats, new builds and ex-local authority properties excluded)	Accepted on properties subject to a maximum valuation of £1m and: <ul style="list-style-type: none"> • Minimum confidence level 5 – maximum loan of £250,000 and 65% LTV • Minimum confidence level 6 – maximum loan of £350,000 and 65% LTV
Unacceptable properties	<ul style="list-style-type: none"> • Commercial properties/live-work units/ semi-commercial properties • Concrete houses which are listed as defective under 1984 Housing Defects Act • Farms or small holdings • Flats above premises classed as use Eb or Sui Generis • Flats located on the 4th floor or above where the property is not serviced by a lift • Flying freehold where the % exceeds 10% of the overall floor space • Freehold flats/maisonettes • Grade 1 listed buildings (grade A in Scotland) • Mobile homes • Properties affected by an agricultural restriction • Properties affected by an invasive growth such as Japanese Knotweed • Properties classed as uninhabitable • Properties containing asbestos in the main walls • Properties containing mundic block materials unless classified as class A1 • Properties located on contaminated land • Properties with greater than 5 acres • Properties with possessory title • Properties where the valuer has recommended a retention, which cannot be ignored • Sale and rent back properties • Shared ownership • Studio flats that are less than 30 square metres – MB will only lend if the property has self-contained facilities

Second Charge Highlights

-  No credit scoring
-  Low ERCs
-  First time contractors
-  No age limit on application
Maximum age 85 at end of term
-  Unsecured credit status
1+2 ignored



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