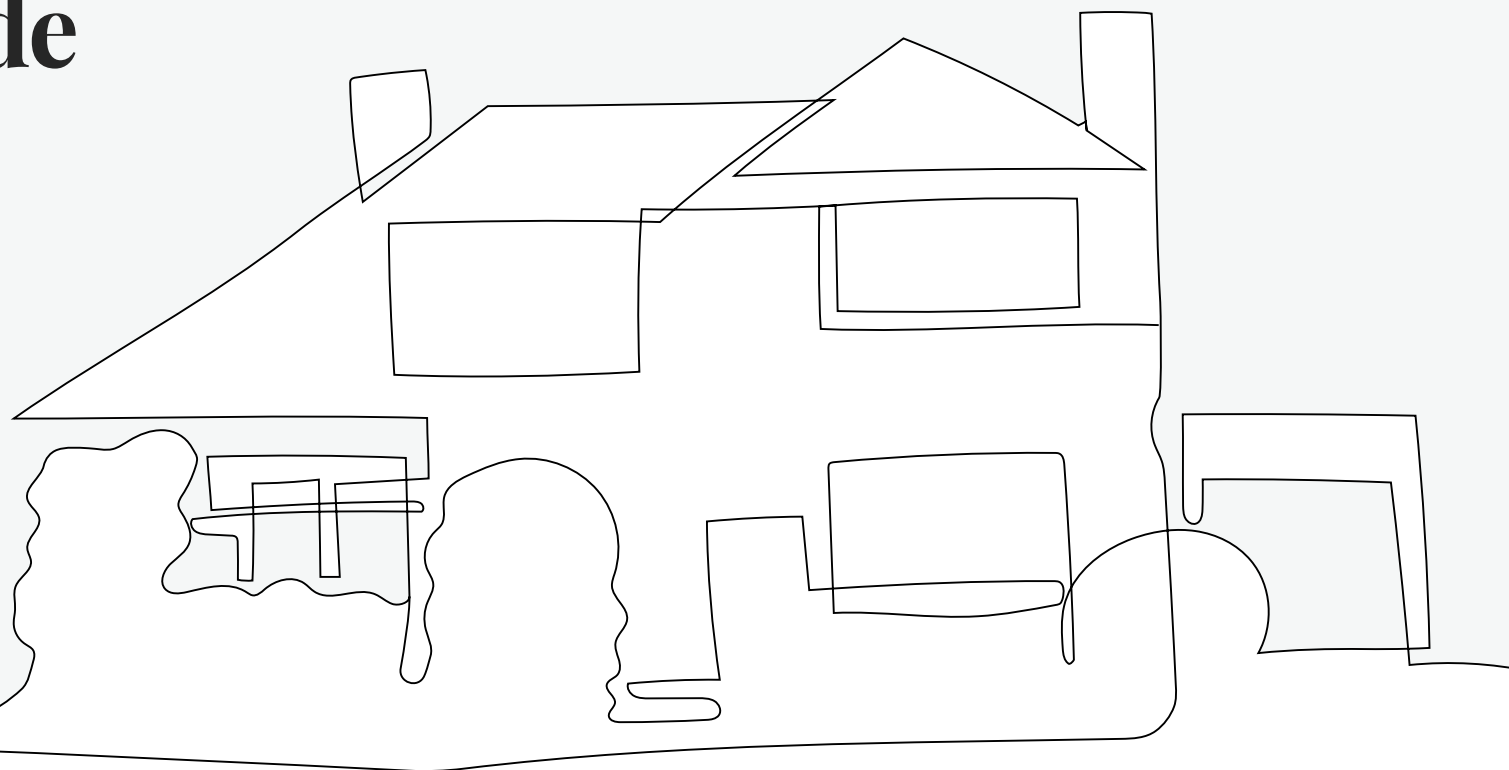


RESIDENTIAL

# Second Charge Mortgage Product Guide

JUN 2021



# Residential Second Charge Mortgage Rates



## Key Features

No credit scoring  
AVMs up to 65% LTV  
Unsecured credit status 1 + 2 ignored  
CCJs/defaults under £300 or over 3 years ignored



## Key Features

Max age 85 at term  
Retained profit considered  
Contract workers from 3 months in role

| PLAN                          | MS00                       | MS0      |
|-------------------------------|----------------------------|----------|
| Maximum LTV                   | 70%                        | 70%      |
| Minimum loan                  | £10,000                    | £10,000  |
| Maximum loan                  | £150,000                   | £150,000 |
| <b>PRODUCT TYPE</b>           |                            |          |
| 2 Year fixed                  | 4.44%                      | 5.34%    |
| 5 Year fixed                  | 4.89%                      | 5.65%    |
| Reversion Rate*               | 5.25%                      | 5.75%    |
| Lifetime Variable*            | 4.19%                      | 4.64%    |
| MBAVR+/-                      | -1.06%                     | -0.61%   |
| Lender fee                    | £495                       | £495     |
| <b>CREDIT PROFILE</b>         |                            |          |
| Total Units                   | 0 in 24                    | 0 in 12  |
| Worst Status Mortgage Arrears | 0 in 24                    | 1 in 12  |
| Worst Status Unsecured Credit | 1 in 24                    | 2 in 12  |
| Unsatisfied CCJs/defaults**   | 0                          | 1        |
| Mortgage History              | 12 months history required |          |
| Debt Management Plans         | Satisfied > 24             |          |
| IVA/Bankrupt/ Sequestration   | Satisfied/discharged > 36  |          |

## EARLY REPAYMENT CHARGES

Lifetime Variable: 2% Year 1, 1% Year 2  
2 Year Fixed: 2% in Year 1, 1% in Year 2  
5 Year Fixed: 2% in Year 1, 1% in Years 2,3,4,5

## PROCURATION FEE

2% of the NET advance, subject to a maximum of £5000

## UNIT DEFINITION

1. A unit is defined as:

- 1 missed mortgage payment
- 1 unsecured credit account > £300 where the worst status is 3 or more – regardless of whether the account has subsequently settled
- 1 CCJ/default > £300 whether satisfied or not

2. We ignore CCJs/defaults that are:

- Less than £300
- Older than 36 months
- Incurred in months 12-36 which are now satisfied (24-36 on MS00)

\*\*Unsatisfied CCJs/defaults > £2,500 by referral

\* Lifetime Variable and Reversion Rates change by tracking the movement in the Masthaven Bank Administered Variable Rate (MBAVR) which is currently 5.25%

# Residential Second Charge Mortgage Criteria

## THE LOAN AND APPLICANT

|                              |   |
|------------------------------|---|
| Minimum age                  | 21 employed, 25 self-employed   |
| Maximum age                  | 85 at term. No maximum age on application but anything over 70 at start is subject to referral and independent legal advice   |
| Maximum number of applicants | 2   |
| Residency                    | Applicants must have resided in the UK for a minimum of 3 years <ul style="list-style-type: none"> <li>• UK Citizens</li> <li>• EU citizens – proof of identity and Settled Status required</li> <li>• Worldwide nationals – proof of identity, residency and evidence of rights to remain required</li> </ul>  |
| Minimum income               | £12,500 for the main applicant in their main job  |
| Location                     | England, Wales and mainland Scotland  |
| Purpose                      | <ul style="list-style-type: none"> <li>• Business purpose</li> <li>• Car purchase</li> <li>• Debt consolidation – subject to cheques being issued in the name of the creditor, at the time of the application, the total value of unsecured debt must be no greater than the customer(s)' total annual income, all unsecured debts must be operating within their agreed credit limit, and the loan must be on capital and interest repayment.</li> <li>• Gift to a family member</li> <li>• Home improvements/maintenance</li> <li>• Investment/holiday property</li> <li>• Purchasing a time share</li> <li>• Transfer of equity – subject to a legal fee of £350 to cover associated legal work</li> </ul> |
| Minimum term                 | 3 years   |
| Maximum term                 | 35 years  |
| Repayment                    | Capital and interest  |
| Overpayments                 | Maximum of 10% of the balance at the start of the mortgage year before ERC apply as detailed in the mortgage illustration   |



## EMPLOYMENT AND INCOME

| EMPLOYED                    |  | CONTRACTOR                 |  |
|-----------------------------|--|----------------------------|--|
| Time employed               | 3 months and probation period completed  | Calculation                | Day rate x 5 x 46  |
| Evidence                    | 3 x payslips monthly, 4 x payslips weekly  | Minimum time contracting   | 3 months   |
| Bonus/ Commission/ Overtime | Not accepted   | Minimum contract remaining | 3 months or evidence of renewal                                  |
| Shift allowance             | 100% if guaranteed   | Gaps allowed               | 4 weeks in last 12 months  |
| Car allowance               | 100% if guaranteed   | Evidence                   | Contract and 3 most recent payslips, invoices or bank statements |
| Location allowance          | 100% if guaranteed   |                            |  |
| SELF-EMPLOYED               |  |                            |  |
| Minimum trading             | 18 months  |                            |  |
| Evidence                    | <b>LTD COMPANY/PARTNERSHIP</b><br>2 years' full signed accounts (not abbreviated) audited if available supported by either:<br>2 years' SA302s/tax calculations with corresponding HMRC tax overview statements<br>OR<br>An accountant's reference completed by the applicant's accountant<br><br><b>SOLE TRADER</b><br>2 years' SA302s/tax calculations with corresponding HMRC tax overview statements<br>AND<br>An accountant's reference completed by the applicant's accountant |                            |  |

## THE PROPERTY

|  |  |
|--|--|
| Minimum value  | £100,000   |
| Minimum ownership                                    | 6 months   |
| Tenure   | Freehold, Leasehold subject to 75 years remaining at start of term and 50 years at the end   |
| Hometrack Automated Valuation Model (flats excluded) | Accepted on properties subject to a maximum valuation of £1m and: <ul style="list-style-type: none"> <li>• Minimum confidence level 5 – maximum loan of £100,000 and 60% LTV</li> <li>• Minimum confidence level 6 – maximum loan of £150,000 and 60% LTV</li> </ul>   |
| Unacceptable properties                              | <ul style="list-style-type: none"> <li>• Commercial properties/live-work units/ semi-commercial properties</li> <li>• Concrete houses which are listed as defective under 1984 Housing Defects Act</li> <li>• Farms or small holdings</li> <li>• Flats above premises classed as use Eb or Sui Generis</li> <li>• Flats located on the 4th floor or above where the property is not serviced by a lift</li> <li>• Flying freehold where the % exceeds 10% of the overall floor space</li> <li>• Freehold flats/maisonettes</li> <li>• Grade 1 listed buildings (grade A in Scotland)</li> <li>• Mobile homes</li> <li>• Properties affected by an agricultural restriction</li> <li>• Properties affected by an invasive growth such as Japanese Knotweed</li> <li>• Properties classed as uninhabitable</li> <li>• Properties containing asbestos in the main walls</li> <li>• Properties containing mundaic block materials unless classified as class A1</li> <li>• Properties located on contaminated land</li> <li>• Properties with greater than 5 acres</li> <li>• Properties with possessory title</li> <li>• Properties where the valuer has recommended a retention, which cannot be ignored</li> <li>• Sale and rent back properties</li> <li>• Shared ownership</li> <li>• Studio flats that are less than 30 square metres – MB will only lend if the property has self-contained facilities</li> </ul> |

# Second Charge Highlights

-  No credit scoring
-  Low ERC's
-  First time contractors
-  No age limit on application  
Maximum age 85 at end of term
-  Unsecured credit status  
1+2 ignored





## Key Contacts



### Jon Sturgess



Head of Sales  
South East & London

 07535 591 947  
 jon.sturgess@masthaven.co.uk



### John Smith



National Account Manager  
East Anglia, Kent & London

 07932 569 261  
 john.smith@masthaven.co.uk



### Laura Sneddon



National Account Manager  
Nationwide

 07432 496 232  
 laura.sneddon@masthaven.co.uk



### Wes Baker



Business Development Manager  
North & North Wales

 07498 072 660  
 wes.baker@masthaven.co.uk



### Jez Quinn



Business Development Manager  
Midlands

 07377 996 722  
 jez.quinn@masthaven.co.uk



### David Owen

Business Development Manager  
South West, South Wales & Scotland

 07377 992 284  
 david.owen@masthaven.co.uk

## Want to talk through a case?

Speak to one of our Lending Specialists:

 020 7036 2020

 mortgages@masthaven.co.uk

