

RESIDENTIAL

First Charge Mortgage Product Guide

FEB 2020



Residential First Charge Mortgage Rates

PLAN	MBO			MB1			MB2	
Maximum LTV	70%	75%	80%	70%	75%	80%	70%	75%
Minimum Loan	£40,000	£40,000	£40,000	£40,000	£40,000	£40,000	£40,000	£40,000
Maximum Loan	£1,000,000	£600,000	£400,000	£1,000,000	£600,000	£400,000	£750,000	£500,000
PRODUCT TYPE								
2 Year Discount*	3.49%	3.85%	4.09%	4.04%	4.44%	4.74%	4.39%	4.79%
MBAVR + / -	-1.76%	-1.40%	-1.16%	-1.21%	-0.81%	-0.51%	-0.86%	-0.46%
Lifetime Tracker*	3.89%	4.39%	4.65%	4.34%	4.64%	5.14%	4.69%	5.09%
MBAVR + / -	-1.36%	-0.86%	-0.60%	-0.91%	-0.61%	-0.11%	-0.56%	-0.16%
2 Year Fixed	3.39%	3.49%	3.79%	3.94%	4.24%	4.44%	3.99%	4.29%
3 Year Fixed	3.69%	3.79%	3.89%	4.04%	4.24%	4.54%	4.49%	4.89%
5 Year Fixed	3.89%	3.99%	4.24%	4.39%	4.74%	4.94%	4.49%	4.74%
Reversion Rate*	4.50%	5.00%	5.50%	4.90%	5.40%	5.90%	5.60%	6.10%
Lender Fee	£995			£1,295			£1,295	
Application Fee (Non refundable)	£150							
CREDIT PROFILE								
Total Units	0 in 24			1 in 24 / 0 in 3			2 in 24 / 0 in 3	
Worst Status Mortgage Arrears	1 in 24			2 in 24			3 in 24	
Maximum unsatisfied CCJs/defaults**	1 in 36			2 in 36			3 in 36	
Debt Management Plans	Satisfied > 24							
IVA/Bankrupt/Sequestration	Satisfied/discharged > 36							

UNIT DEFINITION	
<p>1. A unit is defined as:</p> <ul style="list-style-type: none"> • 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 registered whether satisfied or not 	<p>2. We ignore CCJs/defaults that are:</p> <ul style="list-style-type: none"> • Less than £300 • Older than 36 months • Incurred in months 24-36 which are now satisfied <p>**Unsatisfied CCJs/defaults >£2,500 by referral</p>

PROPERTY VALUE	VALUATION FEE	HOME BUYERS
£100,000	£220	£375
£150,000	£250	£425
£200,000	£290	£475
£300,000	£370	£550
£400,000	£425	£550
£500,000	£525	£625
£600,000	£600	£675
£700,000	£650	£875
£800,000	£725	£975
£900,000	£775	£1,175
£1,000,000	£850	£1,250
£1,250,000	£1,100	£1,350
£1,500,000	£1,200	£1,500
£1,750,000	£1,500	£1,700
£2,000,000	£1,600	£1,900
£2M - £5M	Please ask	Please ask

EARLY REPAYMENT CHARGES
<p>2 Year Discount - 2% Year 1, 1% Year 2</p> <p>2 Year Fixed - 2% Year 1, 1% Year 2</p> <p>3 Year Fixed - 2% Year 1, 1% Year 2, 1% Year 3</p> <p>5 Year Fixed - 2% Year 1, 1% Years 2-5</p> <p>Lifetime Tracker - 2% Year 1, 1% Years 2 & 3</p>

PROCURATION FEE
0.5% of the NET advance, subject to a maximum of £5,000

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

Residential First 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 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
Deposit	Unlimited gifted deposit, 5% vendor/builder
Purpose	<ul style="list-style-type: none"> Property purchase - including first time buyer Re-mortgage of an existing security Investment property Home improvements/maintenance Purchase of equity - subject to both parties obtaining independent legal advice Transfer of equity - subject to a legal fee of £350 to cover associated legal work Car purchase Debt consolidation (re-mortgage only) - subject to cheques being issued in the name of the creditor Business purpose Gift to a family member Capital injection in to a new business venture Purchasing a time share
Minimum term	5 years
Maximum term	35 years
Capital & interest	Yes
Interest only	Maximum 60%
Part and part	Maximum 60% interest only
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, evidenced by x3 payslips monthly, x4 payslips weekly	Calculation	Day rate X 5 X 46
		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.		
OTHER INCOME			
Maintenance	Court ordered/private arrangement child maintenance only - 100%, prorated on child's age. Only acceptable for children under the age of 14. Restricted to 30% of total income. CSA not accepted.		
Investment income	On referral		
Pension income	100% - most recent award letter. Bank statement may be required if statement is annual		
Second jobs	100% - must be permanent in role for 6 months		
Working family tax credits	100% - restricted to 30% of total income		
Rental income	100% of net income after mortgage payment and expenditure		

THE PROPERTY

Minimum value	£100,000
Minimum Ownership	6 months for remortgage
Tenure	Freehold, Leasehold subject to 75 years remaining at the start of term and 50 years at the end
Hometrack Automated Valuation Model (remortgages only)	Accepted on properties subject to a maximum valuation of £1m and: <ul style="list-style-type: none"> Minimum confidence level 5 - maximum loan of £150,000 and 65% LTV Minimum confidence level 6 - maximum loan of £250,000 and 60% 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 Flying freehold where the % exceeds 10% of the overall floor space Flats located on the 4th floor or above where the property is not serviced by a lift Freehold flats/maisonettes Grade 1 listed buildings 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 A Properties located on contaminated land Properties where the valuer has recommended a retention, which cannot be ignored Shared ownership Steel framed properties Studio flats that are less than 30 square metres - MB will only lend if the property has self-contained facilities

Residential Highlights

-  No credit scoring
-  Unlimited gifted deposit/
equity from family
-  First time contractors
-  No age limit on application
Maximum age 85 at end of term
-  Low ERC's
-  Unsecured credit status
1+2 ignored



Key Contacts



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Want to talk through a case?

Speak to one of our Lending Specialists:

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