

# Mortgages Residential

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	CM:01	CM:02	CM:04
Maximum LTV	75%	70%	60%
Maximum Demerits	1	2	4
Max Arrears (missed payments)	1 in last 12 months (0 in last 6)	1 in last 12 months (0 in last 6)	2 in last 24 months (1 in last 6)
Max CCJs/Defaults (registered)	1	2	4
Discounted Rate	not available		
Nominal Rate ≥£30,000	9.50%	9.75%	9.95%
Nominal Rate <£30,000	11.25%	11.50%	11.70%
Property Type	A	A B	A B C
Loan Amounts	£10,000 - £200,000 (>£200,001 underwriter referral required)		
Term	7 - 30 years		
Minimum Valuation	£75,000		
Commission	0.25%		
Employed	accepted		
Self-employed / certification of income	not accepted		
Benefits/DWP paying First Charge	accepted		
Remortgage Purpose	any		

Any demerits will require a plausible explanation surrounding the circumstances detailed on the application form: reason for demerit; details leading up to the demerit; details of measures taken to rectify the situation which has/will break the cycle (evidence may be required); future circumstances which will ensure the situation isn't repeated. Proof may be required.

**Interest Only**  
available on  
all mortgages

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

**Notes for Mortgages Qualifying Contracts** residential 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 excluding ex-council. **B type** Standard construction ex-council houses and bungalows. Flats and maisonettes (up to maximum of 6 floors), and purpose built apartments that are not ex-council. **C type** All other property types, including ex-council flats and maisonettes, non-standard construction, defective, high rise flats, properties below £75,000 and any poor remarks on valuation, etc. **Bankrupts** Not accepted. **IVAs** Not accepted. **Product Features** Rate loadings may apply see overleaf. **Right to Buy** Not accepted. **Non-conforming lender as first charge** - must be with same lender for a minimum of 12 months. **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** Satisfactory explanations are required in all cases for arrears and defaults/CCJs. **Self-certification proof** Not accepted. **LTVs** All LTVs are based on redemption figure. **Maximum LTV** may be reduced if there is more than a 10% 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. **Address history** All clients must have a minimum of 3 years address history. **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.**

## Demerit Points - Arrears, CCJs, etc.

CCJs and Defaults definitions (Defaults show as status 8 or D on the credit bureaux search)	Individual CCJs/Defaults				Cumulative CCJs/Defaults
	≤£300	>£300 and ≤£3,000	>£3,000 and ≤£5,000	>£5,000	Number in last 12 months >3
<2 years old unsatisfied	Ignore	1 Demerit	2 Demerits	Underwriter Approval	Underwriter Approval
Satisfied or >2 years old & unsatisfied	Ignore	Ignore	1 Demerit	1 Demerit	Underwriter Approval

Satisfactory explanation required for all CCJs, Arrears, Defaults.

**Demerit points** are defined as arrears, a CCJ or a Default. CCJs and Default definitions- see matrix. Current arrears are equivalent of 1 full calendar month payment. Arrears Demerit Points defined as the highest number of arrears in the last 12 months. Arrears to be cleared 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. Any CCJs or defaults that require an Underwriter Approval will count as a demerit.

## Bypass Schemes

Valuation Bypass Schemes	Maximum Loan	Maximum LTV	Confidence Level	Property Types
Hometrack realtime valuation	£30,000	65%	4 or higher	A
Drive by valuations	£25,000	40%	n/a	A

Minimum property valuation £150,000. Maximum property valuation £350,000. Maximum loan & LTV inclusive of broker fees. Valuation Bypass Schemes not available for Shared Ownership, Buy to Let and semi-commercial properties. **Unacceptable Properties** Flats, maisonettes, apartments, new builds.

**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.

## Income and Expenditure Assessment

**Employed/DWP accepted** - (please see overleaf for further details) - minimum acceptable net income = £1,500

**Affordability Assessment:** Before submitting the case, the customer's affordability must be confirmed with a thorough review of their total income and expenditure. This must include a full assessment of their last 3 months bank statements. All income and expenditure must also have a plausibility verification applied, with any discrepancies being thoroughly investigated.

## Shared Ownership Residential

	CMS:01	CMS:02
Max LTV based on Property Value	75%	70%
Max LTV based on Client's Share	100% (including all Broker, Lender & Solicitor fees)	
Loan Amounts	£10,000 - £200,000 (>£200,000 underwriter referral required)	
Maximum Demerits	1	2
Maximum Arrears (missed payments)	1 in last 12 months (0 in last 6)	1 in last 12 months (0 in last 6)
Maximum CCJs/Defaults (registered)	1	2
Discounted Rate	not available	
Nominal Rate ≥£30,000	9.50%	9.75%
Nominal Rate <£30,000	11.25%	11.50%
Property Type	A B C	
Term	7 - 30 years	
Minimum Valuation	£75,000	
Commission	0.25%	
Employed	accepted	
Self-employed/certification of income	not accepted	
Benefits/DWP paying First Charge	not accepted	
Available	Interest Only	

Any demerits will require a plausible explanation surrounding the circumstances detailed on the application form: reason for demerit; details leading up to the demerit; details of measures taken to rectify the situation which has/will break the cycle (evidence may be required); future circumstances which will ensure the situation isn't repeated. Proof may be required.

## Shared Ownership & Key Worker Mortgages

100%

Up to 100% of buyer's share available  
Many status profiles and property types accepted  
Interest Only option

## 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. **Mortgagee 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 Mortgagee 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.**

These plans and commissions supersede all previous packs, criteria, special plans and commissions including overrides. This information is for use by authorised intermediaries only and must not be distributed to potential borrowers.