

Product Guide

2 & 3 Year Fixed Rates

2 Year Fixed Rates until 1st January 2008

3 Year Fixed Rates until 1st January 2009

with no extended tie in*

Range Highlights include:

- Rates from 5.69% - rate cuts across the range.
- 2 year Fixed Rates until 1st January 2008, with no extended tie in*.
- 3 year Fixed Rates until 1st January 2009, with no extended tie in*.
- New flexible 'either or' option on our Unlimited range.
- No remortgage loading up to 80% LTV.
- RTB loading cut substantially across the range.
- RTB and BTL now available on Near Prime.
- New 65% LTV band.
- Simplified maximum mortgage offering.

* Subject to 1 month's written notice

we are
Preferred
the specialist mortgage people

CCJS

Up to £500 per applicant in the last 12 months, must be satisfied at application
 Unlimited if registered over 2 years ago - do not need to be satisfied at application
 Unlimited if registered over 1 year ago - must be satisfied at application

ARREARS

Unlimited, none in the last 12 months, cleared or not

BANKRUPTCY

Not accepted

IVA

Not accepted

2 Year Fixed Rate until 01/01/08

Purchase - Standard Verified
 Purchase - Standard Self Certification

3 Year Fixed Rate until 01/01/09

Purchase - Standard Verified
 Purchase - Standard Self Certification

Loadings applicable to above rates
Remortgage
Right to Buy
Buy to Let
Additional loading for mortgages over £500K
Reduced loading for either CCJS or Arrears

(*Self Cert only available up to 70% LTV)

(**Only available for Verified)

Purchase - Standard Verified
Loadings applicable to above rates
Self Certification Self Employed and Employed
Remortgage
Right to Buy
Buy to Let
Additional loading for mortgages over £500K
Reduced loading for either CCJS or Arrears

(*Self Cert only available up to 70% LTV)

(**Only available for Verified)

Maximum LTV

Up to 65%	Up to 75%	Up to 80%	Up to 85%	Up to 90%
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Product Variables

5.79%	5.89%	6.09%	6.39%	6.59%
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6.04%	6.14%	6.34%	6.89%	7.09%
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Product Variables

5.69%	5.79%	5.99%	6.29%	6.49%
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5.94%	6.04%	6.24%	6.79%	6.99%
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0.00%	0.00%	0.00%	0.25%	0.25%
0.50%	0.50%	0.50%	0.50%	Not Available
0.50%	0.50%	0.50%	0.75%	Not Available
0.50%	0.50%	0.50%	Not Available	Not Available
Not Available	Not Available	Not Available	Not Available	Not Available

REVERSIONARY RATE
Maximum LTV

Up to 65%	Up to 75%	Up to 80%	Up to 85%	Up to 90%
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Product Variables Rate = Libor +

1.75%	1.95%	2.10%	2.35%	2.95%
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0.25%	0.25%	0.25%	0.50%	0.50%
0.00%	0.00%	0.00%	0.25%	0.25%
0.50%	0.50%	0.50%	0.50%	Not Available
0.50%	0.50%	0.50%	0.75%	Not Available
0.50%	0.50%	0.50%	Not Available	Not Available
Not Available	Not Available	Not Available	Not Available	Not Available

Extra Light

CCJS

Up to £1,000 per applicant

ARREARS

Up to 1 month in the last 12 months, can be outstanding at application, none in the last 6 months

BANKRUPTCY

Discharged 18 months ago

IVA

Satisfied 12 months ago

2 Year Fixed Rate until 01/01/08

Purchase - Standard Verified

Purchase - Standard Self Certification

3 Year Fixed Rate until 01/01/09

Purchase - Standard Verified

Purchase - Standard Self Certification

Maximum LTV				
Up to 65%	Up to 75%	Up to 80%	Up to 85%	Up to 90%
Product Variables				
5.99%	6.09%	6.29%	6.59%	6.69%
6.24%	6.34%	6.54%	7.09%	7.19%

Product Variables				
5.89%	5.99%	6.19%	6.49%	6.59%
6.14%	6.24%	6.44%	6.99%	7.09%

Loadings applicable to above rates

Remortgage
Right to Buy
Buy to Let
Additional loading for mortgages over £500K
Reduced loading for either CCJS or Arrears

(*Self Cert only available up to 70% LTV)

(**Only available for Verified)

0.00%	0.00%	0.00%	0.25%	0.25%
0.50%	0.50%	0.50%	0.50%	Not Available
0.50%	0.50%	0.50%	0.75%	Not Available
0.50%	0.50%	0.50%	Not Available	Not Available
Not Available	Not Available	Not Available	Not Available	Not Available

Purchase - Standard Verified

Loadings applicable to above rates

Self Certification Self Employed and Employed
Remortgage
Right to Buy
Buy to Let
Additional loading for mortgages over £500K
Reduced loading for either CCJS or Arrears

(*Self Cert only available up to 70% LTV)

(**Only available for Verified)

REVERSIONARY RATE				
Maximum LTV				
Up to 65%	Up to 75%	Up to 80%	Up to 85%	Up to 90%
Product Variables		Rate = Libor +		
1.85%	2.10%	2.25%	2.65%	3.25%



0.25%	0.25%	0.25%	0.50%	0.50%
0.00%	0.00%	0.00%	0.25%	0.25%
0.50%	0.50%	0.50%	0.50%	Not Available
0.50%	0.50%	0.50%	0.75%	Not Available
0.50%	0.50%	0.50%	Not Available	Not Available
Not Available	Not Available	Not Available	Not Available	Not Available

Light

CCJS

Up to £4,000 per applicant

ARREARS

Up to 2 months in the last 12 months, can be outstanding at application, none in the last 3 months

BANKRUPTCY

Discharged 12 months ago

IVA

Satisfied 6 months ago

2 Year Fixed Rate until 01/01/08

Purchase - Standard Verified

Purchase - Standard Self Certification

3 Year Fixed Rate until 01/01/09

Purchase - Standard Verified

Purchase - Standard Self Certification

Maximum LTV				
Up to 65%	Up to 75%	Up to 80%	Up to 85%	Up to 90%
Product Variables				
6.09%	6.29%	6.49%	6.79%	7.09%
6.34%	6.54%	6.74%	7.29%	7.59%

Product Variables				
5.99%	6.19%	6.39%	6.69%	6.99%
6.24%	6.44%	6.64%	7.19%	7.49%

Loadings applicable to above rates

Remortgage	0.00%	0.00%	0.00%	0.25%	0.25%
Right to Buy	0.50%	0.50%	0.50%	**0.50%	Not Available
Buy to Let	0.50%	0.50%	0.50%	0.75%	Not Available
Additional loading for mortgages over £500K	0.50%	0.50%	0.50%	Not Available	Not Available
Reduced loading for either CCJS or Arrears	Not Available	Not Available	Not Available	Not Available	Not Available

(*Self Cert only available up to 70% LTV)

(**Only available for Verified)

Purchase - Standard Verified

REVERSIONARY RATE				
Maximum LTV				
Up to 65%	Up to 75%	Up to 80%	Up to 85%	Up to 90%
Product Variables		Rate = Libor +		
2.00%	2.35%	2.60%	3.00%	3.45%



Loadings applicable to above rates

Self Certification Self Employed and Employed	0.25%	0.25%	0.25%	0.50%	0.50%
Remortgage	0.00%	0.00%	0.00%	0.25%	0.25%
Right to Buy	0.50%	0.50%	0.50%	**0.50%	Not Available
Buy to Let	0.50%	0.50%	0.50%	0.75%	Not Available
Additional loading for mortgages over £500K	0.50%	0.50%	0.50%	Not Available	Not Available
Reduced loading for either CCJS or Arrears	Not Available	Not Available	Not Available	Not Available	Not Available

(*Self Cert only available up to 70% LTV)

(**Only available for Verified)

Mid

CCJS

Up to £10,000 per applicant

ARREARS

Up to 4 months in the last 12 months, can be outstanding at application, 1 in the last 3 months. Proof of the last 6 months contractual mortgage payments required if current lender is a sub prime lender (mortgage statement accepted)

BANKRUPTCY

Discharged 6 months ago

IVA

Well conducted for 12 months

2 Year Fixed Rate until 01/01/08

Purchase - Standard Verified

Purchase - Standard Self Certification

3 Year Fixed Rate until 01/01/09

Purchase - Standard Verified

Purchase - Standard Self Certification

Loadings applicable to above rates

	Up to 65%	Up to 75%	Up to 80%	Up to 85%
Remortgage	0.00%	0.00%	0.00%	0.25%
Right to Buy	0.50%	0.50%	0.50%	Not Available
Buy to Let	0.50%	0.50%	0.50%	Not Available
Additional loading for mortgages over £500K	0.50%	0.50%	0.50%	Not Available
Reduced loading for either CCJS or Arrears	Not Available	Not Available	Not Available	Not Available

(*Self Cert only available up to 70% LTV)

(**Only available for Verified)

Purchase - Standard Verified

Loadings applicable to above rates

	Up to 65%	Up to 75%	Up to 80%	Up to 85%
Self Certification Self Employed and Employed	0.25%	0.25%	0.25%	0.50%
Remortgage	0.00%	0.00%	0.00%	0.25%
Right to Buy	0.50%	0.50%	0.50%	Not Available
Buy to Let	0.50%	0.50%	0.50%	Not Available
Additional loading for mortgages over £500K	0.50%	0.50%	0.50%	Not Available
Reduced loading for either CCJS or Arrears	Not Available	Not Available	Not Available	Not Available

(*Self Cert only available up to 70% LTV)

(**Only available for Verified)

Maximum LTV

Up to 65%	Up to 75%	Up to 80%	Up to 85%
-----------	-----------	-----------	-----------

Product Variables

6.69%	6.89%	7.09%	7.39%
6.94%	7.14%	7.34%	7.89%

Product Variables

6.59%	6.79%	6.99%	7.29%
6.84%	7.04%	7.24%	7.79%

REVERSIONARY RATE

Maximum LTV

Up to 65%	Up to 75%	Up to 80%	Up to 85%
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Product Variables Rate = Libor +

2.50%	2.85%	3.10%	3.50%
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Unlimited

CCJS

Unlimited

ARREARS

Unlimited, proof of the last 6 months contractual mortgage payments required if current lender is a sub prime lender (mortgage statement accepted)

BANKRUPTCY

Discharged

IVA

Well conducted for 6 months

2 Year Fixed Rate until 01/01/08

Purchase - Standard Verified

Purchase - Standard Self Certification

3 Year Fixed Rate until 01/01/09

Purchase - Standard Verified

Purchase - Standard Self Certification

Loadings applicable to above rates

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Maximum LTV

Up to 65%	Up to 75%	Up to 80%	Up to 85%
-----------	-----------	-----------	-----------

Product Variables

7.09%	7.29%	7.79%	8.19%
7.34%	7.54%	8.29%	Not Available

Product Variables

6.99%	7.19%	7.69%	8.09%
7.24%	7.44%	8.19%	Not Available

0.00%	0.00%	0.00%	Not Available
0.50%	*0.50%	Not Available	Not Available
0.50%	0.50%	0.50%	Not Available
0.50%	0.50%	0.50%	Not Available
-0.25%	-0.25%	-0.50%	-0.50%

REVERSIONARY RATE

Maximum LTV

Up to 65%	Up to 75%	Up to 80%	Up to 85%
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Product Variables Rate = Libor +

3.00%	3.35%	3.85%	4.45%
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0.25%	0.25%	0.50%	Not Available
0.00%	0.00%	0.00%	Not Available
0.50%	*0.50%	Not Available	Not Available
0.50%	0.50%	0.50%	Not Available
0.50%	0.50%	0.50%	Not Available
-0.25%	-0.25%	-0.50%	-0.50%

we are Flexible

Further highlights include:

Near Prime

- Now available up to 90% LTV
- Maximum loan now up to £1 million

Right to Buy

- Maximum loan now up to £1 million
- Pre-emption period reduced to 6 months
- Available up to 85% LTV

Buy to Let

- Maximum loan now up to £1 million
- Available up to 85% LTV

Additional Features

- Increased debt income ratio to 53%
- Only 1 payslip required accompanying Employer's reference or P60
- Maximum loan at 80% LTV increased to £750,000

For further information on the above products call or visit our website at

www.preferredmortgages.com

Call
0800 458 4002

website: www.preferredmortgages.com

email: info@preferredmortgages.com

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CCJS

ARREARS

BANKRUPTCY

IVA

2 Year Fixed Rate until 01/01/08

Purchase - Standard Verified

Purchase - Standard Self Certification

3 Year Fixed Rate until 01/01/09

Purchase - Standard Verified

Purchase - Standard Self Certification

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Fees

Completion Fee:

£795 (Can be added up to 95% LTV).

Higher Lending Charge:

75.01% - 80% = 5%

80.01% - 85% = 5.5%

85.01% - 95% = 6%

All cases charged from 75% LTV. Can be added up to 95% LTV.

Income Criteria

Income Multiples:

3.75 + 1 or 3.25 x joint income.

Minimum Income:

£10,000 per annum.

Housing Benefit:

None in the last 6 months (unless verified Right to Buy).

Minimum Employment Period

Verified Employed:

Satisfactory completion of probationary period.

Self Certification Employed:

Employed with current employer for 3 months or more.

Minimum 12 months employment history.

Verified Self Employed:

Minimum 12 months self employment history.

Self Certification Self Employed:

Minimum 6 months self employment history.

General Information

Repayment Method:

Capital & Interest.

Interest Only.

Part & Part, payment by Direct Debit only.

Minimum - Maximum Age:

Minimum - 18 years.

Maximum - No upper limit.

(Self Certification: no older than 75 years at the end of the mortgage term).

Repayment Period:

5 - 35 years (subject to above limits).

Early Repayment Charge

2 Year Fixed:

6% of the outstanding mortgage balance until 1/1/08, thereafter 1% or 1 month's written notice.

3 Year Fixed:

6% of the outstanding mortgage balance until 1/1/09, thereafter 1% or 1 month's written notice.

Minimum Mortgages

Near Prime £30,000

Extra Light £25,000

Light, Mid, Unlimited £10,000

Minimum Valuation

Near Prime, Unlimited: £40,000

Extra Light, Light, Mid: £30,000

Maximum Mortgages

LTV Banding	Verified	Self Cert
Up to 65%	£1,000,000	£500,000
Up to 75%	£1,000,000	£500,000
Up to 80%	£750,000	£500,000
Up to 85%	£500,000	£500,000
Up to 90%	£350,000	£350,000

Adverse Credit

Rent/Mortgage Arrears:

Only counted in the last 12 months prior to application.

Explanations are not normally required.

Where Possessions Order pending – only proceed under a plan allowing unlimited arrears.

CCJs:

Unsatisfied over 2 years prior to application - will be ignored.

Satisfied over 12 months prior to application - will be ignored.

CCJs do not need to be cleared at application (except for Near Prime).

Bankruptcy:

Date of discharge will determine what product can be applied for.

No advance of monies to clear Bankruptcy.

Individual Voluntary Arrangements (IVA's):

Please refer to individual product specifications.

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