

# Residential Mortgages

Full Lending Criteria Guide – valid from 10 December 2018

## Loan

<b>Maximum loan</b>	Maximum loan is dependent on the product type and LTV, please refer to the Product Guide.
<b>Purpose</b>	Purchase or Remortgage Help to Buy: equity loan – new build purchase only  A purchase transaction involving a property that was previously sold within the last 6 months is not acceptable. (This will not apply when the property is being purchased from a housebuilder that acquired the property in a part-exchange transaction).
<b>Minimum term</b>	10 years
<b>Maximum term</b>	35 years
<b>Minimum loan</b>	£25,000

## Applicants

<b>Maximum applicants</b>	2 applicants
<b>Minimum age</b>	21 years
<b>Maximum age</b>	70 years at end of mortgage term
<b>Lending into retirement</b>	Where there is a request for the term to extend beyond the expected retirement date, the applicants must provide details of how they plan to maintain the required mortgage payments into retirement.
<b>Married applicants</b>	Applications are expected to be in joint names where an applicant is in a legally sanctioned relationship (i.e. married or in a civil union). Joint owners of a property must both be applicants on a remortgage application.
<b>Mortgage / secured loan conduct</b>	Details of any mortgage(s) held or redeemed in the last 12 months will be required. Evidence of conduct will be required for any current mortgages which do not appear on the credit search. Performance history must be available and will be assessed on at least 50% of the declared mortgages. Aldermore will accept the latest mortgage statement, which must be supported with bank statements showing the payments from the date of the mortgage statement up to the application date.
<b>Direct Debit</b>	Payments to the mortgage account are to be made monthly by Direct Debit from a bank account in the applicant's name. Direct Debit mandates in limited company names are not acceptable.

**Aldermore**

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## Repayment method

<b>Repayment types accepted</b>	Capital repayment available on all products Interest only available on our Standard Mortgage Range up to 75% LTV
<b>Interest only proof of repayment strategy</b>	Applicants must have a suitable repayment strategy in place in order to fully repay the outstanding mortgage balance at the end of the term. Acceptable repayment strategies are: <ul style="list-style-type: none"> <li>· Cash ISA or other savings</li> <li>· Stocks, Shares, ISA or other liquid investment</li> <li>· Endowment policy</li> <li>· Pension (Personal, Executive or Employed pension plan)</li> <li>· Downsizing / sale of main residence – a minimum £175,000 equity (£300,000 in London and the South East) is required at the start of the mortgage</li> <li>· Sale of another mortgaged property</li> <li>· Other repayment strategies, including sale of other assets and occasional payments from income will be considered</li> </ul> <p>Sale of property or other assets held in a foreign currency is not acceptable.</p> <p>Interest only Repayment Strategy Declaration Form will be required. This will require the applicants to clearly set out the repayment strategy and amount(s) to be used.</p>

## Remortgage

<b>Remortgage period</b>	Remortgages within the first six months of the original purchase date are not normally acceptable.
<b>Remortgage from short term finance</b>	Remortgaging out of short term finance provided by other lenders will be subject to the length of ownership. <b>Less than 6 months:</b> restricted to the amount required to repay existing facility plus 100% of documented improvement cost, subject to ownership period of at least 1 month. <b>Greater than 6 months:</b> capital raising allowed over and above the sum required to redeem the short term finance, based on any enhanced value of the property.
<b>Remortgage from a cash purchase</b>	Remortgage when the property was purchased as a cash transaction can be considered subject to ownership period of at least 1 month and is restricted to 100% of documented improvements costs. This does not include the initial cash amount to purchase the property. Greater than 6 months, capital raising allowed based on the enhanced value of the property
<b>Capital raising</b>	<ul style="list-style-type: none"> <li>· For property related purposes can be considered up to a maximum LTV of 90% (excluding fees)</li> <li>· For non-property related purposes can be considered, up to a maximum LTV of 75% (excluding fees)</li> <li>· Capital raising for payment of taxes and consolidation of debts that have not been maintained satisfactorily is not permitted</li> </ul>

## Deposit

<b>Vendor gifted deposit</b>	Not accepted
<b>Sales incentives provided by house builder</b>	Acceptable (up to 85% LTV) for builder cash value incentives, including builder gifted deposits and the payment of legal costs and stamp duty. The inclusion of white goods, floor coverings /curtains / blinds and the upgrade of kitchen / bathroom in the sale of a new build are also acceptable. The maximum value of the sales incentive should not exceed 5% of the purchase price. Over 85% LTV sales incentives are only acceptable if they relate to white goods, carpeting and curtains.
<b>Builder part exchange transactions</b>	Accepted up to 85% LTV
<b>Gifted deposits</b>	Acceptable in purchase transactions (excluding purchase at under-value from family members) where the deposit, or part of the deposit, is being funded by a non-repayable gift from a close relative. Close relative is defined as a parent, child, grandparent, brother, sister, uncle/aunt, foster parent or legal guardian and includes step relatives. In cases of a gifted element of deposit, a letter must be provided by the solicitor acting in the mortgage transaction confirming that the gift is non-repayable and that no charge will be registered on the security property as a result of the gift.
<b>When submitting proof of deposit ensure that:</b>	<ul style="list-style-type: none"> <li>· Evidence is provided in the form of bank or building society statements or pass book in the applicants name</li> <li>· Any documentation provided is supplied in its original form without any kind of blanking out or alteration</li> <li>· The documentation shows that sufficient funds are available, how the deposit has been built up and any lump sum transactions are explained</li> </ul>

## Transaction

### Deed of gift and transfer at undervalue

If the price being paid for the property is less than the full market value, the solicitor acting in the mortgage transaction will be asked to confirm that the property is not subject to a transfer at undervalue or a deed of gift. Deed of gift is defined as a transfer of interest in a property from the owner to another without money or other consideration being exchanged in return for that interest. If there is such a transaction taking place or has taken place within the last 5 years, the solicitor must confirm to Aldermore that an acceptable defective title indemnity will be obtained. A transfer from single to joint ownership does not require indemnity if the transfer is simultaneous with completion. Following the deed of gift the person making the gift must not continue to reside in the property.

### Purchase at undervalue

Only considered when the property is being purchased from a close relative. The vendor must not reside in the property after completion. The maximum loan will be based on purchase value and limited to a maximum of 75% of the market valuation and no more than 95% of the purchase price (with applicant to provide 5% deposit).

## Residential Let-to-buy

### Definition

Applications can be considered for the purchase of owner-occupied property, up to a maximum 80% LTV, where an existing owner-occupied residential property will not be sold and instead be let. The deposit must be from the applicants own resources, including any additional borrowing raised from the existing mortgage, and the letting must be on a formal recognised tenancy basis. If the existing mortgage is not with Aldermore a copy of the Consent to Let offer from the existing lender must be obtained.

### Affordability/serviceability

Rental income for the existing property should meet the Interest Cover Ratio (ICR) hurdles stated in the Buy to Let lending criteria. Rental income should be confirmed by a reputable letting agent (i.e. Members of Association of Residential Letting Agents (ARLA), The Property Ombudsman scheme or The Royal Institution of Chartered Surveyors (RICS), if this is not available from a valuation report.

If the property to be rented will not be self-supporting the shortfall between the rental income and the amount required to meet affordability requirement must be included as a commitment in the residential affordability calculation.

## General

### We do not lend on:

- Second charge mortgage
- Borrowing funds to satisfy CCJ, IVA and Bankruptcy Orders
- Applicant with any default recorded on a credit commitment in the last 12 months, a single default of more than £300 recorded in the last 13-36 months or more than 1 default recorded in the last 36 months.
- Property being acquired under an assignable contract
- Property being purchased through an assisted purchase scheme (other than acceptable Government Help to Buy schemes)
- Property being purchased with the assistance of a local authority grant
- Loans for purchase of a property under Right to Buy
- Remortgage applications of a property previously purchased under Right to Buy and within the five year pre-emption period
- Applicant that has Power of Attorney for another joint applicant
- Applicants with diplomatic immunity
- Applicants employed on a commission only basis, unless applying jointly with another applicant and income is not being taken into consideration
- Applicants with seasonally based job (e.g. crop picker/holiday rep), or piece-workers, unless applying jointly with another applicant and income is not being taken into consideration
- New build properties where a bulk purchase discount is given or where the property is purchased off plan (i.e. not yet built)
- Properties in Northern Ireland, Channel Islands, Scottish Islands, Isle of Man and the Scilly Isles

## ID and Residence

### Summary

Aldermore uses an electronic identity verification system that checks application data against a variety of public databases. If electronic verification does not pass the expected threshold then proof of identity and residency, as appropriate, will be required.

### Proof of ID acceptable documents

- Valid UK Passport
- Valid UK Driving Licence – Photo card (Full or Provisional)
- Valid Non UK passport or National ID Card
- HM Forces / Police Warrant Card
- Firearms certificate or shotgun licence
- Identity card issued by the Electoral Office for Northern Ireland
- HM Revenue & Customs correspondence – relating to current tax year

<b>Proof of residence acceptable documents</b>	<ul style="list-style-type: none"> <li>· Utility bill</li> <li>· Full driving licence</li> <li>· Bank or credit card statement</li> <li>· Latest Council Tax bill Current HM Revenue &amp; Customs demand or notice of coding</li> </ul>
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<b>Ensure that the documentation is:</b>	<ul style="list-style-type: none"> <li>· Valid and in date (statements and utility bills must be no older than 90 days old)</li> <li>· Certified as a true copy (and likeness if photo ID)</li> <li>· Signed and dated by an approved certifier (FCA/PRA authorised introducer or a professional person covered by Anti Money Laundering Legislation (AML) with their name printed)</li> </ul>
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## Nationality

<b>UK and EU nationals</b>	<p>Applicants must be UK or EU nationals and have been continuously resident in the UK for the last 2 years. Aldermore will not lend to UK nationals who are not resident (ex-pats).</p> <p>The following will be considered as resident:</p> <ul style="list-style-type: none"> <li>· Crown employees, including members of the diplomatic service, working overseas</li> <li>· Members of the British armed forces stationed overseas</li> </ul>
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<b>Non UK and EU nationals</b>	<p>We can consider non-UK and EU nationals providing they have been resident in the UK for the last 2 years and also have a non-conditional and permanent right to reside (i.e. Indefinite leave to enter / remain rights of abode)</p> <p>An applicant with less than 2 years' UK residency is acceptable if applying jointly with another principal applicant who:</p> <ul style="list-style-type: none"> <li>· is a UK or EU national;</li> <li>· satisfies the UK residency requirements; and</li> <li>· can afford mortgage based solely on their income</li> </ul>
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## Affordability

<b>Affordability and income</b>	<p>Aldermore uses an affordability calculation to assess the maximum supportable loan given the income and expenditure information provided by the applicant. At least one applicant must be either employed, or self-employed, or in receipt of a pension. The sum total allowable income for applicants to the mortgage must be at least £10,000 per year.</p> <p>Login to the Aldermore Application Processing System to access Affordability calculators:  <a href="http://www.aldermore.co.uk/login-centre">www.aldermore.co.uk/login-centre</a></p>
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## Employed Income Verification

<b>History</b>	<ul style="list-style-type: none"> <li>· The applicants position must be permanent</li> <li>· The applicants must not be under notice of termination or redundancy</li> <li>· The applicants must be able to demonstrate a minimum of three months record of employment immediately preceding the mortgage application in the same line of work</li> </ul>
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<b>Acceptable income from employment</b>	<p>100% of the following income types are accepted:</p> <ul style="list-style-type: none"> <li>· Basic salary from employment (including income from second job)</li> <li>· London or large city / town allowance</li> <li>· Shift allowance</li> <li>· Car allowance</li> <li>· Housing allowance</li> <li>· Mortgage subsidy</li> <li>· Teaching and learning responsibility payments (if TLR1 or TLR2)</li> </ul> <p>50% of the following income:</p> <ul style="list-style-type: none"> <li>· Profit Related Pay</li> <li>· Overtime</li> <li>· Bonus</li> <li>· Commission</li> <li>· Bank nursing (average for the 3 months immediately prior to application)</li> </ul>
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<p><b>Benefit income</b></p>	<p>Up to 50% of benefit income:</p> <ul style="list-style-type: none"> <li>· Universal Credit</li> <li>· Working Tax Credits (WTC)</li> <li>· Child Tax Credit (CTC)</li> <li>· Income-related Employment &amp; Support Allowance (ESA)</li> <li>· Contribution-based Employment &amp; Support Allowance if in the 'Support Group'</li> <li>· Incapacity Benefit</li> <li>· Severe Disability Allowance</li> <li>· Industrial Injuries Disablement Benefit (IIDB)</li> <li>· Disability Living Allowance (DLA)</li> <li>· Personal Independence Payment (PIP)</li> <li>· Carer's Allowance</li> <li>· Constant Attendance Allowance</li> </ul> <p>Aldermore will not accept any income derived from other forms of state benefit that are not listed above.</p>
<p><b>Other income accepted</b></p>	<ul style="list-style-type: none"> <li>· Income from trust funds</li> <li>· Occupational pension income</li> <li>· Guaranteed income payments under the Armed Forces Compensation Scheme</li> <li>· War widows or widowers pension</li> <li>· War disablement pension</li> <li>· State pension (not acceptable where state pension is the only source of income)</li> <li>· Investment income</li> <li>· Rental income (where supported by accounts or SA302s)</li> <li>· Maintenance Payments (if CSA/ court order enforceable and supported by 6 months bank statements)</li> <li>· Foster Care Income (if supported by a track record of payment for at least 2 years prior to application, evidenced by SA302s)</li> </ul>
<p><b>Verification of employed income</b></p>	<p>The following is required:</p> <ul style="list-style-type: none"> <li>· last month's payslip prior to application (subject to YTD figure evidencing last 3 months<sup>1</sup>); and</li> <li>· latest P60 or March year-end payslip (to evidence total earnings for previous year).</li> </ul> <p><sup>1</sup>In the event that the latest payslip doesn't provide evidence of the past 3 months income then additional payslips/evidence of income will be requested to support the application.</p> <p>or</p> <ul style="list-style-type: none"> <li>· A Reference from the current employer</li> </ul> <p>Hand-written documents will not be acceptable and bank statements may be requested in support of poor quality references or payslips.</p>
<p><b>Contract employment</b></p>	
<p><b>Contract workers</b></p>	<p>Applications from individuals that are employed on a contract basis including contractors employed on a daily rate basis, are acceptable subject to the following:</p> <ul style="list-style-type: none"> <li>· The current contract must be for a period of at least 6 months</li> <li>· If the contract has more than 6 months to run the applicant must have been employed for a minimum of 12 months in the same line of work</li> <li>· If the contract has less than 6 months to run the applicant must have a 2 year track record of employment within the same line of work</li> <li>· It is acceptable for applicants to be paid via an umbrella company, which pays tax and NI for the applicant</li> <li>· Original or certified copies of the current and previous contracts will be required to confirm that contract period meets criteria</li> </ul>
<p><b>Professional sports people</b></p>	<p>Where applicants are self-employed the standard policy relating to self-employment will apply. However, if the professional sportsperson is employed on a contract they must have been playing or competing professionally for at least two years and the current contract must have at least 1 year still to run. Additional income earned from endorsements will be considered if this can be evidenced. For applicants who are coming towards the end of their professional career it will be necessary to provide a satisfactory explanation, including supporting evidence, of how they intend to support the mortgage post career.</p>

## Self-employed

### Minimum trading period

Accounting information for at least 2 years is normally required, although an applicant with 1 year's accounting information can be considered if the applicant:

- Has no history of payment arrears, defaults, CCJs or other adverse information in the last 3 years on personal and business credit search; and
- Has a track record in the trade; or is
- Able to demonstrate guaranteed income within the next accounting period; or
- The business is an ongoing concern and sustainable; or is
- Able to provide management accounts for at least the first 6 months of the current financial year
- If appropriate, VAT returns for the two previous quarters are to be supplied
- Personal and business bank statements for at least the previous 3 months
- Income will be based on profit or salary/dividends. Generally, if income is stable or increasing the annual income for the most recent year may be used. If income is variable an average of the annual income will be used.

Over 85% LTV:

- For applications over 85% LTV at least 2 years' accounting information is required

### Classification

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

1. Sole traders'
2. General Partnership
3. Director – private limited company (if 25% or greater shareholding)
4. Director – public limited company (if 25% or greater shareholding)

- An applicant who is employed on a subcontractor basis will be classed as a sole trader
- If the applicant's shareholding of a limited company is less than 25% they will normally be classified as being an employee of the company
- Where joint applicants are directors of the same private limited company and their joint shareholding is greater than 25% of the company they will be treated as self-employed

### Verification of Self-employed income

- Sole trader – use net profit
- Partners – use share of net profit
- Limited Company Director – use Directors remuneration, dividend and share of retained profit

Requirements:

- Up to two years Self-Assessments (SA302's)/Tax Calculations & HMRC Tax Year Overviews

Financial accounts or an accountant's reference (prepared or certified by a qualified accountant) may be requested in addition to support the information in the above documentation including the use of retained profits.

### 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 may be acceptable.

### Accountants qualifications

- Aldermore will only accept accounts or accountant's certificates from practitioners with one of the following qualifications:
- Institute of Chartered Accountants (England or Wales) (ICAEW) can use the following letters: ACA & FCA
- Institute of Chartered Accountants (Scotland) (ICAS) can use the following letters: CA
- Chartered Accountants Ireland (CAI) can use the following letters: ACA & FCA
- Chartered Association of Certified Accountants (ACCA) can use the following letters: ACCA or FCCA
- Chartered Institute of Management Accountants (CIMA) can use the following letters: ACMA or FCMA
- Association of Authorised Public Accountants (AAPA) can use the following letters: AAPA or FAPA
- Association of Accounting Technicians (AAT) can use the following letters: MAAT or FMAAT
- Chartered Institute of Taxation (CIOT) can use the following letters: CTA
- Association of International Accountants (AIA) can use the following letters: AAIA/FAIA
- Institute of Financial Accountants (IFA) can use the following letters: AFA/FFA

## Property

<b>Summary</b>	<ul style="list-style-type: none"><li>· Aldermore must have a first charge over the property</li><li>· The security must be used for owner occupied residential purposes only</li><li>· No tenancies will be accepted</li><li>· No sub-letting will be accepted</li><li>· There must be no local authority approval for the use of the property for any purpose other than residential</li><li>· Full vacant possession must be obtained at completion</li><li>· Rooms used as an office/study readily able to be restored for residential use will be acceptable if they form no more than 20% of the property</li><li>· Where a property has been altered for multi-occupation it must be converted back to single occupation prior to completion and will be subject to re-inspection</li><li>· Granny annexes will be considered as long as the immediate family of the applicant will be in occupation</li></ul>
<b>Occupancy</b>	Security property must be the applicant's main residence. For Help to Buy: equity loan – Security property must be the applicants only dwelling wherever situated and cannot have a personal interest in any other property including Buy-to-Let or second homes.
<b>Location</b>	England (including the Isle of Wight), Wales (including Anglesey) and mainland Scotland. Help to Buy: equity loan – England only (including the Isle of Wight) London Help to Buy scheme covers 32 London Boroughs and the City of London.
<b>Minimum valuation</b>	£60,000
<b>Tenure</b>	Freehold (heritable title in Scotland) or leasehold (with 60 years unexpired at completion and 40 years at end of mortgage term). However, if the solicitor confirms a lease is shorter than 85 years at the start of the mortgage the valuation will be referred back to the valuer, as this may impact the property value.
<b>Other occupants</b>	Anyone aged 17 or more at the time of completion, who is shown on the application to be living in the property and is not an applicant in the mortgage, will be required to sign a deed of consent surrendering interest in the security property. In addition, solicitors will be required to ask for additional occupants, should any be revealed who are absent in the mortgage application they too will be required to sign a deed of consent.
<b>Acceptable covenants</b>	Restrictive covenants will be acceptable in following circumstances: <ul style="list-style-type: none"><li>· Section 106 (75 in Scotland) agreement that restricts purchase to individual living and/or working in a specified area that is:<ul style="list-style-type: none"><li>– one of the 353 recognised councils in England</li><li>– one of the 32 recognised Scottish local authorities</li><li>– one of the 22 recognised Welsh unitary authorities</li></ul></li><li>· Right of First Refusal (RFR) for social landlords to buy back homes purchased under Right to Buy (Section 156 Agreement)</li></ul> Any properties which are subject to a Section 106 or Section 75 agreement are not eligible for the Help to Buy Equity Loan scheme. Where the property is subject to such a restriction this must have been taken into consideration by the valuer

## New build properties

<b>Definition</b>	"New build" is defined as instances where our clients are buying a property from a builder / developer directly.
<b>New build houses</b>	Accepted up to product maximum LTV
<b>New build flats</b>	Accepted up to product maximum LTV

<b>Guarantees/certificate</b>	<p>Properties built within the last ten years must hold an acceptable guarantee/certificate. Acceptable guarantees/certificates include:</p> <ul style="list-style-type: none"> <li>· Build Assure</li> <li>· Build Life Plans</li> <li>· Build Zone</li> <li>· Castle 10 (Checkmate)</li> <li>· CRL (Construction Register Limited)</li> <li>· Local Authority Building Control (LABC)</li> <li>· NHBC certificate,</li> <li>· Premier Guarantee</li> <li>· Zurich Municipal Policy</li> <li>· ICW</li> <li>· Global Homes Warranties</li> <li>· Advantage</li> <li>· Protek</li> <li>· Capital Warranties</li> <li>· Q Assure</li> <li>· Aedis</li> </ul> <p>A certificate which states the property was built under the supervision of a person belonging to one of the following:</p> <ul style="list-style-type: none"> <li>· fellow or member of the Royal Institution of Chartered Surveyors (FRICS or MRICS)</li> <li>· fellow or member of the Institution of Structural Engineers (F.I.Struct.E or M.I.Struct.E)</li> <li>· fellow or member of the Chartered Institute of Building (FCIOB or MCIQB)</li> <li>· fellow or member of the Architecture and Surveying Institute (FASI or MASI)</li> <li>· fellow or member of the Chartered Association of Building Engineers (FCABE C.Build E or MCABE C.Build E)</li> <li>· member of the Chartered Institute of Architectural Technologists (formally British Institute of Architectural Technologists) (MCIAT)</li> <li>· an architect registered with the Architects Registration Board (ARB). An architect must be registered with the Architects Registration Board, even if also a member of another institution, for example the Royal Institute of British Architects (RIBA)</li> <li>· fellow or member of the Institution of Civil Engineers (FICE or MICE).</li> </ul> <p>In addition to the above qualifications, at the time the certificate of practical completion is issued, the consultant must have professional indemnity insurance in force for each claim for the greater of either: the value of the property once completed; or £250,000 if employed directly by the borrower or, in any other case, £500,000. Please note that the warranty must also be fully transferable to Aldermore and retrospective warranties are not acceptable.</p>
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## Ex-public sector properties

<b>Definition</b>	Local authority, housing association, Ministry of Defence, etc.
<b>Houses</b>	<p>Accepted up to product maximum LTV, subject to the following conditions:</p> <ul style="list-style-type: none"> <li>· No outstanding pre-emption requirement to repay a proportion of the discount</li> <li>· Valuer indicating that there is evidence of a meaningful level of private ownership within the estate</li> <li>· The property being of standard construction</li> </ul>
<b>Flats and maisonettes</b>	<p>Can be considered up to 75% LTV, subject to the following conditions:</p> <ul style="list-style-type: none"> <li>· Minimum property value of £100,000 (£200,000 in Greater London)</li> <li>· No outstanding pre-emption requirement to repay a proportion of the discount</li> <li>· Maximum of 3 floors above the ground floor</li> <li>· Secure communal access with no balcony access arrangements</li> <li>· Valuer indicating that there is evidence of a meaningful level of private ownership within the estate</li> <li>· The property being of standard construction</li> </ul>

## Other property types

<b>Multiple-exposure</b>	When lending to applicants who own or will own multiple units in a development or within a small geographic area the LTV will be restricted. Please contact your Business Development Manager for further guidance.
<b>Properties with land/outbuildings</b>	Normal lending terms apply to properties up to six 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. Aldermore will require our charge to be registered on the property and all the land, splitting of title to avoid our full registered charge is not acceptable.



### Underpinned properties

Properties that have been underpinned in the last ten years must have a 10 year guarantee from a reputable company warranting the works completed and this must be placed with the title deeds. The valuer must also state that there is no sign of new movement. Aldermore will require the solicitors to confirm in writing, prior to completion, that the buildings insurers are aware of the problem and are willing to cover on normal rates and terms.

### Japanese Knotweed

The assessment of Japanese Knotweed must be undertaken by an experienced professional member of the Property Care Association. The RICS framework for invasive species categorises risk into 5 bands, categories 1, 2 and 3 are acceptable to the Bank, however category 3 cases may require further investigation to determine absolute acceptability. If the property has a historic record of Knotweed but has been successfully treated and eradicated with an acceptable guarantee we may consider on its merits – subject to the original infestation being more than 25 metres away from the property itself. For a guarantee to be acceptable it must:

- Protect against future intrusion and infestation for a minimum of 10 years.
- Be property specific
- Be transferable and exchangeable to subsequent owners/mortgagees.

### Property types we do not lend on

(Please note this list may not cover all property types, so if you have any questions about what we will lend on, please contact your BDM for more information.)

Property with Planning Use Classes Order other than C3(a)(b)(c)

- Property subject to a shared ownership deed
- Property with pre-emption clauses in existence
- Mobile homes
- Houseboats
- Property for letting
- Property licensed as an HMO
- Multi-unit freehold
- Property held on a Commonhold basis
- Freehold flat or freehold maisonette (freehold coach houses are acceptable subject to survey)
- Property where a flying freehold exists and affects more than 25% of the total floor space
- Property with the following restrictive covenants:
  1. Property restricted to agriculture or equestrian use
  2. Purchaser(s) must be living and/or working in a small geographical area (e.g. specific parish), which is not in the list of acceptable areas
  3. Purchaser(s) must be in housing need
  4. Purchaser(s) cannot afford to purchase on the open market
  5. Purchaser(s) having income less than a certain amount
  6. Property ownership restricted to specified age group e.g. retirement homes
  7. Limit on mortgage payment as a proportion of income
  8. Fixed capital values i.e. a property cannot be sold for more than the purchase price into perpetuity or a value cap is implemented
- Serviced flat/apartment
- Studio flat and/or flat with a total floor area of less than 30sq meters
- Flats in a block without a lift are acceptable, as long as our security is not more than 3 floors above ground level (this doesn't apply for ex-public sector flats)
- Prefabricated building and unrepaired PRC construction
- 100% Flat roofed or shallow mono-pitched houses (purpose built blocks of flats will be considered subject to survey and confirmation that the service charge includes repairing and maintenance of the roof)
- Property listed as defective under the 1984 and 1985 housing acts unless rebuilt to NHBC standards and with appropriate guarantees. (The adjoining properties must also have been repaired to the same standard).
- Wimpey No-Fines (if constructed prior to 1946 or bungalow or flat)
- Laing Easiform construction (if constructed prior to 1966 or bungalow or flat)
- Property where high alumina or Mundic block cement has been used in the construction
- Timber framed property that does not have a brick or "block and rendered" outer skin
- Steel framed constructions except post-1987 construction within BBA or WIMLAS certification
- Property constructed using concrete Large Panel System (LPS)
- Property on which there is a local authority grant outstanding
- Live/work units

### Property types we do not lend on continued.

(Please note this list may not cover all property types, so if you have any questions about what we will lend on, please contact your BDM for more information.)

- Property with an anticipated lifespan of less than twenty-five years beyond the end of the mortgage term and/or where the condition significantly affects marketability
- Property with no kitchen or more than two kitchens
- Property with no bath/shower room
- Property which has shared access where a relative of the applicant resides in the other property
- Property which has any shared services with any adjoining or adjacent property which does not form part of our security
- Property which has internal door locks and/or separate utility services
- Property which is being bought from the applicant's own limited company
- Grade 1 listed or Scottish equivalent Grade A listed security
- Farms, smallholdings, or properties with agricultural restrictions in place
- Properties where a flying freehold exceeds 25% of the total internal habitable floor area
- Property in which high alumina cement has been used in the construction
- Any property determined as unacceptable security by the appointed valuer
- Properties less than 10 years old without acceptable guarantees or equivalent supervision certificates
- Properties built post-2009 where there is a flooding risk
- Single skin properties (extensions are acceptable up to 20% of the total area of the property)
- Essex construction
- Crofting properties
- Crane construction (considered on merits if the property has had a replacement roof since practical completion)
- Timber crosswall construction (considered on merits if brick / block clad)
- Swedish timber with polystyrene render
- Properties constructed / managed by Seven Capital
- Hempcrete construction
- Cornish construction
- Cob wall construction
- Properties where there is a lack of appropriate planning permission or building regulation approval
- Properties where the condition significantly affects marketability required under an assignable contract / 'flip'
- Properties which have shared connected services with any adjoining or adjacent property not in security, excludes mutual services
- Properties with a pre-exemption clause in existence / right to buy
- Part flat roofed properties / flat roofed extensions (considered on merits of sub 30% of total floor area)
- Properties with a total site coverage above 6 acres

### London and the South East area is defined below

**Greater London:** E (East London), EC (Central London), N (North London), NW (North West London), SE (South East London), SW (South West London), W (West London), WC (West Central London).

**South East:** BN (Brighton), BR (Bromley), CT (Canterbury), CR (Croydon), DA (Dartford), GU (Guilford), HA (Harrow), HP (Hemel Hempstead), KT (Kingston upon Thames), ME (Medway), OX (Oxford), PO (Portsmouth), RG (Reading), RH (Redhill), SL (Slough), SM (Sutton), TN (Tunbridge Wells), TW (Twickenham), UB (Uxbridge), WD (Watford).

# Aldermore

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