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Personal Finance Underwriting Guide for Network Members

December 2018

Loans, mortgages & finance.



Contents

1	Minimum requirements.....	4
2	Submitting an application	4
3	Applicants.....	5
3.1	Address history	5
3.2	Age	5
3.3	Number of applicants	5
3.4	Marital status	5
3.5	First time buyers	5
3.6	Retired applicants	5
3.7	Lending in retirement- Retired Applicants.....	5
3.8	Lending into retirement-Employed/Self Employed.....	5
3.9	Vulnerable applicants	5
3.10	Gifted deposits and gifted equity.....	6
3.11	Non UK residents / passport holders.....	6
3.12	Know Your Customer Requirements (KYC)	6
4	Credit profile and demerits.....	9
4.1	Demerit points	9
4.2	Declining unsecured credit.....	9
4.3	Payday loans & home lender loans.....	10
4.4	Debt management, bankruptcy, IVAs, & CVAs	10
4.5	Debt consolidation	10
4.6	Ground rent and service charges.....	10
4.7	Previous mortgage or rental history.....	11
5	Income & Affordability	11
5.1	Income and affordability proof	11
5.2	Employed income	11
5.3	Self-employed income	11
5.4	Using additional rental income for residential mortgages.....	12
5.5	Retired applicants	12
5.6	Temporary contract workers	12
5.7	Zero hours contracts	12
5.8	Unemployed applicants	13
5.9	Assessing affordability	13
6	The loan	14
6.1	Disbursement of funds	14
6.2	Execution Only.....	14
6.3	Maximum loan amounts.....	15
6.4	Loan purpose.....	15
6.5	Loan term	15
6.6	Loan to value (LTV)	15
6.7	Repayment types.....	15
6.8	Qualifying contracts.....	15
6.9	Responsible Lending.....	16
7	Properties	16

7.1	Acceptable securities	16
7.2	Buildings Insurance	16
7.3	Property types	16
7.4	Ex-council properties.....	16.
7.5	Ground Rent and Service Charges	16
7.6	Self-build properties and developments	16
7.7	Tenure	16
7.8	Valuations.....	16
8	Fees and charges	17
8.1	Broker fees.....	17
8.2	Procuration Fee.....	17
8.3	Early repayment charges	17
8.4	Lender acceptance fee.....	17
8.5	Prepaid fees	17
8.6	Redemption Administration Fee.....	17
8.7	Title insurance & solicitors costs.....	17
9	Legal advice	17
9.1	Solicitors to Witness and Advise	17
9.2	Solicitors acting.....	17
10	Fraud prevention.....	18
11	Underwriter referral.....	18
12	Contact us	18

1 Minimum requirements

To ensure we deliver the best service to you, we recognise the importance of a thorough and accurate underwriting process. To help with this and to get your case processed as quickly and smoothly as possible, it's important we receive all relevant documents for the application. These will be referred to as 'Minimum requirements'.

Once your application has been submitted:

If we haven't received all the minimum requirements our Introduction Centre will email you with details of any outstanding items. If you can come back to us as quickly as possible at this stage, as we won't be able to underwrite the application until we receive the minimum requirements in full. Should you send us any additional items during the application we'll aim to update you within 5 working days from receipt.

Please note: you need to make sure any submitted items will still be in date whilst you are obtaining any outstanding requirements

Please review the personalised submission requirements for the application by clicking on the "Submission Checklist" tile on the My Broker Venue case hub. You will need to do this before it will let you submit the application to us. Make sure you enclose all of the required items when you upload the pack. You'll have to mark each one as completed on the check list tile so it should help you get it right first time.

Please Note: each item will be checked for inclusion, validity, accuracy and to ensure it is in date. If the item fails these checks then it will count as an 'outstanding item'.

2 Submitting an application

The following is what we would consider to be an ideal pack. This is not an exhaustive list, and you should refer to the personalised submission checklist for each case on My Broker Venue

- Applicant Declarations form
- Affordability Assessment/Debt Consolidation Declaration (if applicable) & Proof of Income
- Interest Only Declaration (if applicable)
- Lending into Retirement Declaration (if applicable)
- Buildings insurance certificate for the security address (except for purchases where building insurance must be provided at exchange of contracts)
- Proof of name and address (if EID fails and the checklist requests it)
- Direct Debit Mandate
- Electronic Disbursement Authority signed by all applicant(s)

3 Applicants

3.1 Address history

Minimum of 3 years address history is required for all applicants.

3.2 Age

The minimum applicant age is 18. For all mortgages the loan term should end before the applicants 80th birthday.

3.3 Number of applicants

The maximum number of applicants accepted on a case is 4.

3.4 Marital status

When an applicant is married, in a civil partnership, or are a couple living together in excess of 12 months (whether on the title or not) the application must be in joint names.

3.5 First time buyers

First time buyers are accepted on all products. They must have no declining unsecured credit.

3.6 Retired applicants

Retired applicants are accepted on all products. They must have no declining unsecured credit.

3.7 Lending in retirement- Retired Applicants

Retired applicants are accepted on all products. Where an affordability assessment is required, affordability must be assessed based on pension income and expenditure at the point of completion.

3.8 Lending into retirement-Employed/Self Employed.

For employed and self-employed applicants the Lending into Retirement Policy applies if the term of the mortgage exceeds the applicant's intended retirement age or the age of 70; whichever is earliest.

We may lend beyond the applicant's retirement age subject to the following:

If the applicant is greater than or equal to 10 years from the agreed retirement age then:

- The applicant must sign a Lending into Retirement Declaration to confirm they are aware the loan extends past their retirement age stating how they plan to meet repayments post retirement;
- Where pension income is intended to be used to meet payments post retirement then the existence of a plausible pension provision must be evidenced by sustained contribution into a pension by way of pay slips or current year's pension statement. If there is a concern over the level of pension payment being made then a full illustration of projected benefits may be required.

If the applicant is within 10 years of the agreed retirement age we may proceed on a referral basis only.

In addition to the above, a full assessment of affordability post retirement must be completed based on:

- The expected income post retirement;
- Expenditure may be adjusted to reflect known changes in income such as maturity of a first charge loan or other committed loan payments or a reduction in number of dependents.

Please ensure that the Affordability Assessment Form, affordability assessment post retirement form, lending into retirement declaration and any relevant proofs are sent as part of the referral.

If the applicant is retired at the point of funding affordability must be assessed based on pension income and expenditure at the point of completion.

3.9 Vulnerable applicants

A vulnerable applicant can be described as "someone who due to their personal circumstances may need additional help and support to understand or manage their finances."

Should you have any reason to believe that an applicant is vulnerable for any reason, perhaps they have declared they have a mental health issue, are recently bereaved or they appear to have difficulty in understanding the loan application process, then you should take additional care to ensure that they understand the transaction and make us aware if you have any concerns about them and their loan application. You are required to declare this via our data capture field on My Broker Venue.

3.10 Gifted deposits and gifted equity

Gifted deposits are only acceptable from the following close relatives of the applicant(s):

- Parent/Step-Parent/Parent-in-Law
- Sibling; Child/Step-Child/Son-in-Law/Daughter-in-Law
- Grandparent/Grandchild
- Aunt/Uncle

Gifted Deposit letters will be required on all applications, In addition to the signed letter, we need proof of identification from the Donor to include proof of name and proof of current residence but this does not need to be a certified copy.

Gifted Equity is by referral only. Not accepted where an applicant has declining credit

3.11 Non UK residents / passport holders

All applicants must be UK residents, except for consumer buy-to-let applications.

We are happy to proceed with applicants who have passports from the following countries who reside in the UK:

- Any EU country, Switzerland, Channel Islands, USA, Australia, Canada and New Zealand
- Any applicants who do not have a UK Passport or do not satisfy the above criteria are subject to underwriter referral
- All applicants must be UK residents and paid in pounds Sterling

3.12 Know Your Customer Requirements (KYC)

Together has implemented procedures to protect itself and others from financial crime.

It is a requirement that brokers and lenders verify identification for every customer. As part of that process we must take reasonable steps to establish that a customer is who he/she claims to be by obtaining sufficient evidence of identity.

Our system will perform Electronic Identification (EID) as part of the full application process. If the check fails, then we will request full KYC documentation from you, via the submission checklist. In cases where full KYC requirements are needed certified copies of documents will be acceptable from Accredited and FCA Authorised brokers. We will also accept documents certified by the applicant's solicitor provided they are registered with the Law Society.

Identification of the following nature is required if the application fails EID:

- Proof of Residency and Address
- Proof of Name

Acceptable forms of evidence to prove a customer's Identity

Document Type	Document requirements
Current signed UK/EU/EEA Passport	<ul style="list-style-type: none">• Must be currently valid and include customer's full name, date of birth, picture and signature.
Current signed Non UK/EU/EEA passport – must be accompanied with evidence of permanent right to reside in the UK	<ul style="list-style-type: none">• Must be currently valid and include customer's full name, date of birth, picture and signature.• Where the evidence of permanent right to reside is in an old passport, the old passport must also be provided.
Current EEA National Identity Card	<ul style="list-style-type: none">• Must be currently valid and include customer's full name, date of birth, picture and signature.
Current signed UK Travel Document (looks like a UK passport but states Titre de voyage')	<ul style="list-style-type: none">• Must be currently valid and include customer's full name, date of birth, picture and signature.• Further evidence of right to reside in the UK is not required.

Current UK/EU Photo Driving License	<ul style="list-style-type: none"> • Must be currently valid and include the customer's full name, date of birth, picture and signature. • Must be registered at the customer's <u>current</u> correspondence address. • May be used as evidence of Address or Name, but not both. • Full or provisional license accepted.
Current Full UK Driving License (old paper style)	<ul style="list-style-type: none"> • Must be currently valid and include customer's full name, date of birth and signature. • Must be registered at the customer's <u>current</u> correspondence address. • May be used as evidence of Address or Name, but not both. • Full license only accepted not provisional licenses.
HMRC Tax Code Notification (<i>this document confirms the tax code for the forthcoming tax year</i>)	<ul style="list-style-type: none"> • Must be issued by HMRC • Must include customers full name, current address and National Insurance Number or Date of Birth • A 45 or P60 is not acceptable • The document must be dated within the current tax year (normally issued in April each year) • May be used as evidence of Address or Name, but not both.
State Pension or Benefits Book/Notification Letter	<ul style="list-style-type: none"> • Must include customer's full name, current address and National Insurance Number or Date of Birth • The document must be dated within the current tax year • May be used as evidence of Address or Name, but not both.
Firearms certificate or Shotgun license	<ul style="list-style-type: none"> • Issued by the Police • Must be currently valid (normally valid for 5 years) • Must include customers full name, current address and picture.

Acceptable Forms of Proof of Residency

It is essential that each customer is able to prove that he/she currently resides at their stated residential address.

Document Type	Document requirements
Current UK/EU Photo Driving License	<ul style="list-style-type: none"> • Must be currently valid and include the customer's full name, date of birth, picture and signature. • Must be registered at the customer's current correspondence address • May be used as evidence of Address or Name, but not both. • Full or provisional license accepted.
Current Full UK Driving License (old paper style)	<ul style="list-style-type: none"> • Must be currently valid and include customer's full name, date of birth and signature. • Must be registered at the customer's current correspondence address. • May be used as evidence of Address or Name, but not both. • Full license only accepted not provisional licenses.
HMRC Revenue Tax Code Notification	<ul style="list-style-type: none"> • Must be issued by HMRC – this is the letter issued each year to confirm the individuals tax code for the following year • Must include customers full name, current residential address and National Insurance Number or Date of Birth • A P45 or P60 is not acceptable

	<ul style="list-style-type: none"> • The document must be dated within the current tax year (normally issued in April each year) • May be used as evidence of Address or Name, but not both.
State Pension or Benefits Book/Notification Letter	<ul style="list-style-type: none"> • Must include customers full name, current address and National Insurance Number or Date of Birth • The document must be dated within the current tax year • May be used as evidence of Address or Name, but not both.

Current Tax Awards Letter	<ul style="list-style-type: none"> • Such as Child or Working Tax Credits or Pension Credits • Must include the applicants full name, current residential address and National Insurance Number or date of birth • The document must be dated within and relevant to the current tax year (normally issued in April each year)
Current Council Tax Bill/Statement	<ul style="list-style-type: none"> • Must include the applicants full name • Must relate to the applicants current residential address (and not a Buy to Let property) • Must be dated within and relevant to the current tax year at the time of certification (normally issued in April) • Must not be printed off the internet
Mortgage Statement	<ul style="list-style-type: none"> • Must include the applicants full name • Must include the applicants current residential address • This must be the most recent statement and dated within last 12 months • Must not be printed off the internet
Bank/Building Society/Credit Card/Credit Union Statement	<ul style="list-style-type: none"> • Must include the applicants full name • Must include the applicants current residential address • Must be issued by a FCA/PRA regulated sector firm in the UK (or equivalent) • Must be dated within the last 3 months • Must not be printed off the internet or printed in branch • Must be a statement and not a letter such as in relation to overdraft increases
Utility Bill	<ul style="list-style-type: none"> • Gas, Electric, Water or Landline Phone only (not mobile or broadband bills) • Must include the applicants full name • Must include the applicants current residential address • Must be dated within the last 3 months • Must not be printed off the internet • Must be a full statement and not a letter such as in relation to an account being set up
Current Local Authority rent card or tenancy agreement	<ul style="list-style-type: none"> • Must include the applicants full name • Must include the applicants current residential address • Must be dated within the last 12 months

Certification of Documentary Evidence

Where the customer has not been physically present for identification purposes and/or it has not been possible to verify the customers identity via electronic means, identification and residency evidence must be copied and certified by an appropriately authorised person (see below). This certification must include:

- **confirmation that the documents are true copies of the originals¹;**
- **date of certification;**
- **the name of the person undertaking the certification and the firm they work for;**
- **the person undertaking the certification must be verifiable as a member of that firm;**
- **where a photograph is included and the person certifying the document has physically seen the customer and evidence, the words ‘true likeness of the applicant’ or similar must also be included on the certified copy, to confirm that the original photograph matched the presenter.**

Customer Due Diligence documents can be certified by an individuals who work for the following type of entities:

Entity Type	Verifiable By	Comments
FCA regulated company e.g. a Broker	FCA Register	Dependent upon size of the firm the individual may not be named on the register. Comfort may be taken that they are regulated.
Regulated Solicitor	Law Society/SRA	The solicitor must be named on the Law Society register and hold a current practicing certificate.
Licensed Conveyancer	Law Society CQS scheme; Council of Licensed Conveyancers (CLC)	Must appear on either list or hold a current practicing certificate.
Accountant	ICAEW, ACCA (or an alternative as detailed in the lending policy/standards)	The accountant must be subject to AML regulations and be verifiable on the relevant regulatory bodies’ website. The accountant must be registered with the relevant body.

4 Credit profile and demerits

4.1 Demerit points

Demerit points are defined as arrears, a CCJ or a default. For CCJs and default definitions please see individual product cards. Any CCJs or defaults that require an underwriter approval will count as a demerit.

Secured arrears are equivalent of 1 full calendar month payment. Arrears demerit points are defined as the highest number of arrears in the last 12 months on all first and second charge mortgages. Satisfactory explanations are required for all CCJs, Defaults, and arrears.

4.2 Declining unsecured credit

For purchases, right-to-buy & shared ownership applications, applicants must have no declining unsecured credit in the last 6 months.

For remortgages declining unsecured credit is accepted for downsizing and deeds cases only, otherwise applicants must have no declining unsecured credit in the last 6 months.

4.3 **Payday loans & home lender loans**

Applicants with more than one active payday loan will not be considered. The only exception to this that may be considered is where an applicant is a home mover and will be redeeming all credit from the sale proceeds of their existing property.

Right-to-buy and first time buyers with any settled or active payday loans within the last 12 months will not be considered.

Applicants with one active payday loan will be considered however the payday loan must be redeemed from our new mortgage (Remortgage and deed cases only).

4.4 **Debt management, bankruptcy, IVAs, & CVAs**

We do not accept applicants who are in an active Debt Management Plan for purchases, remortgages, right-to-buy, deeds, or shared ownership applications. We will accept applicants where a Debt Management Plan has been satisfied for at least 2 years.

Applicants in a Debt Arrangement Scheme (DAS) in Scotland are not accepted.

We do not accept applications where the applicant is in a Bankruptcy, IVA or CVA. If any applicant has been subject to a bankruptcy or IVA, this must have been satisfied for at least 6 years.

4.5 **Debt consolidation**

Clearing fixed term unsecured credit/CCJs and Defaults

For any unsecured fixed term credit/default or CCJ items being repaid from the loan (e.g. unsecured loans, HP agreements), up to date redemption statements to repay these items must be provided. These will need to be obtained and submitted with the full case for underwriting.

We will make electronic payments directly to the creditors to repay these loans if the creditor provides their bank details with the redemption statement, this must be on company letterheaded paper.

We will make cheque(s) payable to the creditors when bank details are not provided, to enable the applicant to promptly forward to the creditors in order to redeem and close the Account(s).

Clearing revolving credit e.g. credit cards

For revolving credit items such as credit cards, store cards and mail order two options are available.

Option A:

- Provide a recent full statement for each item of revolving credit being repaid, including the creditor(s) relevant bank details on company letterheaded paper.
- Where full statements are provided we will pay the balance of your revolving credit direct to the creditor(s) by electronic payment

Option B:

- Provide the full reference number for each item of revolving credit being repaid on the consolidation or affordability assessment form signed by the applicant.
- The reference numbers should be clear and legible if handwritten.
- We will make cheque(s) payable to the creditors for the applicant to promptly forward on to redeem and close the account(s)

Please note that up to date figures will be confirmed in the Binding Offer document issued to the applicant(s). It will remain the applicants' responsibility to meet any additional expenditure or liability that has been incurred but is not included in the figures stated in the Binding Offer.

4.6 **Ground rent and service charges**

Any significant service or ground rent arrears may be considered when assessing the customer's affordability of the new loan with us, and where there are concerns the loan may be rejected.

On right-to-buy applications we will also take into account any future costs or service charges that the applicant will be liable for within the affordability calculation.

4.7 **Previous mortgage or rental history**

If the applicant has a mortgage we will require proof of the last 12 months payment history.

For residential mortgage applications, if the applicant has been a private or public sector tenant then we will require proof from the landlord that the last 12 rent payments have been made.

5 **Income & Affordability**

5.1 **Income and affordability proof**

Proof of income is required for all applicants in all cases. In instances where the proof of income is the applicant's bank statements (including internet bank statements) please remember to cross reference any other items detailed in the bank statements to those stated for expenditure in the Affordability Assessment Form for accuracy.

5.2 **Employed income**

We will require proof of income from the current employer in all cases where the applicant is employed This can be in the form of pay slips or our "Employer's Confirmation" form if the required amount of pay slips cannot be provided. Please note when an applicant is paid in cash and cheque we will need an Employment Confirmation Form in all cases.

If the applicant receives pay slips they should include year to date totals, be computerised or printed and should confirm the applicant's name.

- If the applicant is paid monthly/4-weekly/fortnightly we require three of the last five pay slips
- If the applicant is paid weekly we require four pay slips from the last six weekly pay slips
- If the applicant does not receive pay slips then an Employers Confirmation must be provided, which is available on My Broker Venue

Bonuses paid to applicants on a quarterly /half yearly / yearly basis may be used and proof of bonus must be obtained. Please see the Affordability Assessment Guide for details.

We will also require confirmation of the applicants' previous 12 month employment details. There is no minimum time requirement with the current employer however the applicant will need to have been in continuous employment for the last 12 months. If an applicant has not been working, and/or has been claiming unemployment benefit, this will not be classed as continuous employment. If the applicant is starting their first job they must be in their current position for a minimum of 6 months.

5.3 **Self-employed income**

The minimum trading period for self-employed applicants is 12 months.

Applicants will be considered self-employed if they are a:

- Sole Trader (including those who subcontract on an individual or multiple basis)
- Partner who is currently in a Partnership or Limited Liabilities Partnership
- Shareholder in a Limited company owning 20% or more of any shares issued

Applicants who employ an accountant

If the applicant has an Accountant, we require an original copy of the Accountant's Certificate. This must be completed by an Accountant who holds a current practicing certificate and is a member of accepted accounting bodies. For details please see the current Accountant's Certificate.

This can be used providing the information provided is less than 6 months old.

If the information is greater than 6 months old then the lesser of the amount detailed in the Accountant's Certificate or the projected earnings will be used.

If the applicant's projected earnings are higher than those detailed on the Accountant's Certificate we will require a plausible reason for the increase in net income and confirmation that the increase is sustainable.

The Accountant can enter this information into the relevant section of the Accountant's Certificate.

Applicants who do not have an accountant

If the applicant doesn't have an Accountant then we will accept the applicant's last 2 SA302s provided the last SA302 is dated within the last 18 months. If we are using internet printed SA302s we will also require both Tax overviews to accompany these. The net monthly income will be calculated from the last SA302 and the previous one will be checked for sustainability of income.

We will also accept the last 2 100% Submitted Tax Calculations from HMRC along with the Tax Overviews provided the last Tax Calculation is dated within the last 18 months. The net monthly income will be calculated from the last Tax Calculation and the previous one will be checked for sustainability of income.

If the applicant doesn't have an Accountant, or is unable to provide 2 SA302s, they will need to employ the services of an Accountant, who can then provide an Accountant's Certificate.

5.4 Using additional rental income for residential mortgages

Where the applicant has additional background Buy to Let properties we need account for the tax position on these as part of the overall affordability. We will need a copy of the AST for each property the applicant owns.

The total monthly rental income for all Buy to Let properties should be captured under rental income in the affordability assessment.

In addition to this you will need to complete the total annual taxable income including rental field on the affordability assessment form.

In the credit commitment section under mortgages and secured loans you will need to indicate any Buy to Let mortgages in the charge type section by selecting the BTL option from the drop down menu.

Once all the above information has been captured the affordability calculator will take the Buy to Let properties into account and display the outcome.

Where an applicant has a rental property which is jointly with another party who is not associated with our application, please refer to an underwriter.

5.5 Retired applicants

The net monthly income for the relevant income is calculated using the following method:

Private pensions are accepted as income, with the following proof required:

- Annual pension - the last annual award statement or P60
- Monthly pension - two private pension payslips dated within the last three months

If the applicant doesn't have the requirements above, the following are acceptable:

- Annual pension – bank statement showing the amount credited
- Monthly pension - two bank statements dated within the last 3 months which shows the credit to their account

State Pension, Pension Credit, Disability Living Allowance, Child Tax Credit, Working Tax Credit, Child Benefit, Widowed Parent's Allowance, Carer's Allowance, and Attendance Allowance are also accepted as income, with the following proof required:

- Award statement for the current year, or
- Two bank statements dated within the last three months

5.6 Temporary contract workers

Applicants on a fixed term, long term, or renewable contract will be considered on a referral basis. Evidence of their contract must be provided in conjunction with the required relevant proof of income. Short term contracts are not acceptable.

5.7 Zero hours contracts

Applicants on zero hours contracts are accepted provided they have been in their current employment for a minimum of 6 months. 6 months pay slips are required as proof of income. Applicants in a probationary period will not be accepted.

5.8 Unemployed applicants

Incapacity Benefit and Employment and Support Allowance after 2008

Accepted, with the following proof required:

- Award letter dated within the last six months, or
- Two bank statements dated within the last 3 months, with confirmation that it will continue to be awarded throughout the term of the loan

Benefits for Children

Accepted in the following circumstances:

- The income will not cease during the term of the loan, as the children may attain an age during the term of the loan that makes them ineligible for the benefit
- The applicant provides a letter detailing a satisfactory and plausible explanation that they can sustain the payments once the benefit ceases

Child maintenance

Accepted in the following circumstances:

- Arrangements must be made via the Child Support Agency (CSA) or by Court Order
- The terms of the arrangements must be assessed by the broker before submitting the case to the lender
- In both arrangements the ages of the children must be established and the terms of the CSA Agreement or Court Order reviewed to assess for future affordability as the terms may vary

A certified copy of the CSA Agreement or Court Order must be provided as proof of income

Industrial Injuries Benefit/War Pensions

Accepted, with the following proof required:

- Award letter dated within the last 6 months, or
- Two bank statements dated within the last 3 months

Job Seekers Allowance/Income Support/Employment and Support Allowance

Only accepted as income for the second or subsequent applicant where the first applicant is working and is a joint owner of the security.

ESA is accepted for single applicants where they are in receipt of Personal Independence Payment (PIP).

Unacceptable benefits

The following benefits are not accepted:

- Bereavement Allowance
- Bereavement Payments
- Health in Pregnancy
- Sure Start Maternity Grant

This list is not exhaustive – please refer any applications that have not been detailed above as we may be able to accept them.

5.9 Assessing affordability

An affordability assessment may be required for all residential mortgages. It is important that the broker and the lender assess an applicant's affordability thoroughly to ensure that they can afford the loan both now and in the known future.

As well as assessing an applicant's income and expenditure there are three key elements that need to be considered:

- Is the income or expenditure stated plausible?
- Is the loan payment affordable now?
- Is the loan payment sustainable for the period of the loan?

We will assess all applications against our automated affordable model in the first instance. If the outcome of this assessment passes then no further information will be required. If the outcome fails, then we will request that you provide customer stated expenditure.

Automated affordability model

Our affordability calculator will now assess the applicant(s) income and expenditure against our automated affordability model before requiring you to provide customer stated expenditure. This is using the Office of National Statistics data combined with household demographic and location. There are only two outcomes:

Automated Pass

If the outcome of the assessment passes, then there will be no further information required from the applicant(s) and you will not have to provide line by line expenditure items. The applicant(s) do not need to sign a paper affordability assessment form. If the applicant(s) are consolidating any items of credit from the advance they will need to sign the "Debt Consolidation Declaration".

Automated Fail

If the outcome of the assessment fails, you will need to 'Opt-In' to providing customer stated expenditure. A full affordability assessment will be required and the customer will be required to sign this form to confirm their expenditure. This will be assessed by our underwriting teams as part of our standard process.

Plausibility

All expenditure declared by applicants should be a realistic reflection of their general spending. You should advise the applicant to use bills, invoices and receipts to help them complete the affordability assessment. Where the expenditure appears unrealistic or lower than we would expect, we will require a plausible explanation from the applicant as to why their expenditure appears to be low for that particular item.

We reserve the right to contact an applicant to confirm their declared expenditure for plausibility to enable the loan to proceed.

Income

Income, in UK currency only, must be appraised to ensure that it appears to be relevant to the occupation that has been stated by the applicant, particularly for self-employed applicants. Employment and accountant verification calls may be required and may be completed by the Underwriter.

Sustainability

It is essential that an applicant can afford the loan throughout the whole term. It is important therefore that the income they have declared will be sustainable for the whole term of the loan, taking into account the monthly cost of their debt may rise and other household emergencies may happen during the term of the loan.

Using benefit income

Where the term of the proposed agreement will extend beyond the period in which the applicant will receive particular benefits (e.g. Child Tax Credits) the applicant should provide a plausible explanation as to how the income will be replaced or any expenditure related to them benefit will be no longer required.

The explanation will be assessed for sustainability and plausibility and in some cases we may require proof.

6 The loan

6.1 Disbursement of funds

Funds are disbursed using next day BACS payment method as standard. Disbursements to a solicitor are always sent via Telegraphic Transfer with no charge.

6.2 Execution Only

Execution only is accepted for the following reasons:

- Rejected advice
- High net worth
- Mortgage professional
- Business loans

Execution only is not accepted for right-to-buy, debt consolidation, or regulated bridging applications.

6.3 **Maximum loan amounts**

Purchases & remortgages

Maximum loan amount includes the net loan amount, lender acceptance fees, and all broker/intermediary/third party fees that are added to the loan.

Any fees that are prepaid by the applicant are not included in the maximum loan amount.

Right-to-buy & shared ownership

Maximum loan amount includes the net loan amount only.

Lender acceptance fees, insurances, broker/intermediary/third party fees, and any fees that are prepaid by the applicant are not included in the maximum loan amount.

Any fees that are prepaid by the applicant are not included in the maximum loan amount.

6.4 **Loan purpose**

Any legal purpose is accepted however this must be clearly detailed on the application/enquiry form on day 1 as the purpose may affect the terms and conditions applied to the loan. Should Together establish at any stage that the incorrect documentation has been issued, we will request that the correct documentation be issued and the relevant regulation be applied.

6.5 **Loan term**

All residential mortgage contracts are available on terms from 3 to 40 years.

6.6 **Loan to value (LTV)**

Purchases & remortgages

LTVs are based on the open market value (OMV) or purchase price, whichever is the lower.

Maximum LTV includes the net loan amount plus any broker/intermediary fees; any fees that are prepaid by the applicant are not included in the maximum LTV.

Right-to-buy

LTVs are based on the OMV. Maximum LTV includes the net loan plus any broker/intermediary fees; any fees that are prepaid by the applicant are not included in the maximum LTV.

Shared ownership

LTVs are based on the OMV multiplied by the applicants' share. Maximum LTV includes the net loan only as long as gross loan is covered by Mortgagee Protection Clause (MPC); any fees that are prepaid by the applicant are not included in the maximum LTV.

6.7 **Repayment types**

Capital & interest

All products are available on a capital and interest repayment basis.

Interest only

Interest only is available across selected products and is strictly subject to the plausibility of the repayment strategy:

Acceptable repayment strategies are the sale of owner occupied property (downsizing) and/or the sale of a second UK property, where there is sufficient equity to make this strategy plausible.

Other repayment strategies that may be considered include tax free cash from a suitable pension plan, endowment policies, and stocks & shares ISAs. Proof may be required.

The following repayment strategies are not accepted – sale of property to move into a rental property, cash savings (including cash ISA), switching to a capital repayment mortgage, remortgage, inheritance, increase in house prices, sale of property abroad and sale of business.

An Interest Only Declaration form must be completed by the customer and will be assessed by an Underwriter.

6.8 **Qualifying contracts**

All properties must be greater than 40% residential use.

6.9 Responsible Lending

If a client is remortgaging it must be in the client's best interests and to their benefit.

Please check the following before submitting your application:

- It must be evident to us that the customer's financial position is stable or improving
- The expenditure stated on the affordability assessment form should be reflected from any evidence you have seen such as bank statements before submitting the case to us

We would expect the stated expenditure and affordability to reflect the last 12 months credit profile; for example, we wouldn't expect low expenditure and a high relative MAMR if the customer is using payday loans, they are not servicing current credit commitments, or they have credit card balances which are close to their credit limits.

These circumstances may suggest that the stated expenditure is inaccurate as the credit profile infers that there is a strain on their current affordability and you should review this with all the evidence that you have and challenge the customer where their responses do not seem plausible.

7 Properties

7.1 Acceptable securities

All property structures, including land, are considered in England, Scotland and Wales.

7.2 Buildings Insurance

You must submit the current buildings insurance policy for the security address(es) prior to offer. For purchases, this must be obtained at exchange of contract and supplied prior to completion.

7.3 Property types

For definition of property types please see individual plans for details.

7.4 Ex-council properties

England & Wales - ignore all pre-emption.

Scotland – we do not lend on ex-council properties in Scotland within the pre-emption period.

We will only lend a maximum of the discounted purchase price within the first 12 months of the pre-emption period

7.5 Ground Rent and Service Charges

On right-to-buy applications we will also take into account any future costs or service charges that the applicant will be liable for.

7.6 Self-build properties and developments

Self-build properties and developments are accepted strictly by underwriter approval only and each application is considered on its own merits. Applicants must have NHBC, Zurich or Premier Guarantee, or Architect's Certificates along with a copy of the architect's indemnity details. Stage advances for self-build properties are not considered.

7.7 Tenure

A minimum of 50 years must be remaining at the end of the loan term for all leasehold properties.

7.8 Valuations

Our free valuation scheme is available on all residential mortgage applications; your underwriter will instruct a full valuation, AVM or drive by valuation once they have assessed the application and it meets our lending criteria.

If the property is currently for sale with an estate agent, please supply a copy of the sales particulars along with the valuation.

8 Fees and charges

8.1 Broker fees

Broker fees may be charged on all residential products and must have been agreed with the applicant.

8.2 Procuration Fee

Details of commissions will be automatically populated on the Mortgage Illustration (ESIS)

8.3 Early repayment charges

Selected residential products have early repayment charges, please see product plans for details. (overpayments of up to 5% of the completion balance can be made each year during any early repayment charge period)

8.4 Lender acceptance fee

Lender acceptance fees are paid by applicant and may be added to the loan. Please see individual product plans for details of lender acceptance fees.

8.5 Prepaid fees

Where an applicant requests to pay any of the lender fees as detailed in the Mortgage Illustration (ESIS) up front, we will contact them prior to completion for payment. All fees include VAT where applicable.

If the applicant has requested to pay any other fees up front (e.g. broker or third party fees) this will be by separate arrangement with the relevant third party involved.

8.6 Redemption Administration Fee

On redemption a fee of £150 is charged for all residential products.

8.7 Title insurance & solicitors costs

Title insurance is not charged on any residential products.

Applicants are responsible for paying their own legal costs. Together legal costs are not charged on residential products.

9 Legal advice

9.1 Solicitors to Witness and Advise

Independent legal advice should be recommended to all customers and will be required in all instances on the types of applications listed below:

- Loan amount > £150k (gross)
- Applicant(s) aged 70 years or older
- Parent and Child Borrowers
- English is not the applicants first language
- The mortgage / loan is for business purposes and the business only relates to one of the applicants
- Divorced/separated couples
- Some Purchases and Transfers of Equity

The solicitor giving advice should be registered with the Law Society. The solicitor must explain the terms and conditions of the mortgage offer and legal charge, witness the legal charge and complete the solicitors advice certificate.

If the applicant(s) do not speak English as their first language in addition to the above the solicitor should confirm advice has been provided in the applicant(s) first language and establish that the applicants will have support throughout the life of the loan to help interpret any correspondence we may send to them.

9.2 Solicitors acting

Where a solicitor has been instructed to act for an applicant, the solicitor must have 2 or more partners within the practice and 5 or more years of law society membership. If the solicitor does not meet these requirements please refer to the underwriter.

Solicitors must act for the applicant in the following instances (this list is not exhaustive):

- Loan >£250,000 (gross)
- Transfer of Equity
- All property purchases

10 Fraud prevention

Cases will be reviewed for the purpose of identifying potential fraud. This will include income and valuation fraud. Should, in our opinion, any case you present be deemed to be fraudulent the case will be rejected and action taken, which will ultimately result in your Accreditation being revoked.

11 Underwriter referral

We will consider applications that don't meet our standard criteria. Our system will highlight these for referral and we will review these cases within 2 working days. If you would like to talk to us about an unusual case before using My Broker Venue, please call us on 0161 933 7170.

12 Contact us

For new enquiries, help with getting a Decision in Principle, or a query about My Broker Venue, call us on

0161 933 7100

Broker Relationship Team

brokerrelations@togethermoney.com

For updates on a full application you've submitted to us:

Underwriting Relationship Team

Call: 0161 933 7042

Email: urm@togethermoney.com