

# LENDING CRITERIA

## Applicant Details

<b>Income Multipliers</b>	Single	LTV to 50% - 4.25% + 1X LTV to 80% - 3.75% + 1X LTV to 90% - 3.50% + 1X
	Joint	LTV to 50% - 3.25%X LTV to 80% - 3.00%X LTV to 90% - 2.75%X

## Loan Details

<b>Residential loan parameters</b>	Minimum loan £20,000 Maximum loan £250,000 (higher by negotiation) Maximum LTV 90%
<b>Repayment methods</b>	Capital and interest  Interest only with documentary evidence from the introducer that the repayment vehicle or method of repayment is on track and will repay the mortgage at the end of the mortgage term. <b>Please see Interest Only Lending Criteria below.</b>
<b>Term</b>	Minimum 5 years and maximum 25 years (Must be repaid by oldest applicants 75th birthday)
<b>Higher Lending Charge</b>	Free to 90% LTV
<b>Capital Raising</b>	For most purposes including debt consolidation (referral essential)
<b>Procurations Fees</b>	0.35% - minimum of £100 up to a maximum of £1,750

## Valuation Fees

Purchase price not exceeding	Mortgage Valuation Report	Homebuyers' Report
£100,000	£140.00	£325.00
£150,000	£165.00	£355.00
£200,000	£190.00	£405.00
£250,000	£225.00	£455.00
£300,000	£225.00	£505.00
£400,00	£275.00	£605.00
£500,000	£325.00	£725.00
£600,000	£415.00	£735.00

## Identity Verification

In order to comply with current regulations it is necessary for new customers to provide proof of identity. We must obtain proof of your name and either your address or date of birth. All documents provided must be originals or certified copies. It is preferable not to send original documents in the post to us. Documents can be certified by a Solicitor, Banker, Accountant, Authorised Financial Adviser, Teacher, Doctor, Minister or Post Office Master. Documents printed off the internet are not acceptable.

### LIST 1

A current valid passport  
Identity card issued by EO (N. Ireland only)  
A current valid photocard driving licence (full or provisional)  
Current valid firearms certificate or shotgun licence

Alternatively you can provide  
A valid (old style) full UK driving licence  
Recent evidence of payment of state pension or other  
Government funded benefits/tax credits

### (And either) LIST 2

A current council tax letter  
Grant of Probate  
A recent (last 3 months) bank or credit card statement  
A recent utility bill with another two documents one from LIST 1 and one from LIST 2

If the appropriate documentary proof is not available please refer to a member of staff for assistance. We will keep a copy of the identification verification you provide. These records are required to fulfil our statutory obligations and will not be used for any other purpose.

## Interest Only Lending Criteria

Interest only lending and appropriateness of borrowers' repayment strategies has in recent times become the subject of increasing concern to both the FSA and the wider financial services industry. As a result of this a review of Society policy on interest only lending has been carried out and the following criteria will apply with immediate effect:

### Owner – occupied residential mortgages :-

#### Standard Repayment Vehicles

Where the repayment vehicle is of a traditional nature eg regular premium endowment policy, equity PEP/ISA or personal pension the maximum LTV is 70%. Additionally, satisfactory evidence of the repayment vehicle must be provided, which may be:

- o a KFI showing the projected value at the end of the proposed mortgage term if a new plan is being arranged in connection with the proposed mortgage
- o a statement/projection of the maturity value at the end of the proposed mortgage term if an existing plan is to be used

The applicants should confirm that the proposed repayment vehicle is on track by indicating on the application form

### Owner – occupied residential mortgages :-

#### “Non-standard” Repayment Vehicles

Where a “non-standard” repayment vehicle is to be used the maximum LTV is 60%.

Potentially suitable “non-standard” repayment vehicles are; sale of other properties, sale of the subject property or existing collective investments.

Satisfactory evidence of the repayment vehicle must be provided as follows:

- o collective investments - the most recent investment statement must be provided
- o sale of other properties - the applicants must confirm the full address and postcode and satisfactory evidence of the current property value. Satisfactory evidence may be a recent or historic valuation of the property relating to the original purchase. The current value of the property to be used as a repayment vehicle should be **at least equal** to the balance of the proposed interest only mortgage
- o sale of the subject property - the applicants must confirm in writing their intentions on sale of the property

A statement of Assets & Liabilities must be provided by the applicants in order that the reasonability of the strategy can be ascertained.

Anticipated inheritance, individual Company shares, overpayments, occupational pension scheme and sale of a business are **NOT** acceptable repayment strategies.

### Buy to Let

Interest only BTL mortgages will continue to be considered in the **South Cumbria area only** subject to:

- a maximum LTV of 60%
- a statement of Assets & Liabilities being provided by the applicants in order that the application can be robustly underwritten
- the applicants providing 6 months satisfactory bank statements

### Checklist Information

- Completed mortgage application form
- Last payslip and P60
- The previous lender's last annual statement provided this shows 12 months individual payments. If it does not, then the last 12 months bank statements showing a payment made each month should also be submitted
- Last 3 year's accounts for self-employed applicants
- Cheque for valuation/admin fee payable to Furness Building Society if applicable



Always with your interest at heart

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