



Supporting you and your clients

Residential and buy to let mortgages

As we continue to adapt to the impact coronavirus is having on our everyday lives, we want to reassure you that we're still here for you and your clients.

We've collated answers to the questions we're being asked, just click on the relevant categories – and if your question isn't there, please get in touch, we'd be happy to help.

25 August 2020

Aldermore

-  **Current mortgage range**
[Click here](#)
-  **Broker mortgage applications**
[Click here](#)
-  **Mortgage payment options**
[Click here](#)
-  **Contact us**
[Click here](#)



Current mortgage range

Here's a summary of the type of business we can support you with at this time.

Residential owner occupied mortgages

- We have 2 and 5 year fixed rates up to 75% and 80% LTV
- 2 and 5 year rate options fixed at 85% HLTV
- Our loan to income ratio remains at 5.5x for individuals or joint applicants with a total allowable income of at least £50,000
- We'll still lend to a maximum term of 40 years
- We also ignore communication defaults
- 1 small settled default (13-36 months) is accepted up to a total of £500
- All defaults registered over 3 years are accepted



Residential mortgage guide

Buy to let mortgages

- We'll lend to individuals or company landlords either with a single residential investment property or multi properties
- For single property applications we will lend up to £1m and for portfolios we will lend up to £5m
- We can process up to 30 properties of the same security type on one application
- There's free valuation and assisted legal fees for single residential investment properties on remortgages



Buy to let mortgage guide

Valuation process

- Physical valuations are being booked and completed in England, Scotland and Wales
- Where the property and occupants meet strict social distancing and safety measures, the property will be physically valued
- **These steps may include;**
- Occupants being asked to leave the property or congregate in one room
- Ensuring all internal doors are open ahead of the inspection
- Maximise property ventilation during inspection
- Control/remove pets
- Adhere to 2 m social distancing at all times
- Opening of loft hatch



Valuations process

[Click here to view our video](#)





What's changed?

Here's a summary of the type of business we're not able to support you with at this time.

Capital raising

We'll consider remortgage applications for capital raising purposes, based on the following situations:

- Refinancing from an existing lender or bridging provider after a minimum of 6 months and on an equivalent basis
- Debt consolidation purposes
- Transfer of equity
- Home improvements
- Beneficiaries from inheritance

All capital raising remortgage applications will be subject to additional underwriter review. These include extra checks when remortgaging for home improvements.

We don't currently lend in the following areas:

- For business purposes
- To replenish cash following property purchase
- For onward property purchase
- To replenish cost for home improvements that have already been carried out or on any non-secured Aldermore property
- For paying off a bridging loan in six months
- Gifting to family for purchase purposes

Other changes

We are not currently able to consider the following situations:

- Less than 2 years' trading for self-employed
- Employed but in probation or use of overtime, bonus and commission across the following industries:
 - Hospitality
 - Leisure
 - Travel
 - Entertainment
- Level 2 & 3 adverse criteria tiers
- Owner occupied with greater than 85% LTV
- BTL with greater than 75% LTV
- Let to buy – the remortgage of a current residential property to a buy to let
- Let to buy – the onward purchase of a new residential property within a LTB transaction
- HMO and multi unit freehold properties





Broker mortgage applications

We understand the current situation is having an impact on business at the moment and here's some information we hope will be helpful to you at this time.

What happens if I have a Decision in Principle (DIP) but don't have a full mortgage offer?

Our DIPs normally remain valid for 30 days (however this could change in certain circumstances) and you'll need to submit a full application for a DIP 'accept' within this time period. If you need to re-submit a DIP, you'll need to select a new product from the range that's available at the time of submission.

Are there any time limits on how long a case can be open?

Our applications continue to remain valid for 50 days, allowing you to obtain the necessary supporting documents to secure an offer for your client. If your application does expire, you'll need to select a new product from the range available at the time. If we don't have a product available and we've not had a valuation report back on file for your case, then we'll refund your valuation fee when closing the case down.

Will Aldermore be extending the offer time?

We will extend an offer by 30 days initially – we require the applicant(s) to complete and return our income declaration form, see page 7 to access these documents. If the customer requires a further extension this is possible as long as the valuation has not expired. If your customer's individual circumstances change during this time, we'll work with you and your client to agree a sensible outcome.

Will you still ask for updated information if the application goes into another month as a result of the delays?

We may need to assess and understand the impact of COVID-19 on the borrower and their ability to pay their mortgage both now and in the future. We may use information obtained from other sources, such as bank account information, or additional documents to satisfy ourselves of this.

What supporting documentation is now required with an application?

In addition to our standard requirements, the following is required:

For all applications:

- Completion of a customer income declaration form* which asks additional questions regarding the impact of COVID-19 on current income levels

For residential owner occupied applications we also require:

- Latest personal bank statement (showing salary credit, if applicable)

For buy to let applications we also require:

- Void coverage – evidence of funds to support 3 months of rental voids

Packaging a new application with the documents outlined in our submission guidelines will support a quicker progression of your case. For more information see our submission guidelines for [owner occupied mortgages](#) and [buy to let mortgages](#).

Please note: To speed up our ability to issue a mortgage offer to your client, you'll need to upload all required documentation straight away so the underwriter can review this as part of the application assessment. If there are outstanding checklist items, this is likely to result in further delay and it is essential that you supply these prior to the valuation report date. Specialist buy to let applications submitted through the Commercial portal will not be passed to an underwriter unless they meet all of our submission requirements.





Broker mortgage applications

We understand the current situation is having an impact on business at the moment and here's some information we hope will be helpful to you at this time.

Will you accept applications if a customer has applied for a payment break?

Applications where the customer has either finished a mortgage break or is still in one can be considered. We'll carry out enhanced checks to understand the customers' current and future circumstances to be satisfied that they no longer require further financial support and their income has returned to expected levels to support lending.

Will you consider an application if a client is furloughed or self-employed and currently not working?

Yes, we will consider applications from people where their income has been impacted by COVID-19. We may need to ask for a return to work confirmation from their employer.

How do you assess furloughed income?

If a customer's income has been impacted by COVID-19, we'll need to see how the customer can afford the mortgage payments and verify their income. Additional earnings, such as overtime and bonus, may not be considered dependent on the industry sector of employment.

Furloughed applicants will need to provide a letter from their employer confirming their basic salary and return to work date. Brokers will need to upload this letter to the application portal for review.

Underwriters will review the information in the letter and take this into account when assessing affordability, taking into account the proportion of government contribution and in line with new figures/percentages where the employer is not topping up.

If this information can't be provided by the applicant the application will be declined.

How do you assess self-employed?

Latest year's income can still be used, however this is subject to standard lending criteria and verification of how the customer can afford the mortgage payments if their income has been impacted by COVID-19. We'll also need to verify that their income will return to expected levels.

We would look to lend on their latest finalised income figure for the latest tax year. This is subject to enhanced checks on their current situation and an understanding of how their business would recommence if it had temporarily paused. We may ask for further information from their accountant, and could also set up a telephone interview with the customer. We don't currently accept cases with only one year's accounts.

Can a government grant or loan be used to support an application?

Any application for income support by a customer under a government scheme should be declared on the income declaration form for the underwriter to consider as part of the application assessment. Using government support to generate monies for other means, such as deposit sources, will not be considered.





Broker mortgage applications

We understand the current situation is having an impact on business at the moment and here's some information we hope will be helpful to you at this time.

For buy to let applications, what do you accept as 'home improvements' for capital raising?

We only lend for home improvements on Aldermore mortgaged properties. This means the application security itself or any property(ies) in the portfolio we lend to currently.

Will you accept electronic signatures?

Yes, electronic signatures are acceptable for the majority of documents where a signature is required – these include the Certificate of Title, Direct Debit mandates, offer acceptance and application declaration.

Does ID need to be certified?

ID should still be certified. If this is not possible, we are currently allowing these alternatives as a temporary measure:

- A clear and legible copy of a Passport/National Identity card and a clear and legible copy of a Driving Licence, showing the document ID numbers so they can be checked electronically
- A welcome call made to the customer via their home or business landline (calls to mobiles are not acceptable)
- The customer provides a 'selfie' of themselves holding the proof of identity document (which must contain a photo) at the side of their face. Where this is a Passport, it should be opened on the page where the holder's details are recorded. For National Identity cards and Driving Licences, the side which shows the customer's face must be displayed

Valuations process

Physical valuations are being booked and completed in England, Scotland and Wales. Where the property and occupants meet strict social distancing and safety measures, the property will be physically valued.

Safety measures may include:

- Occupants being asked to leave the property or congregate in one room
- Ensuring all internal doors are open ahead of the inspection
- Maximising property ventilation during inspection
- Controlling or removing pets
- Adhering to 2m social distancing at all times
- Opening of loft hatches prior to inspection

Valuations will not take place for properties where the occupants refuse to adhere to social distancing requirements or where the valuation cannot be completed in line with government guidance.





Broker mortgage applications

We understand the current situation is having an impact on business at the moment and here's some information we hope will be helpful to you at this time.

How are repossessions being managed at the moment?

We're currently taking guidance from the FCA. The FCA has made it clear that in current circumstances it doesn't consider repossession to be in the best interests of the customer. As a result, repossession will not be commenced or continued with unless we can demonstrate clearly that the customer has agreed it's in their best interest.

Are brokers' procurement fees being delayed?

We don't anticipate any delays in making fee payments.

Who are your acting solicitors for all remortgages in the Residential system and/or all applications in the Commercial system?

Our solicitor panel remains unchanged.

Via the Residential Mortgages system:

- Hugh James (Customer surnames A-G)
- O'Neill Patient (Customer surnames H - P)
- Russell & Russell (Customer surnames Q - Z)
- Your Conveyancer (Scotland) (ALL)

Via the Commercial Mortgages system:

- Blacks Law (Customer surnames A - M)
- Russell & Russell (Customer surnames N - Z)
- McVey Murrice (Scotland) (ALL)

Customer income declaration form

There are 4 versions covering owner occupied, buy to let, employed or self-employed - these can be downloaded from the website here:

[Owner occupied employed](#)

[Owner occupied self-employed](#)

[Buy to let employed](#)

[Buy to let self-employed](#)





Mortgage payment options

For customers who are impacted by COVID-19 and are worried about making their mortgage payments.

What options does my client have if they are affected by COVID-19?

We're supporting our mortgage customers who are financially impacted by COVID-19 by offering them the option to reduce or defer their mortgage payments for up to 3 months. This means they can make a lower payment or take a break from payments for this period or our team of specialists will work with them to find a suitable solution. At the end of the initial 3 months if they're still unable to start paying their mortgage, they can apply for a further mortgage payment deferral or make part-payments for up to 3 months.

We'll accept new payment break requests until 31 October 2020 and we won't be repossessing any homes, unless it's in the customer's best interest to do so, up to January 2021.

Are payment breaks available to all mortgage customers?

We'll accept requests from customers who are financially impacted by COVID-19 until 31 October 2020. This includes homeowners and buy to let landlords where the coronavirus situation is affecting their income and ability to pay their mortgage.

How does my client apply for a payment break?

Customers should visit our [website](#) for the latest information and details on how to apply. They'll need to fill in the [online payment break form](#) and we'll be in touch as soon as we can.

If they're not financially impacted at this time and can continue to make their mortgage payments then we encourage them to do so.

My client is behind on mortgage payments, can they still apply for a payment break?

If a customer is behind on their mortgage payments they can still request a payment break. We may need to speak to them first to fully understand their situation, so we can find the best option for them. They should fill in the [online payment break form](#) and we'll be in touch as soon as we can.

We'll send them a letter before their payment break ends. In this letter we'll let them know that we need to speak to them to discuss their repayment options, we'll also let them know how to contact us. We'll make every effort to ensure people who are already in financial difficulty are supported at this time.

Can customers take a payment break having just secured a new loyalty rate?

Yes, payment breaks are available to all those who need them.

Will taking a payment break affect a customer's credit score?

There won't be any impact on credit ratings during the agreed mortgage payment break period.

However, lenders may use information obtained from other sources, such as bank account information, in their future lending decisions.





Mortgage payment options

For customers who are impacted by COVID-19 and are worried about making their mortgage payments.

What happens at the end of the mortgage break term?

The customer will need to make up the payments and any additional interest charged later in their mortgage term.

Customers will receive a letter before their payment break ends explaining all their repayment options and personalised financial illustrations, to help them make their choice. The customer's credit file won't be impacted during their mortgage payment break, but lenders may use information from other sources, such as bank account information, in their future lending decisions.

Can customers come off their fixed rate?

No, but we do have a number of options to support customers through this period.

Will you be offering the option to move to an interest only mortgage?

We'll look at each request on a case by case basis. We've a number of options available to support your customers. They can opt for a full assessment of their circumstances so we can see what options are available for them.

If tenants can't pay their rent or the property is empty can landlords defer payments?

Yes, if landlords are financially impacted by COVID-19 they can apply for a mortgage payment break or reduced payments, the same way as homeowners.

What else can customers do to help bring their payments down?

Overpayments can be made on some mortgage products without incurring an early repayment charge. If they do make an overpayment, then the amount they owe and the interest charged will reduce from the date the overpayment is credited to their account.

What happens if a customer is in negative equity and wants to switch rates to borrow more?

We'd advise them to speak to their broker or financial advisor to see what options are currently available to them.

What happens if a customer misses a payment as a result of being affected by coronavirus?

Customers will need to get in touch as soon as they can to discuss their payment options. If they haven't already done so, they should visit our website and complete the [online mortgage payment request break form](#).





Mortgage payment options

For customers who are impacted by COVID-19 and are worried about making their mortgage payments.

If a customer joined you last month, can they still defer payments?

We'll continue to consider mortgage payment breaks for all our customers. They should visit our website for more information and complete the [online mortgage payment break request form](#).

Will customers who've taken a payment break have the option to remortgage or borrow more in the future?

Taking a mortgage payment break or payment deferral shouldn't impact a customer's credit file and we'll assess any future applications based on their situation and eligibility at that particular time.

It's important to note that lenders may use information obtained from other sources, such as bank account information, in their future lending decisions.

If a customer is taking a payment break with another lender but remortgaging to us, are they eligible to have a payment break?

We'll have an initial chat to understand their individual situation and how they're financially impacted by COVID-19. This will include us asking them key information about their income and change in circumstances.



Current mortgage range



Broker mortgage applications



Current mortgage range



Contact us



Contact us

You can email us at and we'll get straight back to you to arrange a call or video conference.

New business enquiries	mortgage.sales@aldermore.co.uk
Product switch	product.switch@aldermore.co.uk
Existing business (X reference)	mortgage.newbusiness@aldermore.co.uk
Existing business (Y reference)	buytolet@aldermore.co.uk



Coming soon: new online switching

You'll soon be able to switch existing customers yourself in our broker portal. We'll let you know once this is up and running.



Aldermore

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ARM594-0820-599841

