

# Versatility Specialist Lending Criteria

September 2019

Residential Applications	Standard Product Range (see our Mortgage Product Guide for available products)	Versatility Product Categories			
		Versatility 1	Versatility 2	Versatility 3	Versatility 4
Maximum Loan to Value	95% LTV purchase, 90% LTV remortgage	85% LTV	80% LTV	80% LTV	75% LTV
<b>Self Employed, Contractors and Limited Employment History</b>					
Self Employed - Years Accounts	2 years			Minimum 1 year	
Remortgage for Business Purposes (to repay business loan)	No		Yes		
Zero Hours Contracts	Yes <=80% LTV 24 month track record		Yes <=80% LTV 18 month track record	Yes 12 month track record	
Contracted Employees	Yes <=80% LTV and Loan Size <=£250k	Yes <=80% LTV and Loan Size <=£300k	Yes <=80% LTV and Loan Size <=£350k	Maximum loan size £500,000 (Assessment of history)	
Contracted Employees - Minimum Income	Minimum income £35,000 per annum and continuous contracts across a minimum 24 month period with at least 6 months remaining			A track record of employment and income must be established	
Length of Employment	>=3 months		<3 months		
Continuous Employment	>=12 months		<12 months		
<b>Supporting Affordability</b>					
Right to Buy	Up to 90% of discounted price (max 75% LTV)	Up to 95% of discounted price (max 75% LTV)	Up to 100% discounted purchase price (max 75% LTV)	Up to 110% of discounted price (max 75% LTV)	
Gifted Family Deposit (parent, sibling, child, grandparent, aunt or uncle)	Yes				
Protected Family Gift	No		Yes		
Discounted Intra Family Purchase (Deposit from applicant)	Up to 95% of price Purchase price must be discounted by >=10% of the open market value			Up to 100% of price	
Discounted Purchase from Landlord (Deposit from applicant)	Up to 95% of price Purchase price must be discounted by >= 10% of the open market value			Up to 100% of price	
<b>Lending Types &amp; Unusual Property Types*</b>					
New Build	Max 85% LTV		Yes		
Help to Buy / Forces Help to Buy	Yes				
Section 106 (Section 75 in Scotland) and similar property / title defects	No		Yes		
Non Standard Construction or Non Traditional Design/Use	No		Yes		
<b>Interest Only and Lending into Retirement</b>					
Interest Only up to age 70	Max 75% LTV on the interest only element. Part and part available up to 90% LTV or max product LTV. Property downsizing available subject to a minimum £150,000 equity.				
Lending between age 70 and age 85	Maximum 70% LTV, including capital and interest, interest only, and part and part. Interest only with property downsizing is available subject to a minimum £150,000 equity.				

\*WE DO NOT LEND ON EX LOCAL AUTHORITY, EX HOUSING ASSOCIATION FLATS AND MAISONNETTES. WE DO NOT LEND ON PROPERTIES WITHIN THE SCOPE OF THE HOUSING DEFECTS ACT

Credit Criteria*	Standard Product Range (see our Mortgage Product Guide for available products)	Versatility Product Categories			
		Versatility 1	Versatility 2	Versatility 3	Versatility 4
CCJs / Decree	0 registered in last 36 months	1 registered (and also satisfied) in last 36 months - Maximum £250	1 registered (and also satisfied) in last 36 months - Maximum £500	Maximum £500 unsatisfied in last 36 months	
Worst Status Acceptable	if more than 36 months ago can be ignored as long as this is satisfied				If more than 36 months ago can be ignored if satisfied or if <= £1,000 and not satisfied
Debt Management Plans / Debt Arrangement Scheme in Scotland (per application)	Satisfied 36 months ago	Satisfied 24 months ago	Satisfied on or before completion, and previously satisfactorily conducted for a minimum of 12 months	Unsatisfied and satisfactorily conducted for 24 months	
	Where defaults are recorded and not satisfied but can be evidenced as being included in the Debt Management Plan, the Debt Management Plan overrides the default criteria.				
Payday Loans (per application)	No use in last 24 months	No use in last 18 months	No use in last 12 months	No use in last 6 months	No use in last 3 months
Worst Status Acceptable		If >18 months - Maximum of 4 usages	If >12 months - Maximum of 6 usages	If >6 months - Maximum of 8 usages	If >3 months - Maximum of 10 usages
	Ignore if there was any use more than 24 months ago				
Bank Account Conduct	>80% LTV - Any overdraft limit must not be exceeded by an amount of >=10%, or £75 whichever is the higher. Poor bank account conduct may affect underwriting decision.				
Years discharged since Bankruptcy / Sequestration, IVA / Protected Trust Deed, DROs	6 years	5 years	4 years	3 years	3 years
<b>Defaults</b>					
On Unsecured Credit Agreements (per applicant)	0 registered in last 36 months.	0 registered in last 24 months.			
Worst Status Acceptable	Ignore if more than 36 months ago as long as is <=£1,000 and satisfied.	Ignore if more than 24 months ago as long as is <=£1,000 and satisfied.	Ignore if more than 24 months ago as long as is <=£1,500 and satisfied.	Ignore if more than 24 months ago as long as is <=£2,000 and satisfied.	Ignore if more than 24 months ago as long as is satisfied (unlimited)
On Utilities & Communications Suppliers & Mail Order (per applicant)	1 registered in last 36 months not exceeding £200 whether satisfied or not.	1 registered in last 24 months not exceeding £250 whether satisfied or not.	1 registered in last 24 months not exceeding £500 whether satisfied or not.	1 registered in last 24 months not exceeding £750 whether satisfied or not.	1 registered in last 24 months not exceeding £1000 whether satisfied or not.
Worst Status Acceptable	Ignore if more than 36 months ago total <£1,000 and satisfied	Ignore if more than 24 months ago as long as is <=£1,000 and satisfied.		Ignore if more than 24 months ago as long as is <=£2,000 and satisfied.	Ignore if more than 24 months ago and satisfied (unlimited)
	1 registered less than or equal to £150 (satisfied or not) can be ignored.				
<b>Missed Payments</b>					
Mortgage / Secured and Unsecured Loan Payments / Rent Arrears (per commitment)	0 in last 6 months (unless due to proven administrative error)				
Worst Status Acceptable	If >6 months ago - 1M on 2 occasions	If >6 months ago - 1M on 3 occasions	If >6 months ago - 1M on 4 occasions and/or 2M on 2 occasions	If > 6 months ago - 1M on 5 occasions and/or 2M on 3 occasions	If > 6 months ago - 1M on 6 occasions and/or 2M on 4 occasions
	Ignore if > 24 months ago unless other credit risk concerns exist				
Other Unsecured Credit (credit cards, utilities, mobile phones and mail order) (per commitment)	0 in last 3 months (unless due to proven administrative error)				
Worst Status Acceptable	If >= 3 months - 1M on 6 occasions and/or 2M on 3 occasions and/or 3M on 1 occasion		If >= 3 months - 1M on 6 occasions and/or 2M on 4 occasions and/or 3M on 2 occasions		If >= 3 months - 1M or 2M on 8 occasions and/or 3M on 4 occasions and/or 4M on 2 occasions
	Where >=4M, treat the unpaid sum in line with Default criteria Ignore if > 24 months ago				

\* APPLICATIONS WILL BE CONSIDERED ON THEIR INDIVIDUAL MERIT, HOWEVER ANY ADVERSE CRITERIA MUST BE LINKED TO A SINGLE LIFE EVENT WITH A FULL EXPLANATION PROVIDED THAT IT IS ACCEPTABLE TO THE UNDERWRITER. IF AN APPLICATION CONTAINS ADVERSE IN MORE THAN ONE CATEGORY THEN UNDERWRITER DISCRETION WILL APPLY.