

Later Life Lending Product Guide

Valid from 3 September 2018



In Focus

New Later Life Lending mortgage range launched:

- Available through Openwork, PTFS, Finance Planning Group and AToM (packager)
- Lending to clients aged 55 years and older
- Capital Repayment up to 75% LTV, Interest Only up to 60% LTV
- Maximum age at the start of the term 85, maximum age at the end of the term 99
- Choice of 2,3,5 and 10 year fix
- Variable rate product with no ERCs
- Sale of main residence accepted as repayment strategy

Aldermore

FOR INTERMEDIARY USE ONLY

Aldermore Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. (Financial Services Register number:204503). Registered Office: 1st Floor, Block B, Western House, Lynch Wood, Peterborough, PE2 6FZ. Registered in England. Company No. 947662.

Overview

We've made quite a name for ourselves in the specialist mortgage world – and now we're extending our offering to later life mortgages. Our new range features multiple product options, including a product with no ERCs and an opportunity to extend repayments well into the future. So your client can borrow what they need and pay it back at a manageable rate.

And with our understanding that life events can happen, no matter what your client wants from later life, remortgaging could be an easy way to unlock capital and make it happen.

Later Life Lending mortgage range

For purchase and remortgage

Maximum loan size		£400k	
Maximum LTV		60%	75%
Purpose		Purchase and Remortgage	
2 year fixed	Initial rate	3.38%	3.68%
3 year fixed	Initial rate	3.58%	3.88%
5 year fixed	Initial rate	3.68%	3.98%
10 year fixed	Initial rate	3.98%	4.28%
Product fee		£999	
Reversion rate		5.23% AMR+ 0.00%	5.73% AMR+ 0.50%

Purpose		Purchase and Remortgage	
Term variable rate	Initial rate	4.43% AMR- 0.80%	4.73% AMR- 0.50%
Product fee		£999	

Early repayment charges	Year 1	Year 2	Year 3	Year 4	Year 5
2 year fixed	3.00%	2.50%			
3 year fixed	4.00%	3.50%	3.00%		
5 year fixed	5.00%	4.50%	4.00%	3.50%	3.00%
10 year fixed	5.00%	4.50%	4.00%	3.50%	3.00%
Term variable rate	No Early Repayment Charges				

- Overpayments of up to 10% of the outstanding mortgage balance can be made each year without incurring an early repayment charge
- Early Repayment Charges will be waived in the event of death of one of the borrowers
- 10 year fix does not have Early Repayment Charges after year 5

Aldermore Managed Rate (AMR)	5.23%
Procuration fee (all products)	0.75%

Please note, a £30 Funds Transfer Fee is payable upon completion for all our products. Free standard legal fees are available on all our remortgages.

Adding fees

Product fees and funds transfer fees can be added to the loan.

Key lending criteria

Applicants	
Maximum applicants	2 applicants
Minimum applicant(s) age	55 years
Maximum applicant(s) age	85 years
Maximum age at end of term	99 years
Loan	
Maximum Term	Limited by applicant age, and maximum age at the end of the term. The maximum term is 44 years, based on a 55 year old applicant. An 85 year old could have a maximum term of 14 years.
Minimum Term	10 years (excluding 10 year fix which has a minimum term of 11 years).
Minimum loan	£25k
Repayment types accepted	Capital repayment up to 75% LTV Interest only up to 60% LTV
Affordability	
Maximum loan	Affordability is assessed using the lowest annual income the borrower will receive over the term.
Employed income age limit	Employed income not acceptable over the age of 70.
Joint Applicants	For joint applicants, if the term will take either applicant beyond the age of 75 at the end of the term, the affordability is assessed on each applicants' ability to independently support the mortgage in the event of death (life cover and survivor's pension will be taken into account).
Income	
Income sources	Two employed income sources per applicant. No restriction on the number of income sources in retirement.
Rental income	Rental income acceptable up to age 85.
Interest Only Repayment Strategy	
Sale of main residence	Where sale of the applicant's property is advised as the repayment strategy, applicants are expected to have the following minimum amount of equity. This equity will provide the customer with sufficient funds to repay the mortgage balance outstanding, and allow them to either purchase the another property to live in or execute any other associated strategy e.g. pay for long-term care. The minimum equity is: <ul style="list-style-type: none"> · £300k equity for all securities located within London and the South East of England · £175k equity for securities located in the rest of the UK
Property	
Minimum valuation	£60k
Location	England (including the Isle of Wight), Wales (including Anglesey) and mainland Scotland.
Fees	
Adding fees	<ul style="list-style-type: none"> · Where fees are added they will be excluded from the LTV calculation but will be included in the affordability assessment · Fees added to the loan will attract interest over the mortgage term
Free legal fees	Aldermore currently offers free legal fees for all remortgages, through its nominated Solicitor and will pay for the costs of the legal work necessary to move the mortgage to Aldermore (property does not have to be currently mortgaged). Costs incurred for any additional work must be paid by the applicants.
Credit Status	
Mortgage or secured loan arrears	0 in last 3 months 1 in last 12 months (max 2 in last 24)
Unsecured loan arrears	0 in 3 months Max 2 in last 24 months
County Court Judgements (CCJ) / Sheriff Court Decrees	0 recorded in last 36 months Over 36 months, does not need to be satisfied if total combined value is up to £500 Over 36 months, needs to be satisfied for 36 months if total combined value over £500
Defaults	0 recorded in last 12 months Max 1 recorded (up to £300) in last 36 months
Bankruptcy / Sequestration / Individual Voluntary Arrangement (IVA) / Trust Deed / Debt Relief Order (DRO)	Discharged for 6 years
Forced or Voluntary Possessions	Not accepted

How to submit a later life lending mortgage

Submitting a later life lending mortgage application is different to our normal process and you will be required to upload the PDF output from our affordability calculator on our website as part of the application process.

1 Use our online calculator

To get started you will need to use our calculator to assess your client's affordability. This can be accessed on our website: intermediaries.aldermore.co.uk/calculators

2 Provide as much information as possible

Complete the calculator, providing as much information as possible regarding your client's application. Unlike standard mortgage affordability checks we'll need:

- **Applicants age at the start of the application and at the end of year one**
- **Details of any Power of Attorney**
- **Whether your client has any communication considerations**
- **Council tax amount and banding**
- **Pension income**
- **And details of any Life Insurance Cover**

3 Review the result

The calculator will then be able to tell you whether your client's enquiry meets our affordability criteria. If the criteria is met, you will be able to save the PDF output which will be needed for the application.

4 Complete the Decision In Principle

Log in to the portal to complete the Decision in Principle. All cases will then be referred for underwriter review and you will be able to upload the PDF output.

This product is only available via the following distributors; Openwork, PTFS, Finance Planning and AToM.

For more information visit intermediaries.aldermore.co.uk/late-life-lending

Aldermore

FOR INTERMEDIARY USE ONLY

Aldermore Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. (Financial Services Register number:204503). Registered Office: 1st Floor, Block B, Western House, Lynch Wood, Peterborough, PE2 6FZ. Registered in England. Company No. 947662.

ARM405-0918-500593