



The intermediary lender of The Co-operative Bank p.l.c.

# Lending policy

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## **1 INTRODUCTION**

The purpose of this policy is to document and provide guidance on Platform's lending policy.

Platform is a responsible lender and treats all customers fairly and consistently.

Platform offers Mainstream, Conforming and Non-Conforming loans. All loans have to pass a credit score assessment. Non-Conforming loans are usually of a more complex nature, could involve an element of "adverse" credit or be loans, which for reasons of increased risk, require a higher margin.

Any loan that does not fit the Mainstream criteria will be assessed and priced in accordance with the Non-Conforming criteria.

Current product guides will show the individual offerings within these definitions. Please refer to the product guide available on our website.

All applications are individually assessed and this policy provides guidelines that are used to determine the lending decision. Whilst the policy includes as much information as possible, each application is unique and it not possible to cover every possible scenario. Additional information/references may be requested to finalise the lending decision.

Platform may on occasion need to decline an application and where possible will provide an explanation for this decision.

Please note that any rule stated within this policy applies to all applicants (unless otherwise stated).

**2 LOAN TO VALUE AND LOAN SIZES**

**2.1 General information**

Maximum loan/loan to value (LTV) is subject to individual product restrictions – please refer to the current product guide.

Loans will be based on the lower of purchase price or valuation (unless an agreed purchase at undervalue).

Buy to Let not available in Northern Ireland.

Minimum property valuation is £50,000 for all products.

Non-Conforming Loans: If loan exceeds £300,000 a second valuation will be required. This will be instructed and paid for by Platform.

Additional requirements may be requested on applications where the loan amount is greater than £500,000 once these have been fully assessed.

<b>Product</b>	<b>Minimum Loan</b>
Mainstream/Conforming/Non-Conforming all products	£25,001

**2.2 Buy to Let**

The maximum LTV will be based on individual property applications and not on the total of the portfolio.

The maximum total exposure will include all loans held within Platform and the Co-operative Bank PLC including residential owner occupied loans.

**Buy to Let – maximum portfolio exposure**

Conforming	3 properties	£1,000,000
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The maximum exposure relates to existing accounts or applications made by connected individuals (family or business associates).

**2.3 Fees**

The following fees and costs may be added to the advance providing the LTV does not exceed 85%:

- Completion or arrangement fee
- CHAPS fee
- Alternative buildings insurance fee
- Application fee
- Any other fees and costs relating to the origination of the loan

Platform do not charge a high loan to value fee.

### **3 GENERAL LENDING CRITERIA**

#### **3.1 Purpose**

Applications will be considered for the purchase or remortgage of an applicant's main residence or Buy to Let property. Loans will be secured by first charge.

#### **3.2 Repayment type**

Loans are either made on a repayment (capital and interest) or interest only basis.

(Part repayment/part interest is not available).

If the mortgage is interest only Platform will require details of the repayment vehicle.

Platform do not require assignment but the mortgage offer will contain a condition stating that it is the borrowers responsibility to ensure that they can repay the loan at the end of the term.

A reminder will be sent in the annual statement.

#### **3.3 Term**

Minimum term 5 years.

Maximum term 40 years (subject to maximum age criteria).

If the term of the mortgage goes beyond the projected retirement age as declared by the applicant, Platform will decline the application or exclude this income for joint applications..

#### **3.4 Payment method**

Payments must be made monthly by direct debit from a bank account in the applicant's own name(s).

Direct debits in the name of a limited company are not acceptable.

Direct debits are acceptable in business names provided these are "trading as" accounts and show the applicant's name i.e. Mr J Smith T/A Smith & Son Builders.



### **3.5 Purchase**

Residential loans are granted for purchase of the main residence for personal occupation by the applicant.

Buy to Let loans are granted for purchase of rented residential property for occupation by tenants.

Loans will be based on the lower of purchase price or valuation (unless an agreed purchase at undervalue).

For all purchases Platform require full vendor's details.

For all private sales (i.e. where no selling agent is involved and not a family purchase) Platform will require proof of deposit prior to offer (see below).

For all non private sales (i.e. where there is a selling agent and not a family purchase) Platform will require details of the selling agents.

#### **3.5.1 Deposit**

Provided from the applicant's own funds (a loan is not an acceptable source of deposit).

Proof of deposit is required on all cases where the deposit is not wholly funded by the equity from the sale of the applicant's current property.

The source and proof may be required in any purchase where the deposit is not being wholly funded by the equity from the sale of the applicant's current property.

Evidence of savings must be in the form of bank or building society passbook held in the applicant's name, showing a build up of funds or proof of investments i.e. copy of the current value of ISA held in the applicant's name, or a copy of the mortgage offer if the applicant is remortgaging an existing property to raise the deposit. The source of any lump sum credit may be queried.

Platform will require proof of deposit (where one is being paid) prior to offer for all Buy to Let purchases where the vendor and applicant are relatives.

For all private sales Platform will require proof of the deposit prior to offer.

Platform will accept as an acceptable source of deposit a long service advance of pay. (e.g. armed forces, police or similar).

### **3.5.2 Gift from family member**

These are acceptable where the deposit or part of the deposit is being funded by a non-repayable gift from a family member - this can be spouse, same sex partner, parent, sibling, child, grandparents, aunts and uncles, nephews and nieces or where there is an obvious family connection which can be proved.

Platform will require a gifted deposit declaration to be provided by the donor together with proof of the deposit monies in either the donor or applicant's account.

These are not acceptable on applications where the purchase is a private sale (i.e. no selling agents and not a family purchase).

### **3.5.3 Builders deposit schemes**

The personal stake the applicant must contribute is at least the minimum percentage as per the products maximum LTV: this is in addition to and regardless of the percentage provided by the builder whenever this is being paid in the transaction i.e. at completion or post completion

The maximum loan amount is calculated based on the agreed purchase price less the total builder deposit and any incentives less a minimum percentage being paid by the applicants based on the products maximum LTV (subject to affordability and scheme parameters).

Builder deposits secured by way of second charge will not be acceptable.

Rental guarantees from builders are not acceptable.

### **3.5.4 Sitting tenant purchase**

Where the vendor is also the applicant's landlord (i.e. sitting tenant purchase) proof of deposit from the applicant's own resources will be required prior to offer.

### **3.5.5 Tenants incentive scheme**

Where an applicant is offered a lump sum deposit from a housing association to assist in the purchase of a private residence, the housing association will require a charge over the property. This must be postponed in favour of Platform's first charge.

### **3.5.6 Deed of gift and transfer at undervalue**

If the price being paid for the property is less than the full market value the solicitor will be asked to confirm that the property is not subject to a transfer at undervalue or a deed of gift before completion. The mortgage offer will be conditioned accordingly.

If there is such a transaction taking place / taken place within the last 5 years, the solicitor must confirm that an acceptable deed of gift indemnity will be obtained. A transfer from single to joint ownership does not require indemnity if the transfer is simultaneous with the completion.

### **3.5.7 Purchase at undervalue**

The maximum LTV will be based on property value.

Only considered when:

- Property is being purchased from a family member – this can be spouse, same sex partner, parent, sibling child, grandparents, aunts and uncles, nephews and nieces or where there is an obvious family connection which can be proved

The maximum loan is limited to the lower of either 100% of the contractual purchase price or 75% LTV based on the property value.

The vendor must not reside (either as an occupier or tenant).

Platform will require proof that the family member's mortgage is up to date from the existing lender.

Where an applicant is purchasing a property from an ex-spouse and there are arrears Platform will not consider even if there is confirmation of a separation agreement/divorce.

### **3.5.8 Right to Buy (RTB)**

Platform do not lend to applicants applying through Right to Buy Schemes (RTB) or Right to Acquire Schemes (RSL).

#### **Right to Buy remortgage**

Platform do not lend to applicants remortgaging a property originally purchased through a RTB or RSL Scheme where they are still in the pre-emption period.

#### **Homebuy scheme/key worker grants**

Platform is not an approved lender for these schemes and therefore applications where the deposit is funded by this scheme are not acceptable even if a signed deed of postponement is received.

### **3.6 Remortgage**

Remortgages can only be considered for the following purposes (subject to product parameters and specific limits - please refer to the current product guide). The reason for additional borrowing must be detailed on the application form but Platform will not require evidence.

The options are:

- £ for £
- Home improvements
- Capital raising
- Debt consolidation

### **3.7 Higher lending charge**

Platform does not currently charge a high loan to value fee.

### **3.8 Guarantors**

Platform does not accept guarantors.

### **3.9 Addition of fees and costs**

The following fees and costs may be added to the advance providing the LTV does not exceed 90%:

- Completion or arrangement fee
- CHAPS fee
- Alternative buildings insurance fee
- Application fee
- Any other fees and costs relating to the origination of the loan

Platform will also require the following information on the application form concerning other fees:

- Arrangement fee paid to introducer by applicant(s)
- Arrangement fee paid to packager (if appropriate)
- Valuation fee paid (if not included in arrangement fee)
- Estimated legal fees to be paid by applicant(s)

## **4 THE APPLICANT**

Platform will only accept personal applications from introducers and packagers (whether they are employees or owners/directors) on Mainstream or Conforming products only. These applications cannot cascade to Non-Conforming.

Platform do not lend to employees of Platform or the Co-operative Bank PLC.

### **4.1 Minimum/maximum age**

Minimum age is 18 at application.

Maximum age is 75 at the end of the term.

- Platform will require details of the projected retirement age. Platform will not accept a projected retirement age of greater than 70 years.
- The maximum age restriction may be waived for additional applicants where their income is not required to support the mortgage or where the application is a Buy to Let

### **4.2 First time buyers (FTB)**

Platform's definition of a FTB is an applicant who has not been an owner occupier (mortgaged or unencumbered) for the last 6 months prior to application. An applicant who owns property on a Buy to Let basis but is not an owner occupier will be classed as a FTB.

First time buyers can be offered all products except Buy to Let.

### **4.3 Existing Platform customers**

Early repayment charges will not be waived or refunded on redemption of an existing Platform mortgage.

If an applicant has missed payments in the last 12 months or has arrears on an existing Platform mortgage Platform will not lend further monies or consider new applications.

#### **4.4 Residency status**

Applicants must be UK or EU nationals.

Applications can be accepted for non-UK/EU nationals provided they have been resident in the UK for the last 12 months and they have the permanent right to reside in the UK. This applies to all applicants regardless of their marital status.

Platform will not lend to applicants with diplomatic immunity.

#### **4.5 Number of applicants**

Maximum number of applicants on any one application is 2.

#### **4.6 Married applicants**

Platform expects applications to be in joint names where the applicants are married, common-law or civil partners.

Platform will allow applications in sole names for married, common-law or civil partners in the following circumstances:

- For Buy to Let products
- If the existing residential mortgage is in sole name and the new mortgage is to be in the same name
- If the existing residential mortgage is in joint names but being remortgaged and changed into Buy to Let in sole name
- If there are religious reasons for sole name application

However:

- The partner must not be financially linked to our applicant (on the credit searches)
- The partner must not be making any financial commitment to the transaction or paying the existing mortgage
- The solicitors must be able to obtain a deed of consent for the partner not being party to the mortgage which confirms that this person agrees that any rights or interests they may have or which they may acquire after the date of the deed will be postponed or released and made subject to Platform's rights and interests under the mortgage

#### **4.7 Joint applicants**

Platform will not add applicants to the mortgage who do not have the permanent right to reside in the UK.

On joint remortgage applications an automatic condition is added to the offer KFI as follows:

"If any additional monies are being raised as part of this remortgage which are not for the joint benefit of both applicants, independent legal advice should be obtained by the party who will not benefit directly from these monies."

## **5 CREDIT INFORMATION**

### **5.1 Credit scoring**

All applications must pass our credit score which is based on Basel II models.

### **5.2 Affordability index**

All applications will be subject to an automatic affordability assessment. The maximum loan available will be calculated based on both the affordability results and the product/LTV criteria available.

### **5.3 Credit bureau searches**

An Experian credit search (with full insight information) against all UK addresses occupied by each of the applicants over a period of 3 years prior to the date of the application will be carried out by Platform.

In addition a credit search will be carried out on any undisclosed addresses.

During the processing of a Non-Conforming application any linked addresses in this period will be manually searched and therefore this may alter any previously communicated decision.

Credit searches are valid for 3 months at which time a new search will be carried out. Should any further relevant information appear the application will be reassessed and the product may be changed.

### **5.4 Voters roll / credit history**

CAIS (Credit Account Information Sharing) is a service supplied by Experian, which provides information on credit accounts held by the applicants. It also provides details on the conduct of the accounts by means of status codes.

If the applicant(s) has been at their current address for 6 months or more they must currently be on the voters roll or have active CAIS at their current address otherwise Platform will decline the application.

If the applicant(s) has been at their current address for less than 6 months they must currently appear on the voters roll or have active CAIS at any address within the last 12 months otherwise Platform will decline the application.

## **5.5 Proof of residency**

If the applicants do not appear on the voters roll and there is no active non mortgage CAIS at their current address, Platform will require proof of residency for the last 2 years for Mainstream and Conforming and the last 12 months for Non-Conforming.

Platform will accept the following documentation as proof of residency: These documents need to be certified copies of the original (see section under identification for correct certification wording).

- Recent utility bill in the applicants name
- Full UK driving licence
- Current TV licence
- Recent bank or credit card statement
- Latest council tax demand
- HM Revenue & Customs demand or notice of coding

Platform will not accept credit searches carried out elsewhere as proof of residency.

## **5.6 County court judgement (CCJ)**

Applications where a judgement (CCJ) has been recorded during the last 6 years can be accepted on a Non-Conforming product subject to individual product parameters.

CCJ's are not accepted on Mainstream or Conforming products.

The Scottish equivalent is a Decree (DEC) and the same rules apply.

CCJ limits mentioned on our literature are per applicant.



## **5.7 Bankruptcy (BKO)**

Applications where a discharged bankruptcy (BKO) has been recorded during the last 6 years can be accepted on the Non-Conforming range. For Non-Conforming product selection, any bankruptcy discharged more than 4 years ago will be ignored.

BKO's are not accepted on Mainstream or Conforming products.

The Scottish equivalent is a Sequestration (SEQ) and the same rules apply.

No advance will be made to an undischarged bankrupt.

A certificate of discharge of bankruptcy (original or certified copy) is required or confirmation on the credit search if the discharge date is shown. Alternatively a letter from the trustee/court to confirm discharge has taken place can be accepted.

Platform will not consider applications to clear a current BKO but it is acceptable to clear a charge on the property in relation to a previously discharged order.

## **5.8 Individual voluntary arrangement (IVA)**

Applications where an individual voluntary arrangement (IVA) has been recorded during the last 6 years can be accepted on the Non-Conforming range. For Non-Conforming product selection, any IVA completed more than 4 years ago will be ignored.

IVA's are not accepted on Mainstream or Conforming products.

The Scottish equivalent is a trust deed (TD) and the same rules apply.

IVA's can be completed or current and satisfactory according to Non-Conforming product rules. On some products Platform will allow these to remain after completion of the Platform mortgage.

Current IVA's - Platform will require a letter from the administrator of the arrangement stating that it is being satisfactorily conducted.

Platform can repay an IVA from the advance with the agreement of the administrator. If the IVA is to continue after completion of the Platform mortgage the monthly payment will be taken into consideration within the affordability model. The IVA administrator must confirm that they are happy for this arrangement to continue.

Completed IVA's - Platform require either a letter from the administrator confirming the date of completion or confirmation from the credit search if this clearly shows the IVA has completed.

## **5.9 Administration order (AO)**

Administration orders are registered when a debtor with total liabilities of less than £5,000 and at least one judgment against them applies to the county court for it to administer payments on his or her behalf. Where an administration order is made a creditor cannot take action against the debtor to enforce payment.

Platform will treat these as CCJ (for product definition) but take any monthly payment within our affordability calculation unless this is being repaid at completion. Details of the monthly amount on the application form will be required.

### **5.10 Default (DF)**

Any application where a default is registered within the last 3 years cannot be accepted on our Mainstream products or within the last 12 months on our Non-Conforming products.

Any defaults registered against the applicants will be taken into account as part of the credit scoring process.

### **5.11 Repossessions or voluntary possessions (MPO/MVS)**

Applications where any type of repossession has been recorded during the last 6 years can only be accepted on a Non-Conforming product (unless the mortgage was Non-Conforming in which case the application will be declined).

If registered over 3 years ago no further information is required apart from details on the application form.

If registered 2-3 years ago Platform will require written confirmation from the lender/solicitors involved that there is no shortfall outstanding.

### **5.12 Criminal convictions**

If an application is received where an applicant has declared any criminal conviction (other than a driving offence) or there is a pending prosecution, the application will be declined.

We will apply the rules under The Rehabilitation of Offenders Act 1974 to assess whether the conviction is deemed spent and if spent ignore. We should consider for underwriting purposes the reason for the conviction i.e. fraud/arson would normally be a decline.

## **6 INCOME**

### **6.1 Income - general**

At least one applicant must be either employed/self-employed or retired.

Where two incomes are being used to support the loan both applicants must be employed/self-employed or retired.

If the term of the mortgage goes beyond the applicants projected retirement age, Platform will decline the application, or exclude this income for joint applications. Platform will not accept a projected retirement age greater than 70 years.

### **6.2 Minimum income**

Gross income of £15,000 per annum for at least one applicant. There is no minimum income for any joint applicant.

### **Buy to Let**

As investment properties are income producing, the applicant's source of employment income is not considered relevant; however, the applicants must be in a position to support their existing residential mortgage and other personal commitments.

Applicants are still required to disclose their full employment/self-employment details including their income on the application form. The income is not subject to verification.

Rental income for the Buy to Let property must be a minimum of 125% of the monthly repayment.

The monthly repayment is based on the reversionary rate following any initial tracker/discount/fixed rate period. For products lasting 3 years or more, the monthly repayment is based on the initial pay rate.

### **6.3 Affordability**

The maximum loan allowed based on income will be calculated using the Platform affordability model.

This model uses the combination of total gross annual income, non mortgage commitments, outgoings, subsistence (day to day expenses) and a tax assumption to calculate affordability. The result is then used to ascertain whether or not the applicant is overstretched. The system will combine the affordability result and loan and LTV available according to product and produce the maximum loan available.

Manual affordability calculators will be used by Platform on applications where the credit search is unsuccessful.

On Buy to Let applications the affordability model is not applied as the Buy to Let property is self-financing.

#### **6.4 Employed applicants**

Platform requires full details (including start and end dates) of all employment held within the last 6 months for Mainstream applications and within the last 12 months for all other products prior to application.

Where the applicant is in PAYE employment and the income is required for the loan the following conditions must be met:

- The applicant's position must be confirmed by their employer as being permanent.  
Platform will decline any application where someone is employed on a casual basis
- The applicants must not be under notice of termination or redundancy
- The applicants must be able to demonstrate a minimum of 6 months employment history for Mainstream applications or a minimum of 12 months record of continuous employment immediately preceding the application in the same line of business for all other products.

Platform must have references covering a period of 6 months, from the current and/or previous employers,

OR

The latest computerised P60 and the latest 2 payslips may be provided,

OR

The last 2 computerised payslips provided these show a gross to date figure covering 6 months,

OR

3 month's bank statements showing salary credits.

Hand written documents will not be accepted.

#### **6.5 Commission only**

Where the applicant is employed on a commission only basis, 2 years computerised P60 figures are required as well as a reference.

If the income has reduced slightly or is stable the average will be used in the affordability calculation.

If the figures are increasing the latest figure will be used in the affordability calculation.

#### **6.6 Fixed term contract / temporary workers**

These are acceptable where the applicant has been employed for a minimum of 12 months in the same line of business. References covering the 12 month period will be required.

Applicants must be in a current contract period with confirmation of renewal.

### **6.7 Seasonally based / piece work / casual work**

Seasonally based (crop pickers/bingo callers etc.), piece workers or casual workers will not be considered.

### **6.8 Family business**

If the applicant works for the family business or for a business owned by their co-habitee Platform will request the qualified accountant's confirmation of the annual gross income or sight of bank statements showing salary credits/affordability.

On a Self-Certification application we will ask for the PAYE notice of coding showing the employer's name but no income details (if verification of employment is required).

### **6.9 Self-employed applicants**

Minimum trading period -

- Mainstream loans: 3 years
- Conforming loans: 2 years
- Non-Conforming loans: 1 year

Self-employed applicants can be classified into one of four categories:

- Sole traders
- Partners
- Director - private limited company ( =>25% shareholding)
- Director - public limited company ( =>25% shareholding)

The accounts/figures provided must be no older than 6 months from the date of the last financial year-end.

Stable/increasing net profits: income will be calculated as the latest annual net profit figure (or share of net profit), plus any allowable additional income.

Unstable net profits: a satisfactory explanation must be received from the accountant and an average of the 2/3 years figures will be used.

Where a self-employed applicant is relocating Platform require written confirmation from the acting accountant that the relocation will have no affect on the future profitability of the existing business. If this cannot be supplied the application will be declined.

## **6.10 Sole traders and partners**

- Mainstream/Conforming loans: Two years' certified accounts, an accountant's certificate with two years figures or latest two years SA302 notices from HMRC confirming net profit are required
- Non-Conforming loans: A minimum of one year's certified accounts/certificate and a serviceability letter, an accountant's certificate with two years figures/two years accounts or latest years SA302 notice from HMRC confirming net profit are required.

If the accounts provided with an application have been prepared by a "non-eligible" accountant, the applicant will be required to provide written confirmation from HM Revenue & Customs confirming income details.

Where a sole trader applicant is relocating written confirmation from the acting accountant that the relocation will have no effect on the future profitability of the existing business is required. If this cannot be supplied the application will be declined.

## **6.11 Partners in large established partnerships**

If the applicant is a partner with a large regional or national professional partnership (e.g. accountants, solicitors and architects) then an employer's reference from a senior partner or practice accountant can be accepted as evidence of income.

## **6.12 Subcontractors in the construction industry**

An applicant who is currently employed on a subcontracted basis must be classed as a sole trader and would therefore be required to provide evidence of income as set out above under sole traders.

## **6.13 Director - private limited companies**

If the applicants' shareholding is less than 25% they can be classified as being employed. If the applicants' shareholding is 25% or more then they are classified as being self-employed.

## **6.14 Director - public limited company**

A director of a listed public limited company (or their direct subsidiaries) must be regarded as being employed. Listed in this context means quoted on the Stock Exchange.

## **6.15 New partners in established professional partnerships**

Where the applicant is either a new partner or newly qualified it may not be possible for the partnership to verify actual income. In these circumstances written confirmation from a senior partner or practice accountant of projected future earnings will be acceptable.

### **6.16 Accountants qualifications**

Platform will accept accounts/accountant's certificates from accountants with one of the following qualifications. Platform will check (either via internet or verbally) with the appropriate body that the accountant is suitably qualified:

- Institute of Chartered Accountants (England or Wales) FCA/ACA
- Institute of Chartered Accountants (Scotland) ICAS
- Institute of Chartered Accountants (Northern Ireland) ICAI  
(All chartered accountants may just sign as CA)
- Chartered Association of Certified Accountants ACCA/FCCA
- Chartered Institute of Management Accountants CIMA/ACMA/FCMA
- Association of Authorised Public Accountants AAPA/FAPA
- Association of Accounting Technicians MAAT/AAT

### **6.17 Acceptable income**

- Income from employment/self-employment
- Income from trust funds
- Occupational pension income (Platform will not accept state pension) - this is only available on a Full Status basis
- 2nd and other jobs (see additional income section)
- Investment income
- Rental income (this must be the residual amount once any mortgage commitment has been taken off)
- Maintenance (see additional income section)
- Working tax credits and child tax credits

Platform do not accept income derived from other benefits.

Platform do not accept income derived from foster care.

### **6.18 Additional income**

Where the applicant requires additional income to qualify for the loan requested they must provide adequate documentary proof if the application is Full Status.

In all cases applicants must identify clearly on the application form how any additional sources of income are derived.

If an applicant holds more than one job, 100% of the income will be taken where normal criteria are met for each position. Only income from 2 jobs can be considered. Additional income derived from non-employment sources such as pension, tax credits, maintenance and rental income are acceptable in addition to the 2 jobs.

Maintenance income can be taken into consideration, subject to the production of one of the following:

- The relevant original court (or other) order
- Documentary evidence (e.g. bank statements) that clearly show maintenance payments have been made (miscellaneous credits will be unacceptable unless backed up with other documents to prove these relate to maintenance payments)
- Solicitor's confirmation

### **6.19 Verification procedures**

**Buy to Let** - no income verification required

Where verification is required the following actions will take place:

#### **Self-employed**

- Call the accountant to confirm they prepared the accounts, check key data. Confirm that accountant is suitably qualified with relevant Institute/Association
- Platform reserve the right to verify details at our discretion on any application.



## **7 COMMITMENTS**

### **7.1 Existing/previous mortgages**

Details of any mortgages currently held or redeemed within the last 12 months are required and must be detailed on the application form. Proof of payment for the most recent 6 months where the existing mortgage is on a Conforming product or the last 12 months for a Non-Conforming mortgage will be required.

Any missed payments in the last 12 months noted on the credit search payment profile, declared on the application form or noted on bank statements/references obtained will be used for product assessment.

If the applicants have more than one mortgage and monthly payments have been missed in the same month this will only count as one missed payment. However if these have been missed in different months Platform will count each month where there has been a missed payment.

Platform will accept the latest mortgage statement which must be supported by bank statements showing payments from the end date of the statement to the date of the new application.

If the applicant has an existing Non-Conforming mortgage proof of the last 12 months mortgage payments will be required and no missed payments in last 12 months will be allowed.

Platform does not accept the payment profile contained on credit searches which have not been carried out by Platform as proof of mortgage payments.

Payment history which cannot be established from the credit search will be required via a mortgage reference/proof of payments.

### **7.2 Second charges**

Proof of the last 12 months payments on all second charges will be required.

Platform does not accept the payments profile contained on credit searches which have not been carried out by Platform as proof of mortgage payments.

If missed payments are identified on any secured loan they will be used in product assessment.

Platform will allow all second charges to remain provided each charge is postponed in favour of Platform, the monthly repayments fit our affordability calculation (unless these are being paid for through the applicant's own business whereby they will be excluded from this) and the payment history is acceptable (see below):

- If the secured loan is on a Conforming product with current lender and the payments are A1 the secured loan can remain
- If the secured loan is on a Conforming product with current lender and there are missed payments in the last 12 months the secured loan must be repaid
- If the secured loan is on a Non-Conforming product with current lender and the payments are A1 the secured loan can remain
- If the secured loan is on a Non-Conforming product with current lender and there are missed payments in the last 12 months, Platform will decline the application

### **7.3 Existing/previous tenancies**

Private tenancies - no reference will be required.

Corporate tenancies/ local authorities/housing associations – a reference is required.

In the case of shared ownership where the applicant wishes to purchase the final share the mortgage reference alone will be relied upon.

### **7.4 Arrears (mortgage/tenancy)**

Platform require information about 3 or > months arrears (cleared or not) on any secured or unsecured loan in the last 2 years.

Mainstream/Conforming loans: No missed payments allowed in the last 12 months.

Non-Conforming loans: Missed payments/arrears in line with product guide.

Payments made by Housing Benefits are not acceptable on Mainstream loans.

Payments made through housing benefits are acceptable on Conforming or Non-Conforming loans provided these have not been paid within the last 6 months prior to the application.

Where the applicant has a flexible mortgage with another lender, and has taken a payment holiday which falls within the terms of their mortgage, these payments will not be classed as missed, or arrears, whether or not they were preceded by overpayments. Such payments are not shown as missed on the mortgage credit search payment profile (CAIS).

These must not be confused with applicants who have a traditional mortgage and have made an arrangement to miss payments or make low payments, for such reasons as change of employment status. These will be treated as missed and arrears and are shown on the mortgage credit search payment profile.

If the applicant has existing Platform mortgages which have missed payments in the last 12 months and/or current arrears no further monies or additional advances will be allowed.

Platform will not consider applications where the applicant's existing mortgage is currently in litigation even when the arrears profile fits one of our products.

Any payment less than the contractual monthly amount will be classed as a missed payment.

### **7.5 Arrears (non mortgage)**

Any missed payments on non mortgage commitments noted on the credit search payment profile will be used for product assessment in the following manner (Mainstream only):

- Worst status of 3 or greater missed payments in the last 6 months will cascade to Almost Prime,
- Worst status of 2 missed payments in the last 6 months will be referred to an underwriter for assessment,
- Worst current status of 2 or greater missed payments will cascade to Almost Prime.

Platform reserve the right to decline an application based on the payment profile of non mortgage commitments.

## **7.6 Bank statements**

Bank statements may be requested to support some applications. Internet bank statements are acceptable but they must be certified by the issuing bank.

## **7.7 Credit commitments to remain after completion or being repaid**

All outstanding commitments i.e. personal loans, credit card debts, maintenance payments, other mortgages (where agreed), secured loans (unless being paid through the business) will be taken into account in the affordability calculation.

Where secured commitments are to be repaid at or before completion they will not be deducted from annual income but a condition will be added to the mortgage offer to ensure that solicitors fully redeem them.

Full details of any unsecured commitments which are being repaid as part of the mortgage transaction must be supplied on the application form.

## **7.8 Retaining existing mortgages/Let to Buy**

Applications where the applicant wishes to retain an existing mortgage/s on the former marital home, rent out the property, or owns a 2nd home will be considered.

The following conditions will normally apply:

- All mortgages and property details must be disclosed on the application form
  - The existing mortgage/s must have had no missed payments in the last 12 months and be up to date
  - Where the property is currently owner occupied and is now to be rented out (i.e. Let & Buy scenario), a rental certificate or written confirmation as to the anticipated rental figure must be obtained from an ARLA/NAEA registered independent third party, addressed to Platform or the packager to confirm the rental income is sufficient to cover the 125% of the retained mortgage payment on an interest only basis. Applicant's income must also be sufficient to service 50% of the remaining mortgage as a commitment (added in the affordability calculation). The maximum LTV in this scenario is 75%. Surplus rental income over and above the relevant mortgage payment cannot be taken into account as additional income
- OR
- Applicant's income must be sufficient to service the remaining mortgage as a commitment (added into the affordability calculation). If this amount is increasing as a result of a remortgage transaction i.e. to raise funds for the deposit, the higher monthly mortgage payment must be provided and used in this calculation

All existing investment mortgage will be treated as self funding. Any missed mortgage payments shown on the credit search will be taken into account in product selection.

## **8 IDENTIFICATION**

### **8.1 ID - general**

To ensure compliance with money laundering legislation and protect against fraud Platform must verify the applicant's identity prior to completion.

Every application is run through our E-ID (electronic identification) system and where a pass rate has been achieved for all applicants, no additional documentation will be required.

Where an applicant has failed this E-ID check, proof of identity will be required as listed below and must be 1 item from list 1 and 1 item from list 2. Where the applicant has not been seen face to face an additional item from list 1 will also be required.

These documents must be provided pre-offer however where they are not, the mortgage offer will be conditioned accordingly to provide them prior to completion. Please note Platform will not complete any loan where our ID requirements have not been satisfied.

Each document must be a photocopy of the original document, and must contain the original signature of the person certifying. The person who has seen the original document must certify each document using the following wording - "I certify that this is a true copy". They must then state their name; company name and each certification must be signed and dated. Only FSA authorised introducers or professional persons covered by money laundering regulations i.e. solicitors, are allowed to certify ID documents.

### **8.2 List 1**

- A current signed passport (please note Platform will not accept coloured copies)
- Current full UK driving licence - photo card or old version (old style provisional licence is not acceptable) or current EEA driving licence
- Latest HM Revenue & Customs tax notice (please note SA302 notices are not acceptable)
- National insurance card together with P60/recent payslip showing NI number and name (these are not acceptable for products with Free Standard Legals)
- Cheque guarantee card/debit card with inlaid holograph photo - if no photo an original account statement <3 months old will also be required (these are not acceptable for products with Free Standard Legals)
- Firearm's certificate

### 8.3 List 2

- Current full UK driving licence - photo card or old version (old style provisional licence is not acceptable)
- A utility bill less than 3 months old
- Local authority council tax bill (valid for current year)
- House insurance certificate for the current year (these are not acceptable for products with Free Standard Legals)
- Most recent bank/building society/credit union statement or passbook containing current address. Internet statements must be certified by the issuing bank/building society
- A certificate from a utility supplier issued in the last 3 months confirming the arrangement to pay for the services on pre-payment terms (mobile phone bills are not acceptable)
- Most recent mortgage statement from recognised lender (these are not acceptable for products with Free Standard Legals)
- Local council rent card or tenancy agreement (these are not acceptable for products with Free Standard Legals)
- Solicitors letter confirming recent house purchase or land registry confirmation (additional address identification document also required to verify previous address)
- Latest HM Revenue & Customs tax Notice (please note SA302 notices are not acceptable)
- Confirmation from an electoral register / voters roll search (these are not acceptable for products with Free Standard Legals)

## 9 THE SECURITY

### 9.1 General information

In respect of the security the following will apply:

- Platform must have a first charge over the security property
- Minimum property valuation £50,000 for all products
- The security must be in England, Northern Ireland, Scotland or Wales, (mainland only, including Isle of Skye, Isle of Anglesey and Isle of Arran) or the Isle of Wight (Buy to Let loans are not available in Northern Ireland). Platform do not lend in the Channel Islands
- The security must be used for owner occupied residential purposes only (unless Buy to Let). Full vacant possession must be obtained at completion and no part-let or part-possession will be accepted
- No tenancies or sub letting will be accepted (unless Buy to Let)
- There must be no local authority approval for the use of the property for any purpose other than residential
- The maximum LTV on houses/bungalows constructed or converted in the last 24 months is 85% for Mainstream and 75% for Almost Prime and Buy to Let
- The maximum LTV on flats/maisonettes constructed or converted in the last 24 months is 75% for Mainstream only. Platform do not lend on flats/maisonettes constructed or converted in the last 24 months on Almost Prime or Buy to Let
- New builds – solicitors must confirm that they have obtained confirmation that newly built/newly converted properties have passed a final inspection by a new home warranty provider (i.e. NHBC) prior to sending the certificate of title
- Properties underpinned in the last 10 years must have a 20 year guarantee
- Insurance on leasehold flats – Platform require the whole block to be covered by the block policy arranged by the freeholder or the property will be deemed unsuitable security
- Granny annexes will be considered as long as the immediate family of the borrower will occupy and it is suitable for the type of security and no one other than family members appear on the voter's roll (for remortgages)
- Properties with 2 kitchens will be acceptable on all residential products but are not acceptable on Buy to Let
- 'Coach style' properties will be acceptable on a leasehold tenure only

#### For Buy to Let applications:

- Platform do not lend in Northern Ireland
- The maximum loan on a Buy to Let where the property (house/bungalow) has been constructed or converted in the last 24 months is £300,000
- Only one tenancy per property, DSS tenants or multi let properties are not acceptable. Rental must be based on the assumption of an unfurnished single family dwelling as confirmed by Platform's valuer
- An assured shorthold tenancy agreement (AST) for a period of between 6-12 months is required (unless the annual rental exceeds £25,000pa)
- Where the rental income exceeds £25,000pa the tenancy agreement (available on our website) needs to be put into place
- Students are allowed as long as all occupants are on a single AST agreement
- Only 1 kitchen is allowed and any property where there are 2 kitchens will be declined
- Platform will not allow capital raising for any purpose as part of a remortgage within the first six months of the original purchase date of the property on a Buy to Let

## 9.2 Construction Types

Platform will only allow properties of the following construction types:

- Built of standard construction as advised by the valuer (including brick wall and tile roof)
- Fully repaired PRC (Precast Reinforced Concrete) properties with brick external skin and suitable guarantees from a licensed scheme
- Laing Easi Form
- Concrete No Fines
- Cross wall construction where the LTV  $\leq$  75%
- Timber frame with brick exterior
- Standard roof construction (this includes thatch)
- Standard flat roof construction

## 9.3 Unacceptable Security

The following types of property are unacceptable:

- Freehold flats / maisonettes
- Mobile homes
- Houseboats
- Properties with an anticipated life span of less than 25 years beyond the end of the mortgage
- Properties with agricultural restrictions, smallholdings, farms or crofts
- Property where a flying freehold exists affecting more than 15% of whole
- Shared ownership properties (unless purchasing final share as a remortgage)
- Any non residential usage which constitutes > 25% of the overall property size which is not an office/study
- Tenanted/multi occupied /bedsit type properties (tenanted properties are of course acceptable for Buy to Let)
- Property with restrictive title covenants, i.e. retirement flats
- Live/work units
- Commonhold as a tenure type
- Specially adapted property
- Studio flats may be considered by exception. The valuer must be able to provide comparables of other similar studio flats which have sold in the area in the last 6 months and have no adverse comments
- Flats in blocks over 4 floors. However these may be considered by exception to a maximum of 8 floors. The valuer must confirm that the demand/future saleability is either average/good
- Ex Public Sector flats in blocks >12 units or >4 floors or where the LTV >85%. Where the Ex Public Sector flats are in blocks <12 units or <4 floors they may be considered by exception but the whole block must not have any balcony access. The valuer must confirm that the demand/ future saleability is either average/good
- Ex Public sector flats on our, Buy to Let products
- Flats/maisonettes constructed or converted in the last 24 months on Almost Prime and Buy to Let
- Properties adjacent to restaurants/food outlets/public houses/laundrettes
- Flats above/situated near restaurants/food outlets/public houses/laundrettes

- Properties which are being bought from the applicant's own limited company
- New properties where the vendor is not the original builder/developer i.e. there has been a sub sale where the purchase price is less than that being paid in the current application
- Properties where there is a back to back sale or an assignable contract, or any other scenario whereby parties are attempting to sell properties between themselves at inflated purchase prices or undervalues
- Properties purchased by the vendor within the last 6 months - Platform will only lend on the original purchase price unless the property type has been changed i.e. a house converted into flats
- Properties which are not acceptable for standard buildings insurance cover or which attract high excess or specific exclusions
- All properties constructed of material/methodology other than that listed under 'construction types' section (see previous)
- Properties where the valuer has indicated that the property is suffering from progressive structural movement or movement which requires monitoring, or where this affects saleability
- Properties where works are required to the drains (unless these are completed prior to completion in which instance a full retention will be held). The mortgage offer will be conditioned accordingly
- Properties which do not obtain the highest pass rate following Mundic Concrete Block Screening Test
- Properties which have hoop iron within their construction and these are not replaced or the property has not been rebuilt
- Properties where there is an uncapped mining shaft which affects the security as advised by the valuer
- Properties which have been built on contaminated land or where contaminated land is in close proximity and the valuer confirms that this will affect future saleability
- Properties which have suffered from any amount of dry rot (whether treated or not)
- Property where the valuer indicates re-saleability/demand is poor
- Property being purchased through a RTB or RSL scheme
- Property originally purchased through a RTB or RSL scheme and still in the pre-emption period where the applicant has applied for a remortgage

For Buy to Let in addition Platform will not lend on the following security:

- Ex public sector flats
- Where the tenant will be a family member
- Where the tenant was the previous owner
- >25% applicant exposure (Platform or another lender) in blocks of 4 flats or more. For blocks of 3 flats or less, Platform will only lend on 1 property.
- Flats above/situated near to any commercial premises when the valuer's comments are in any way derogatory
- Properties which have internal door locks and/or separate utility services
- Property which is not in a suitable condition for letting
- Property where there is a 'sale and rent back' contract/agreement, or any other scenario where the property is to be let to the current or any previous registered owner(s)



#### **9.4 Valuation Report**

All applications will be checked to see if they meet Platform's Automated Valuation (AVM) criteria. Those that do will then need to 'pass' the appropriate parameters and if satisfactory a physical inspection/valuation will not be required.

The physical Valuation Report must:

- be in standard format as agreed by Platform and on Platform papers
- be completed by one of our panel valuer's using his/her professional opinion based upon the most recently published guidelines of the RICS (Red Book) for the valuation of residential properties for mortgage purposes
- be addressed to Platform or contain an approved definition of the Lender
- include details of who instructed the valuation (if not Platform)
- include details of 3 comparable properties although these will not be used by Platform in the initial application assessment

Platform can accept valuation reports which have been obtained via the Quest/xit2 system which do not show an original signature but a computerised version.

A physical valuation is valid for 6 months from the date of inspection.

#### **Non-Conforming Loans**

If loan exceeds £300,000 a second valuation will be required. This will be instructed and paid for by Platform.

Platform will work on the lower of the two valuations received (no further valuation reports will be considered or nor will communication with either valuer be entered into where there may be a dispute over the valuation figures provided).

#### **Buy to Let**

The valuer will be asked in his instructions to provide a valuation for rental purposes giving a monthly rental figure based on an unfurnished basis for a single family occupation together with confirmation of the demand for letting and saleability.

#### **9.5 Audit Valuations**

An audit valuation will be required and obtained prior to release of funds as follows:

- Only requested and paid for by Platform
- Required for all loans exceeding £300,000 (Non-Conforming only)

The mortgage offer will be conditioned accordingly

#### **9.6 Acceptable Valuer's Qualifications**

F.R.I.C.S. Fellow of the Royal Institution of Chartered Surveyors.

M.R.I.C.S Member of the Royal Institution of Chartered Surveyors.

TECH RICS Technical Member of the Royal Institution of Chartered Surveyors.

## **9.7 Retentions**

### **Full Retentions (No monies condition)**

A full retention will be imposed when the property:

- is non habitable
- requires conversion to a single dwelling
- has a concrete floor that has been subject sulphate attack (as advised within a sub floor test).

The mortgage offer will be conditioned accordingly

A reinspection of the property by Platform's valuer will be required to confirm all works have been satisfactorily carried out prior to release of funds.

### **Partial Retentions**

If the valuer recommends a retention, Platform will base the advance on the current valuation figure and not retain monies. This will be the case in all applications where the retention is <£1000.

If however the works required may affect the marketability or fabric of the property, or the LTV demands a retention will be held which must be based on the difference between the maximum advance (LTV) based on the current value, and the maximum advance based on the value after completion of the works.

Platform will usually require a reinspection of the property before releasing the retention. Any relevant guarantees will be requested to be placed with the deeds package after completion.

Properties where cavity wall ties require replacement will have a part retention imposed.

Part retentions are only allowed on Buy to Let applications provided the valuer confirms that the property is either average/good condition and demand for letting is average/good and it is in a suitable condition to let in current condition.

## **9.8 Residential properties with land/ outbuildings**

Normal lending terms apply to properties up to three acres, providing the applicant does not intend to carry out a business from the property and there are no agricultural/restrictions of usage on the land.

Properties with land exceeding three acres can be accepted but a revised valuation figure will be required from the original valuer which includes the property and reasonable gardens only.

Provided this valuation is  $\geq 100\%$  LTV the loan amount will be acceptable (subject to all other criteria). The LTV for product purposes will be calculated on the initial valuation figure. Platform will require our charge to be registered on the property and all the land under one title.

## 9.9 New builds

- The maximum LTV on flats/maisonettes constructed or converted in the last 24 months is 75% for Mainstream only. Platform do not lend on flats/maisonettes constructed or converted in the last 24 months on Almost Prime or Buy to Let
- The maximum LTV on houses/bungalows constructed or converted in the last 24 months is 85% for Mainstream and 75% for Almost Prime and Buy to Let

Houses built within the last 10 years or newly converted property must hold an acceptable guarantee/ certificate. These include NHBC Certificate, Zurich Municipal policy, Premier Guarantee, Building Life Plans (BLP) or a certificate which states the property was built under the supervision of a person belonging to one of the following:

- Architects Registration Council of the United Kingdom (ARB)
- Royal Institute of British Architects (RIBA/ FRIBA/ARIBA)
- Royal Corporation of Architects in Scotland (RIAS/FRIAS/ARIAS)
- Royal Institution of Chartered Surveyors (FRICS/ARICS/MRICS) - Building Survey Division
- Institution of Civil Engineers (MICE/ FICE) - excludes AMICE
- Institution of Structural Engineers (MI Struct E/RI Struct E/FI Struct E)
- Chartered Institute of Building (MCIQB/FCIQB) - excludes ACIQB
- Architects and Surveyors Institute (MASI/FASI) - excludes AMSI
- Incorporated Association of Architects and Surveyors (MIAA/MIAS/FIAA/FIAS) - excludes AMIAS
- Association of Building Engineers (FB Eng/MB Eng).
- Chartered Institute of Architectural Technologists (MCIAT) – formally British Institute of Architectural Technologists

Platform will not hold a full retention on new build/newly converted cases. The solicitor is obliged in the Lenders Handbook to ensure that he has received confirmation from the relevant new home warranty providers e.g. NHBC that they have visited the property and it has been satisfactorily completed. He will not be able to send in the COT (certificate of title) until this is received.

The mortgage offer will be conditioned accordingly to remind the solicitor of this obligation on new build/newly converted cases.

## **10 BUILDINGS INSURANCE**

The property must be insured for the full reinstatement value as recommended by the valuer in the report.

Applicants can request that Platform forward their details to Legal and General to contact them regarding insurance or they can or arrange their own insurance.

A £30 'one-off' fee will be applied if building insurance is not arranged through Legal and General. This fee will also apply to leasehold properties where insurance cannot be arranged through Legal and General as it is usually the responsibility of the freeholder.

Buy to Let applicants must ensure that any insurance arranged is suitable for a Buy to Let property. Contents insurance through Legal and General is not available for Buy to Let applications.

For leasehold flats - Platform will only accept leasehold flats where the buildings insurance is arranged by the freeholder or management company under the terms of the lease for the whole block.

## 11 VALUERS

The addresses listed are central sites for administration and instruction.

<p><b>Colleys Professional Services</b> 8th Floor Civic House 156 Great Charles Street Birmingham B3 2PF  (T) 0121 234 1025 (F) 0121 234 1030</p>	<p><b>ERS Surveyors Ltd</b> (Formerly 1st Survey/LMS Surveyors) 17 Mobbs Miller House Ardington Road Northampton NN1 5LP (T) 01604 629992 (F) 01604 631213</p>	<p><b>Hockleys</b> Cumbria House 16-20 Hockliffe Street Leighton Buzzard Beds LU7 8GN  (T) 0845 270 7444 (F) 01733 239683</p>
<p><b>Countrywide Surveyors</b> Market House Market Square Stony Stratford Milton Keynes MK11 1BE (T) 01908 575050 (F) 01908 260386 (Includes in Scotland Harvey, Donaldson and Gibson)</p>	<p><b>Allied Surveyors Plc</b> Central Administration Westgate Chambers 3 High Street Chipping Sodbury Bristol BS37 6BA DX: 56804 Chipping Sodbury (T) 01454 858888 (F) 01454 850008</p>	<p><b>Palmer Snell Fulfords</b> Richmond House Manor Road Yeovil Somerset BA20 1UQ (T) 01935 432044 (F) 01935 432208</p>
<p><b>Connell Surveyors</b> Cumbria House 16 – 20 Hockliffe Street Leighton Buzzard Beds LU7 8GN  (T) 01525 215634 (F) 01525 215636</p>	<p><b>E.Serv</b> (Formerly G A) Chartered Surveyors Central Instruction Facility Lahnstein House, Gold Street Kettering, Northants NN16 8AP (T) 01536 534000 (F) 01536 312344</p>	<p><b>Legal &amp; General Surveying Services</b> 1-3 Churchfield Court Barnsley South Yorkshire S70 2JT  (T) 01226 230500 (F) 01226 230595</p>
	<p><b>Anderson &amp; Associates</b> St Leonards House North Street Horsham, West Sussex RH12 1RJ  (T) 01403 256256 (F) 01403 211210</p>	

<b>SCOTLAND</b>		
<p><b>J &amp; E Shepherd</b> 13 Albert Square Dundee DD1 1XA</p> <p>(T) 01382 200454 (F) 01382 878008</p>	<p><b>DM Hall</b> 17 Corstorphine Road Edinburgh EH12 6DD</p> <p>(T) 0131 624 6160 (F) 0131 624 6188</p>	<p><b>Graham &amp; Sibbald</b> 22 Allan Park Stirling FK8 2QG</p> <p>(T) 01786 463111 (F) 01786 450281</p>
<p><b>Harvey, Donaldson and Gibson</b> Countrywide - Instruct by central site above</p>		

<b>NORTHERN IRELAND</b>		
<p><b>Colleys</b> Instruct by central site listed above</p>	<p><b>Countrywide</b> Instruct by central site listed above</p>	

## **12 LEGAL AND CONVEYANCING**

### **12.1 Legal representation**

Platform can use the applicant's solicitors where they:

- Are on the Britannia panel (The Co-operative Bank PLC trading as Britannia)

If the applicants wish to use a solicitor who is not on the Britannia panel, Platform will instruct one of our panel solicitors to act for us at the applicant's expense. Alternatively the applicants can use one of our panel solicitors.

### **12.2 Other occupants of the property**

Anyone aged 17 or over shown on the application or voters roll that lives in the property will be required to sign a deed of consent (form of agreement and undertaking) in England, Wales and Northern Ireland only. This needs to be witnessed by a solicitor (regardless of whether this is being processed with Free Standard Legals or not).

### **12.3 Power of attorney**

Applications subject to a power of attorney are not acceptable.

### **12.4 Tenure**

Freehold, leasehold or absolute owner (previously feuhold).

Platform will not accept commonhold as a tenure type.

#### **England and Wales**

Leasehold properties must have a minimum unexpired lease of 25 years after the end of the mortgage term and a minimum of 50 years at the time of application.

#### **Scotland and Northern Ireland**

Leasehold properties must have a minimum unexpired lease of 99 years at the time of application.

## **12.5 Local authority grants**

- The grant conditions will expire after 3 years and the repayable amount will reduce by 1/3rd per year
- Local authorities will rarely postpone their rights to the repayment of the grant behind our first charge. Therefore the amount outstanding will need to be established and deducted from the valuation and this figure will be used to determine our LTV maximum
- If there are less than 9 months of the grant period unexpired it may be ignored

## **12.6 Local authority search insurance**

This insurance provides cover in lieu of a local authority search. It protects Platform from matters which may have been revealed in the local authority search, and which may adversely affect the property.

Platform accept this for remortgages only. The solicitors acting on our behalf will arrange this with First Title who provides the policy, which is solely for Platform's benefit.

This is not accepted on purchases.

## **12.7 Personal searches**

Platform do not accept personal searches.

## **12.8 Free Standard Legals**

On remortgages applicants may choose to use Free Standard Legals but only with the Platform preferred provider, London and European. A firm of solicitors will be nominated by L&E.

This is insurance that protects Platform from losses arising from disputes over the legal ownership or title to a property for defects and faults unknown during the remortgage transaction.

This is only available for remortgage applications and can be offered as part of the product – a fee may be payable which is added to the loan.



## **13 FLEXIBLE FEATURES**

### **13.1 Overpayments**

- No notice required.
- Regular or lump sum payments.
- Debit card and cheque payments acceptable.
- Unlimited frequency up to the value of £12,000 a year or 10% of the mortgage balance at the latest anniversary (whichever is higher). If these limits are exceeded during the ERC (Early Repayment Charge) period an ERC charge will apply.
- No minimum or maximum payments.

### **13.2 Underpayments**

- Subject to 6 months satisfactory performance,
- 14 days written notice required.
- Maximum of 6 underpayments or payment holidays are permitted in a period of 12 consecutive months (subject to sufficient balance of overpayments).
- No minimum or maximum limits subject to sufficient balance of overpayments (Overpayment fund).
- No notice or > 6 underpayments in 12 months will be treated as arrears.

### **13.3 Payment Holidays**

- Subject to 6 months satisfactory performance.
- 14 days written notice required.
- Maximum of 6 payment holidays and/or underpayments are permitted in a period of 12 consecutive months (subject to sufficient balance of overpayments).
- Payment holidays can be taken independently (rather than consecutively).
- No notice or > 6 payment holidays in 12 months will be treated as arrears.
- No extension to mortgage term.

## **14 PORTABLE PRODUCTS**

### **14.1 Portable Product Features**

- Subject to a minimum of 6 months satisfactory performance.
- Existing rate and current outstanding balance only.
- All applications will be underwritten on criteria applicable at that time.
- Any additional lending will be subject to rates and criteria available at the time of application.
- A fee may be payable.

## 15 CHANGE CONTROL

Version	Date of implementation	Heading reference	Summary of changes
1.1	7/7/08	2	All maximum loan sizes and maximum LTV's applicable as per current product guide.
		2.7 and 6.9	Employed applicants no longer accepted on self-certified basis on owner occupied or House Plus products.
		3.5.3	Non-repayable gift allowed from family members in addition to applicant's parents.
		3.6	Business purpose removed as an acceptable remortgage purpose. Remortgage limits as per current product guide.
		5.4	Applicants must meet voters roll / active CAIS criteria for case to proceed.
		7.2	Proof of last 12 months payments required on all secured loans.
		7.4	No missed mortgage payments in last 12 months allowed on Conforming loans.
		8.2	Residence permit no longer accepted as list A identification.
		11	Lexicon surveyors and Valuation removed from valuers panel.
1.2	13/10/08	1	Score cut-off introduced for Non-Conforming applications.
		6.3	Affordability calculator changed to include a tax assumption.
		9.3	Properties where there is a back to back sale or an assignable contract are not acceptable.

Version	Date of implementation	Heading reference	Summary of changes
1.3	1/12/08	<p>4.1</p> <p>7.7</p> <p>8.2</p> <p>8.3</p> <p>9.3</p>	<p>Maximum age of 75 years at the end of the term.</p> <p>Rental certificate (let to buy scenario) must be obtained from an ARLA/NAEA registered independent third party.</p> <p>Benefits book/recent letter from benefits agency no longer accepted as list A identification.</p> <p>Benefits book/recent letter from benefits agency no longer accepted as list B identification.</p> <p>'Sale and rent back' agreements or where the property is to be let to the current or any previous registered owner(s) are not acceptable.</p>
1.4	23/03/09	<p>1</p> <p>3.5.1</p> <p>3.5.9</p>	<p>Reference to Mainstream added.</p> <p>Proof of deposit required on all Mainstream cases where deposit is not from equity.</p> <p>Deed of postponement required on all Right to Buy applications.</p> <p>We will only lend additional funds on a Right to Buy for home improvements.</p> <p>All applicants must sign a declaration that any additional funds being raised on a Right to Buy are for home improvements only.</p> <p>Reference to Right to Buy Express removed.</p>

Version	Date of implementation	Heading reference	Summary of changes
		4	Applications can be accepted from the introducer/employee of the introducer on Mainstream products.
		5.1	All applications have to pass our credit score.
		5.10	Any application where defaults have been registered in the last 3 years can not be accepted on Mainstream products.
		6.1	Removal of reference to Premium Pass removing proof of income requirement.
		6.10	Mainstream loans minimum period of self-employment is 3 years.
		7.1	Reference to Premium Pass removing the need to obtain proof of mortgage payments removed.
		7.4	No missed payments allowed on Mainstream loans in the last 12 months.
		7.4	Housing Benefit not acceptable on Mainstream loans.
		8.2	Removed references to ID not acceptable with RTB or Title Insurance.
		8.3	Removed references to ID not acceptable with RTB or Free Standard Legals.
		11	Ashdown Lyons removed from valuers panel.
		12.8	Right to Buy Insurance removed.
		12.10	Title Insurance removed.

Version	Date of implementation	Heading reference	Summary of changes
1.5	27/4/09	<p>2.2</p> <p>2.4 &amp; 4.2</p> <p>3.5.1</p> <p>3.5.3</p> <p>3.5.9</p> <p>6.18</p> <p>6.21</p> <p>9.3</p> <p>9.9</p>	<p>Maximum Buy to Let portfolio exposure reduced to 3 properties or £1,000,000. House Plus product no-longer available.</p> <p>First time buyers not accepted on Self-Certification products.</p> <p>Proof of deposit required on all cases where deposit not wholly funded by equity from sale of applicant's current property.</p> <p>Gifted deposit declaration to be provided by the donor together with proof of the deposit monies in either the donor or applicant's account.</p> <p>RTB products no longer available.</p> <p>Trading period for Non-Conforming Self-Cert self-employed applicant's increased to 1 year.</p> <p>BT listing and Yell.com no-longer acceptable as verification item.</p> <p>Property being purchased through RTB or RSL scheme unacceptable security. Remortgage of property purchased through RTB or RSL scheme and still in pre-emption unacceptable security. Greater than 25% applicant exposure (Platform or another lender) in blocks of 4 flats or more unacceptable security. For blocks of 3 flats or less, Platform will only lend on 1 property.</p> <p>FB Eng/MB Eng/MCIAT added as acceptable architect's qualifications.</p>

<b>Version</b>	<b>Date of implementation</b>	<b>Heading reference</b>	<b>Summary of changes</b>
1.6	1/6/09	3.5.4	Applicant's must contribute minimum percentage personal stake deposit as per products maximum LTV.
		5.5	SA302 notice acceptable as proof of residency.
		5.6	CCJ not accepted on Mainstream or conforming products.
		5.7	Bankruptcy not accepted on mainstream or conforming products.
		5.8	IVA not accepted on Mainstream or conforming products.
		5.12	Criminal convictions wording amended.
		6.4	Minimum employment history reduced to 6 months for Mainstream applications.
		6.11 & 6.21	SA302 notice from HMRC acceptable as proof of income and verification document.
		12.1	Solicitors must be on Britannia panel.
1.7	1/8/09	2.2	Merger wording change replacing Britannia Group with the Co-operative Bank PLC.
		4	Merger wording change replacing Britannia Group with the Co-operative Bank PLC.
		12.1	Merger wording change adding 'the Co-operative Bank PLC trading as Britannia' when reference made to Britannia solicitor's panel.

<b>Version</b>	<b>Date of implementation</b>	<b>Heading reference</b>	<b>Summary of changes</b>
1.8	29/8/09	3.3	Applications not accepted where the term of the mortgage goes beyond the applicant's projected retirement age.
		4.1	Maximum projected retirement age is 70 years.
		5.12	Criminal convictions wording amended.
		6.18	Self employed applicants must declare the reason for self-certifying their income.
		9.3	Ex Public Sector flat wording change. The whole block must not have any balcony access.
		12.8	Mortgage Indemnity Insurance section removed.
		13	Flexible features section added.
1.9	5/9/09	8.2	List 1 acceptable ID amended for products with Title Insurance.
		8.3	List 2 acceptable ID amended for products with Title Insurance.
		12.8	Title Insurance section added.
		14	Portable Products section added.

<b>Version</b>	<b>Date of implementation</b>	<b>Heading reference</b>	<b>Summary of changes</b>
2.0	07/11/09	2.3	Fees can be added providing maximum LTV does not exceed 85%.
		2.4	Reference to FTB not being acceptable on self-certified products removed.
		2.4	Platform do not lend to any applicant on a self-certified basis.
		3.5.2	Reference to FTB proof of deposit on new build deleted.
		3.9	Fees can be added providing maximum LTV does not exceed 85%.
		4.2	Removal of reference to self-certified.
		4.2	Reference to FTB proof of deposit on new build deleted.
		6.9	Removal of reference to self-certification of income where one applicant is self-employed and the other employed.
		6.17	Self-employed self-certification section removed.
		6.18	Removal of self-certification of additional income wording.
		6.19	Removal of self-certification verification procedure wording.
		9.1	Isle's of Skye, Anglesey and Arran including under 'mainland'.



Version	Date of implementation	Heading reference	Summary of changes
2.1	14/12/09	3.3 7.5 9.1 & 9.9	<p>Maximum term increased to 40 years.</p> <p>Missed payments on non mortgage commitments used in product assessment for Mainstream.</p> <p>New build houses/bungalows acceptable up to 85% on Mainstream New build flats/maisonettes acceptable up to 75% on Mainstream.</p>
2.2	01/02/10	3.5.7 5.6 5.10 7.8 9.4 9.5	<p>Purchase at undervalue not accepted on bulk purchases or corporate tenant purchases.</p> <p>Audit valuation not required on family purchases although restricted to 75% LTV.</p> <p>All CCJ's used in product assessment on Non-Conforming products.</p> <p>Any default registered within the last 12 months not accepted on Non-Conforming products.</p> <p>Additional criteria for let to buy. Either maximum 75% LTV, 50% of existing mortgage taken as a commitment and 125% rental coverage or applicant's income must cover the remaining mortgage as a commitment.</p> <p>Comparable data not used by Platform in initial assessment.</p> <p>Audit valuations not required on undervalue purchases or where there are unacceptable comparables.</p>