

Lending criteria

Principal product



Lifetime Mortgage product overview

Our Principal product 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:

Get in touch with our Business Development Team

For any further information about eligibility, or our products in general, our dedicated Business Development Team are on hand via phone and email to support you.

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Principal product

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

The maximum loan amount will be based on LTV and age of the customer.

Product eligibility

Our product is available to applicants who:

- Own (or are purchasing) a property in England (including the Isle of Wight), Wales or mainland Scotland. The property must be the applicant's primary residence.
- Are at least 55 years old and up to 89 years and 364 days (we can accept joint applications for homeowners over this age, providing that the youngest applicant meets this criteria).
- Have the right to permanently reside in the UK.





Loan to value (LTV) table

Age	LTV %	Age	LTV %
55	22.75	73	40.75
56	23.75	74	41.75
57	24.75	75	42.75
58	25.75	76	43.75
59	26.75	77	44.75
60	27.75	78	45.75
61	28.75	79	46.75
62	29.75	80	47.75
63	30.75	81	48.75
64	31.75	82	49.75
65	32.75	83	50.75
66	33.75	84	50.75
67	34.75	85	50.75
68	35.75	86	50.75
69	36.75	87	50.75
70	37.75	88	50.75
71	38.75	89	50.75
72	39.75	90	50.75

Property criteria

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

Property type			Construction		
Acceptable	Unacceptable	Case-by-case	Acceptable	Unacceptable	Case-by-case
Freehold houses and bungalows.	Freehold flats unless the applicant also owns the leasehold.	–	Cavity with outer walls of brick/block/stone (can be rendered).	Mundic.	–
Absolute ownership (Scotland).	Possessory titles which cover the property and/or majority of the plot.	–	225mm solid brick or stone.	PRC.	–
Leasehold flats, maisonnettes and studios.	Flying freehold over 15% of the total floor area.	–	Post 1970 timber frame with brick/stone/rendered blockwork.	Pre-1970 timber frames (unless pre 1900 period style).	–
Leasehold houses and bungalows where local authority is not freeholder.	Properties with restrictions on occupancy.	–	Partial timber cladding acceptable up to 50% of property.	Steel frame houses and bungalows.	–
Flying freehold up to 15% of the total floor area.		–	Period timber frame pre 1900.	Laing easi-form solid concrete wall construction (built pre 1940)	–
		–	Post 2000 steel frames.	LPS houses/bungalows/flats.	–
		–	Poured in situ no fines construction (built post 1940).	Modern methods of construction (MMC).	–
		–	Wattle and Daub.		–
		–	Cross wall construction (built post 1960).		–
		–	Laing easi-form cast in situ cavity wall construction (built post 1940).		–

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

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 1-18.	–	–
Flat roof up to 50% of habitable areas on LTV 19-40.	–	–
Spray foam applied during construction of property provided BBA approved, guaranteed and building certificates are available.	–	–

Ground rent and service charges

Acceptable	Unacceptable	Case-by-case
Service charge up to £1,500 outside of M25.	Ground rent which increases over and above the retail price index (RPI)	Service charge over £1,500 outside of M25.
Service charge up to £2,500 inside of M25.	–	Service charge over £2,500 inside of M25.
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.	–	–

Flats and maisonettes

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

Rent and estate changes

Acceptable	Unacceptable	Case-by-case
Rent charge under £25.	–	Rent charges over 0.1% of the property value.
Estate rent charges up to 0.1% of the property value.	–	

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

Solar panels

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

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.	–

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.	–

Acreage

Acceptable	Unacceptable	Case-by-case
Properties with up to 5 acres of land.	Properties with more than 5 acres of land.	–
–	–	–

Drainage

Acceptable	Unacceptable	Case-by-case
Private drainage e.g septic tanks.	–	Shared drainage on an estate of housing between more than 4 properties. There must be a formal agreement in place for access and maintenance and regular payments.
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 services and utilities (gas, electricity, water etc).	–	–
Annexes occupied by relatives.	–	–

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).	– – –

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.	–

Flooding

Acceptable	Unacceptable	Case-by-case
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

Discharged bankruptcy over 6 years ago.

Unacceptable

Undischarged bankruptcy - Discharged bankruptcy within last 6 years.

Case-by-case

–

IVA

Acceptable

Completed IVA over 6 years ago.

Unacceptable

Outstanding IVA - Completed IVA within last 6 years.

Case-by-case

–

Debt management plan

Acceptable

–

Unacceptable

Outstanding debt management plan.

Case-by-case

–

CCJs

Acceptable

No more than 3 satisfied CCJs within the last 5 years.

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.

Unacceptable

Greater than 3 unsatisfied CCJs with a combined total of £3,000 or greater.

–

–

Case-by-case

–

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–

Tenants/lodgers

Acceptable

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.

Unacceptable

Properties with tenants with an assured shorthold tenancy agreement.

–

Case-by-case

–

–

–

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	<p>More than 4 defaults, no matter the value</p> <p>Total defaults in excess of £10,000.00</p> <p>Unwilling to settled any defaults</p>	–

Charging orders

Acceptable	Unacceptable	Case-by-case
–	Charging orders are not acceptable with the Principal product.	–

Tenants in common

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

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	–

Power of attorney

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



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