

## **Guide to Terms & Underwriting Criteria.**

### **Restricted to Intermediaries only.**

#### **Intermediary contact at Hinckley and Rugby Building Society.**

For product information, general information, lending enquiries and information about procurement fees, please contact our Development Department.

Gill Vernau on 01455 894084

Carolyn Thornley-Yates on 01455 894013.

or Rebecca Jackson on 01455 894083

#### **Mortgage Products.**

The current lending terms in this section must be read in conjunction with our current product guide and individual product key features leaflets, all of which are shown in this website. If there are any points about our products that you are not sure about, please contact us to discuss these.

#### **Treating Customers Fairly.**

The Product Terms (which are available for use by your customer) are contained in the Key Features of the product as displayed in the general public section of our website. You must ensure that you fully understand the product terms before advising your customers, to determine whether the product fits with the customer's needs and risk appetite. If you have any doubt as to the nature of the product offered by us you must contact us. The Society's target audience for all of the Society's mortgage products is for customers aged 23 or over who are remortgaging or are second time buyers. The Society will consider applications from first time buyers who are aged 23 or over and who are financially aware, and we will also consider applications involving parental guarantees. Please refer such cases to our Development Department for initial consideration.

#### **Maximum Loan To Value.**

The maximum LTV varies depending on the terms of different products. Please refer to our Product Guide and Key Features for individual products, for the upper limit of each product.

#### **Maximum Advance amount.**

Please note that most Special Mortgage Schemes have an advance limit, eg £300,000. This will be noted in the product terms shown on our website, and the sourcing systems. Please refer any enquiry in excess of £300,000 for a decision in principle before completing a mortgage application form

#### **Minimum Advance Amounts.**

Minimum new advance on special schemes. £25,000.

Minimum new advance on SVR product. £10,000.

Minimum additional borrowing advance. £2,000.

#### **Product Fees.**

Any Arrangement fees and Property Assessment Fees must be paid when submitting an application. These will not be deducted from the Advance.

Some of our products have a Completion Fee that is added to the loan and deducted from the advance on completion.

Product Guides and Key Features Leaflets will show where this is applicable.

### **Property Assessment Fees.**

Property Assessment Fees are payable according to the scale detailed in Product Guides and Key Features leaflets.

### **Status - Maximum Income Multipliers.**

- i) Single Applicant. - up to a maximum 3.25 x Income.
- ii) Joint Applicants (2) - up to a maximum 3.25 x Main Income  
**plus** 1 x Second Income  
**or** - up to a maximum 2.75 x Joint Income

The Income Multipliers will be based on the applicant's annual income after deducting the annualised value of other commitments.

### **Employed applicants.**

We always write directly to the applicant's employer for confirmation of their employment and income.

Payslips or P60's are not usually required, although we may request these if it is necessary to include regular (non-guaranteed) overtime or bonuses in our affordability assessment.

### **Self-employed applicants.**

Self employed applicants must state in the mortgage application form their taxable income for each of the **last 3 tax years**. In addition, the Society may require confirmation of earnings to date in the current tax year.

When submitting an application for a self-employed applicant, you will be asked to provide certified copies of their last 3 years accounts plus the corresponding HMRC tax assessments. We will require details of the applicant's accountant from whom additional information can be obtained, if required.

The Society will normally assess affordability on income declared to, and agreed with HMRC for tax purposes, and in some cases it may also be necessary to obtain confirmation of current income.

### **Mortgage Term.**

Minimum term - 5 years

Normal Maximum term - 25 years.

Terms of up to 35 years will be considered in individual circumstances.

### **Mortgage Term extending beyond the applicant's retirement date.**

The mortgage term should normally end before the borrower's stated retirement date.

If requesting a term which will extend beyond the borrower's anticipated retirement date, evidence of affordability after retirement will be required.

### **Interest Only Mortgages.**

If we are asked to consider an application for an Interest-Only mortgage, a detailed description of a repayment vehicle must be provided in the mortgage application form.

The repayment vehicle must be feasible to ensure repayment of the capital by the end of the mortgage term. If sale of the applicants' residential property is the repayment strategy, the advance must not exceed 50% LTV, based on a property with a value of at least £300K.

### **Confirmation of Identity and Address(es) for the last 3 years**

To comply with our credit referencing requirements and money laundering procedures, we require a minimum of 3 years residency in the U.K. confirmed by entry on the Voters Roll at current and previous addresses together with your certification of having seen and recorded the applicant's current U.K. Driving Licence or current U.K. passport with additional forms of identity confirming addresses.

We will only ask for certified copy identification and address documents if we are unable to satisfy our policy and FSA requirements by electronic AML searches.

### **Credit Reference**

A clear credit reference is required in all cases together with evidence of a satisfactory payment record on all current or previous mortgages, loans, and credit and rental agreements. All credit arrangements must be disclosed in the mortgage application form including those relating to interest free arrangements and credit cards that are cleared each month.

A certified copy of the latest full statement for the applicant's existing mortgage will be required with every mortgage application.

### **Lending areas**

England and Wales only.

### **Leasehold Properties**

Minimum of 75 years remaining on Lease from date of completion of mortgage advance, based on term of loan not exceeding 25 years.

### **Purpose Built Flats.**

Leasehold only. Refer if in a block of more than 4 storeys.

Converted flats and flats above commercial premises are not normally considered.

### **Solicitors/Licensed Conveyancers acting for the Borrower.**

If the mortgage application is for House Purchase, Remortgage involving any Title change, or for any Let or Buy-to-Let property, applicants are required to provide details in the mortgage application form of the firm of Solicitors or Licensed Conveyancers who they will instruct to act on their behalf. If the applicants' choice of solicitor is ineligible for entry onto the Society's Mortgage panel, it will be necessary for the Society to instruct its own solicitors to act for the Society only, which may incur the applicants in additional costs.

Solicitors/Licensed Conveyancers must meet the following criteria for entry to the Society's Mortgage Panel.

1. Minimum of **three** partners, directors or equivalent stakeholders.
2. PI cover of a minimum of **£5M**.
3. Firm and named partners, directors or equivalent stakeholders registered with the appropriate regulatory/governing body.

All firms are deleted from the Society's Mortgage Panel at the end of October each year. Firms are assessed for re-entry to the Mortgage Panel on a case-by-case basis, as the need arises, and based on the Society's eligibility criteria at the time.

### **Information for Intermediaries.**

You will be provided with a copy of any Mortgage Offer, and any subsequent completion letter that we may issue to the customer.

The following information will be included in these documents: -

- The Society's complaints procedure.
- Tariff of Mortgage Charges.
- Details on any product maturity.

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