ROYAL LONDON

Underwriting criteria

Core product range



Lifetime Mortgage product overview

Our Core product range has been designed to meet the needs of homeowners across England, Wales and Scotland, with flexible underwriting and 10 years of Early Repayment Charges. The key information about this product is outlined below:

Standard product

Our Core product allows an applicant to borrow a minimum of £10,000 across England, Wales, and Scotland.

The minimum property value is £125,000 (£150,000 if an ex-local authority property) and maximum is £2,000,000 in England and £1,000,000 in Wales and Scotland.

Drawdowns are available on both products.

Premier product

Our Premier product is available for properties in England and is designed for properties worth over £2,000,001, with no maximum property value.

The minimum loan amount is £100,000 and loans over £2,000,000 are subject to approval.

Product eligibility

Our products are available to applicants who:

- Own (or are purchasing) a property in England. Our Standard product is also available for properties in Wales and Scotland. The property must be the applicant's main residence.
- Are at least 55 years old and up to 84 years and 364 days (we can accept joint applications for homeowners over this age, providing the youngest applicant meets this criteria).
- Have the right to permanently reside in the UK.



Get in touch with our equity release specialists

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01752 858 222
accountmanagement.er@royallondon.com

Property criteria

*Case-by-case situations are to be evaluated on individual contingencies.

Property type

Acceptable	Unacceptable	Case-by-case
Freehold houses and bungalows.	Freehold flats unless the applicant also owns the leasehold.	–
Absolute ownership (Scotland).	Possessory titles which cover the property and/or majority of the plot.	–
Leasehold flats, maisonettes and studios.	Flying freehold over 15% of the total floor area.	–
Leasehold houses and bungalows where local authority is not freeholder.	Properties with restrictions on occupancy.	–
Flying freehold up to 15% of the total floor area. Where the property is a modern coach house above garages or a vehicular access way, flying freehold criteria does not apply.		–

If a property is leasehold, the following minimum lease terms apply:

Youngest applicant age	Minimum lease term remaining at application
55-60	125 years
61-65	119 years
66-70	114 years
71-75	109 years
76-80	104 years
81+	100 years

Construction

Acceptable	Unacceptable	Case-by-case
Cavity with outer walls of brick/block/stone (can be rendered).	Mundic.	–
225mm solid brick or stone.	PRC.	–
Post 1970 timber frame with brick/stone/rendered blockwork.	Pre-1970 timber frame (unless pre 1900 period style).	–
Partial timber cladding acceptable up to 50% of property.	Timber framed, majority timber clad properties.	–
Period timber frame pre 1900.	Steel frame houses and bungalows.	–
Post 2000 steel frames.	Steel frame flats built pre-2000.	–
Poured in situ no fines construction (built post 1940).	Laing Easiform solid concrete wall construction (pre-1940).	–
Wattle and Daub.	LPS houses/bungalows/flats.	–
Cross wall construction (built post 1960).	Prefabricated properties.	–
Laing easi-form cast in situ cavity wall construction (built post 1940).	Modern methods of construction (MMC).	–
Clay lump construction (e.g. Norfolk clay lump).		

Roof

Acceptable	Unacceptable	Case-by-case
Pitched tile/slate.	Roofs treated internally or externally with coatings/foam after original construction.	–
Thatched roof of reed or straw, provided they are in good condition.	–	–
Flat roof up to 100% on LTV 1-3.	–	–
Flat roof up to 50% of habitable areas on LTV 4 upwards.	–	–
Spray foam applied during construction of property provided BBA approved, guaranteed and building certificates are available.	–	–
	–	–

Flats and maisonettes

Acceptable	Unacceptable	Case-by-case
Flats/maisonettes acceptable in blocks up to 4 storeys in height.	Ex-local authority flats.	Studio flats.
–	Tyneside flats.	Blocks greater than 4 storeys can be considered but only if the property is considered to be in an affluent or prestigious area.
–	–	
	–	

LTV to be calculated based on 85% of the value.

Ground Rent and service charges

Acceptable	Unacceptable	Case-by-case
Service charge is equal to or less than £2,500 outside of London.	Ground rent which increases over and above the retail price index (RPI)	Service charge is more than £2,500 outside of London.
Service charge is equal to or less than £3,500 inside of London.	–	Service charge is more than £3,500 inside of London.
Increasing ground rent is acceptable if it doubles every 25 years and falls within the acceptable parameters.	–	Ground rent over 0.25% of property value.
Ground rent equal or below 0.25% of the property value.	–	–
	–	

Rent and estate changes

Acceptable	Unacceptable	Case-by-case
Rent charge under £25.	Third party management companies/agents	Rent charges over 0.1% of the property value.
Estate rent charges up to 0.1% of the property value.		

Solar panels

Acceptable	Unacceptable	Case-by-case
Solar panels owned by the borrower.	–	Leased solar panels.

Location and infrastructure

Acceptable	Unacceptable	Case-by-case
Small overhead lines such as telephone lines.	Properties above or directly attached to commercial premises.	Properties where commercial premises are visible from the property.
Smaller sub-stations located on residential streets.	Properties where the valuer indicated that saleability will be affected by proximity to infrastructure or commercial premises such as railways etc.	–
–	Close proximity to high voltage apparatus such as pylons and sub stations.	–
–		–

Business use

Acceptable	Unacceptable	Case-by-case
One room used as a home office/study.	–	Properties (including outbuildings and plot) used for commercial or business purposes depending on the type of business.
	–	

Acreage

Acceptable	Unacceptable	Case-by-case
Standard products - properties with up to 5 acres of land.	Standard products - properties with more than 5 acres of land.	–
Premier products - no limit on acreage but only the property itself and the immediate surrounding formal gardens (up to 5 acres) will be valued.	–	–
	–	–

Drainage

Acceptable	Unacceptable	Case-by-case
Private drainage e.g septic tanks.	–	Shared drainage between more than 4 properties. There must be a formal agreement in place for access and maintenance.
Shared drainage e.g septic tanks between up to 4 properties. There must be an formal agreement in place for access and maintenance.	–	
	–	
	–	

Annexes

Acceptable	Unacceptable	Case-by-case
Acceptable providing there are no more than two units (main residence and annexe). The annexe can have its own living areas and must be on the same title and council tax as the main residence.	Annexes which are let out.	–
Annexes with shared servies and utilities (gas, electricity, water etc).	Annexes with a separate title and/or separate council tax.	–
Annexes occupied by relatives.	–	–
	–	–
		–

Un-adopted/unmade roads

Acceptable	Unacceptable	Case-by-case
Unadopted or unmade roads in good condition.	Unadopted or unmade roads in bad condition.	–
–	Unmade roads that serve as a through road.	–

Listed properties

Acceptable	Unacceptable	Case-by-case
Grade 2 Listed/Grade C (Scotland) properties are acceptable provided there is a market for the property in the locality and is in good condition.	Grade 1.	–
	Grade 2*.	–
	Grade A (Scotland).	–
	Grade B (Scotland).	

Flooding

Acceptable	Unacceptable	Case-by-case
Acceptable - Flood checks are carried out on every application received. We use a specialist flood risk analysis platform to provide accurate current data. We allow for results up to 20% risk score.	Flood score over 20%. Properties which have flooded in the last 5 years. Properties with a history of flooding relating to surface water.	Properties which flooded more than 5 years ago are acceptable, provided that the flooding is classed as an isolated event and insurance can be obtained under normal terms. Must be no more than 20% flood score.

Applicant criteria

*Case-by-case situations are to be evaluated on individual contingencies.

Bankruptcy

Acceptable	Unacceptable	Case-by-case
Discharged bankruptcy over 6 years ago.	Undischarged bankruptcy - Discharged bankruptcy within last 6 years.	–

IVA

Acceptable	Unacceptable	Case-by-case
Completed IVA over 6 years ago.	Outstanding IVA - Completed IVA within last 6 years.	–

Debt management plan

Acceptable	Unacceptable	Case-by-case
–	Outstanding debt management plan.	–

CCJs

Acceptable	Unacceptable	Case-by-case
No more than 3 satisfied CCJs within the last 5 years.	Greater than 3 unsatisfied CCJs with a combined total of £3,000 or greater.	–
No more than 3 unsatisfied CCJs with a combined total of £3,000. The customer must be willing to settle the CCJs by or upon completion of the loan.	–	–
	–	

Tenants/lodgers

Acceptable	Unacceptable	Case-by-case
Maximum of two lodgers, including those with formal agreements providing notice to end is less than one month. An occupancy waiver form must be signed by all lodgers.	Properties with tenants with an assured shorthold tenancy agreement.	–
	–	–
		–

Defaults

Acceptable	Unacceptable	Case-by-case
No more than 3 defaults with a combined total of £10,000 or less, provided there is a satisfactory reason for the default(s) and the customer is willing to settle the default(s) by or upon completion of the loan	More than 4 defaults, no matter the value Total defaults in excess of £10,000.00 Unwilling to settled any defaults	–

Arrears

Acceptable	Unacceptable	Case-by-case
Credit account is > 2 payments in arrears the account must be consolidated at completion or can demonstrate they will be substantially better off each month where they are reducing other debts.	Not willing to consolidate or will not be better off each month	–

Charging orders

Acceptable	Unacceptable	Case-by-case
No more than 3 charging orders, with a combined total of £3,000	Charging orders with total excess £3,000	–

Tenants in common

Acceptable	Unacceptable	Case-by-case
Tenants in common, no maximum split.	–	–

Power of attorney

Acceptable	Unacceptable	Case-by-case
Court of protection stamped power of attorneys. Lasting power of attorney/ Enduring power of attorney.	Power of attorney who is party to the Lifetime Mortgage. Joint applicants where one applicant is power of attorney for the other.	– – –

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