

General Criteria For full terms and conditions refer to SPML lending manual

Adverse

The following will not be taken into account for underwriting purposes:

- Defaults
- CCJs:
 - Up to £150, satisfied or unsatisfied
 - Satisfied more than 12 months
 - Registered more than 2 years ago, satisfied or unsatisfied

Buy to Let

- At least one applicant must have been a homeowner for a minimum of 3 months
- Maximum Loan – £500,000 per property
- Maximum 10 properties or £1million per applicant
- Maximum 6 month term for Assured Shorthold Tenancy Agreements
- Lettings to tenants of Local Authority/DSS/Housing Associations/Corporate/Multi Lets are not acceptable

Fees

All SPML fees including panel Solicitors can be added over and above the LTV up to a max 95%.

- **Arrangement Fee**
£499
- **Higher Lending Charge**
charged on lending above 85% LTV
85.01 – 90% = £6.95
90.01 – 95% = £8.95

This will be payable on the amount borrowed above 75% LTV

- **Title Insurance**
£150 added over and above the LTV up to a maximum of 95%

Fixed & Discounted rates

At expiry of the Fixed or Discounted period the interest rate will revert to LIBOR plus scheme margin and the applicable loading.

Income Multiples

- Up to 75% LTV = 4 + 1 or 3.5 x Joint
 - Over 75% LTV = 3.75 + 1 or 3.25 x Joint
- Up to 4 applicants incomes can be used on a +1+1 basis.

Interest Calculation

Interest is calculated daily and charged monthly in arrears.

Location

England, Wales and Scotland.

Minimums

- Loan – £25,001
- Valuation – £40,000
- Age – 18
- Term – 5 years
- Lease – 35 years at end of mortgage term

Maximums

- Loan – Refer to product guide for variations
- Age – 80 at end of term
- Term – 35 years

Mortgage Payment Protection

MPPI can be arranged via SPML and provided by insurers MMS.

Repayment Method

- Capital and Interest
- Interest Only
- Part & Part

For interest only, details of the repayment vehicle are required on the application form.

Right to Buy

Additional funds above discounted purchase price available up to scheme LTV Limit. RTB schemes available for owner occupation only. Receipt of Housing Benefit acceptable if none received within the last 6 months.

Solicitors

Where solicitors are acting on behalf of SPML and the applicant, firms MUST have a minimum of 2 partners. Licensed conveyancers and sole practitioners are unacceptable.

SPML Solicitors (Panel)

Where one of SPML's panel solicitors are chosen, the solicitor fees can be added over and above the LTV up to a max 95%.

- Purchase – *£325 + VAT + disbursements
 - Remortgage – *£275 + VAT + disbursements
- *Refer to lending policy for Scottish Solicitors fees.

Extras

- Remortgages in pre-emption allowed up to 85% LTV after 6 months
- Deed of Gift from family members or sitting tenant resident 12 months – allowed up to 100% of discounted purchase price to a maximum 90% LTV of open market value
- Let to Buys considered up to 95% LTV

Summary of Lending For full terms & conditions refer to SPML's Lending Policy or visit our online DIP at www.spml.co.uk

Requirements

- Credit Search
- Proof of residency for last 12 months (*if not appearing on current voters roll*)
- Proof of Identity (*KYC form*)
- Satisfactory explanation for adverse
- Proof of mortgage/secured loan/rent (*where applicable*)
- Proof of income (*where applicable*)
No minimum salary
- Valuation by a panel valuer – 2 valuations required for loans over £350,000

Definitions of Income

- Acceptable forms of income include
 - 100% of gross salary including regular & guaranteed bonuses, commissions etc
 - 100% Private and Company pensions
 - 100% Working Family & Child tax credits
- Income Verification
 - Employed – Employment Reference OR P60 & last 3 months computerised payslips
 - S/Employed – accountants Certificate or Inland Revenue Self Assessment Certificate covering the previous tax year
- Self Certification (*up to £250,000*)
 - Employed – Telephone call with client at place of work
 - S/Employed – as above
- Self Certification (*Over £250,000*)
 - Employed – Partial proof of income by way of 1 payslip or a bank statement
 - S/Employed – affordability letter from a qualified accountant

Proof of Mortgage Payments

- Secured Lending/Second Charges below £15,000 AND/OR less than 50% of current first charge will be ignored for payment profile purposes – includes sub-prime lenders
- Where at least 70% of the contractual monthly payment has been paid within each calendar month – it will not be treated as a missed payment
- The following are considered sub-prime lenders for the purpose of underwriting, (*includes any derivatives*)

| First Charge | Secured Lending/ Second Charge |
|-------------------------|---------------------------------------|
| I Group | I Group |
| Kensington | Future |
| Platform | Blemain |
| GMAC | Swift |
| Future | Pickerings |
| London Mortgage Company | Welcome |
| Preferred | Prestige |
| Platform | Sherringtons London Personal Loans |

Property

- Exclusions include
 - Agricultural Restrictions
 - Commonhold title
 - Freehold flats and maisonettes
 - Local Authority built flats and maisonettes
 - Shared ownership
 - Flats in a block of 7 storeys or more
 - Properties designated as defective under the Housing Defects Act 1984 & Housing Act 1985
- Buildings Insurance
Required for the level of cover recommended by the valuer – competitive block cover is available, details upon request.

Title Insurance

Available on all schemes and negates the need for Local Searches, mining, mineral searches and ensuring FAST completion, especially on remortgages and RTBs.

Contact:

Southern Pacific Mortgage Ltd 1 Broadgate London EC2M 2SP
tel 020 7920 1000 fax 020 7920 1001 email sales@spml.co.uk web www.spml.co.uk

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www.spml.co.uk

Product Guide Effective from 1st August 2005



The new product range from



NEAR PRIME

95% scheme purchase only

Max Self Cert £500k

| LTV | Loading | + Self Cert | + RTB | + BTL | Max Advance | Arrears | CCJs | BKO | IVA | ERC variable |
|-----|---------|-------------|------------|-------|-------------|---------|--------------------------------|--------------------|-------------------|------------------------------------|
| 95% | 3.50% | N/A | N/A | N/A | £250k | 0 in 12 | Max 1 CCJ for £500 Unsatisfied | 3 Years Discharged | 3 Years Satisfied | 4,3 1 month's notice thereafter |
| 90% | 2.50% | 0.5% | 0.75% | | £300k | | | | | |
| 85% | 2.25% | | | £500k | 0.75% | | | | | |
| 80% | 2.00% | 0.25% | 0.5% | | 0.5% | | | | | |
| 75% | 1.75% | | No Loading | 0.25% | 0.25% | | | | | |
| 65% | 1.50% | | | | | | | | | |

MINOR ADVERSE

Max Self Cert £500k

Loans over £500k – 0.5% loading

| LTV | Loading | + Self Cert | + RTB | + BTL | Max Advance | Arrears & CCJs | BKO | IVA | ERC variable |
|-----|---------|-------------|------------|-------|-------------|---|--------------------|-------------------|--------------------------------------|
| 90% | 3.00% | 0.5% | 0.75% | N/A | £300k | 1 in 12 0 in 3 AND £1,500 CCJs | 2 Years Discharged | 2 Years Satisfied | 5,4,3 1 month's notice thereafter |
| 85% | 2.75% | | | £500k | 0.75% | | | | |
| 80% | 2.25% | 0.25% | 0.5% | | 0.5% | | | | |
| 75% | 2.00% | | No Loading | 0.25% | 0.25% | | | | |
| 65% | 1.75% | | | | | | | | |

LIGHT ADVERSE

Loans over £500k – 0.5% loading

| LTV | Loading | + Self Cert | + RTB | + BTL | Max Advance | Arrears & CCJs | BKO | IVA | ERC variable |
|-----|---------|-------------|------------|-------|-------------|---|-------------------|------------------|--------------------------------------|
| 90% | 3.25% | 0.5% | N/A | N/A | £300k | 2 in 12 0 in 3 AND £3,000 CCJs | 1 Year Discharged | 1 Year Satisfied | 6,5,4 1 month's notice thereafter |
| 85% | 3.00% | | £500k | | 0.75% | | | | |
| 80% | 2.50% | 0.25% | | 0.5% | 0.5% | | | | |
| 75% | 2.25% | | No Loading | 0.25% | 0.25% | | | | |
| 65% | 1.75% | | | | | | | | |

MEDIUM ADVERSE

Loans over £500k – 0.5% loading

| LTV | Loading | | + Self Cert | + RTB | + BTL | Max Advance | Arrears & CCJs | | BKO | IVA | ERC variable |
|-----|----------|----------|-------------|-------|-------|-------------|--|---|-------------------|------------------|--------------------------------------|
| | Option A | Option B | | | | | Option A | Option B | | | |
| 85% | 3.25% | 3.50% | 0.5% | N/A | N/A | £500k | 3 in 12 1 in 3 OR £6,000 CCJs | 3 in 12 1 in 3 AND £6,000 CCJs | 1 Year Discharged | 1 Year Satisfied | 6,5,4 1 month's notice thereafter |
| 80% | 2.75% | 3.00% | 0.25% | 0.5% | | | | | | | |
| 75% | 2.25% | 2.50% | | 0.25% | 0.25% | £750k | | | | | |
| 65% | 1.75% | 2.25% | No Loading | | | | | | | | |

HEAVY ADVERSE

Loans over £500k – 0.5% loading

| LTV | Loading | | + Self Cert | + RTB | + BTL | Max Advance | Arrears & CCJs | | BKO | IVA | ERC variable | |
|-----|----------|----------|-------------|----------------------------|-------|-------------|---|--|------------|--------------------------|--------------------------------------|-------|
| | Option A | Option B | | | | | Option A | Option B | | | | |
| 85% | 3.50% | 4.25% | 0.5% | N/A | N/A | £500k | 4 in 12 1 in 3 OR £10,000 CCJs | 4 in 12 1 in 3 AND £10,000 CCJs | Discharged | Operating Satisfactorily | 6,5,4 1 month's notice thereafter | |
| 80% | 3.00% | 3.25% | | 0.5% Available on Option A | | | | | | | | |
| 75% | 2.50% | 2.75% | 0.25% | 0.25% | | | | | | | | £750k |
| 65% | 2.25% | 2.50% | No Loading | | | | | | | | | |

FAST TRACK

85% scheme purchase only Loans over £500k – 0.5% loading

| LTV | Loading | | + Self Cert | + RTB | + BTL | Max Advance | Arrears & CCJs | | BKO | IVA | ERC variable | |
|------------------------|----------|----------|-------------|-------|-------|-------------|---|--|------------|--------------------------|--------------------------------------|-------|
| | Option A | Option B | | | | | Option A | Option B | | | | |
| 85% | 3.75% | 4.25% | 0.5% | N/A | N/A | £500k | Fast Track arrears OR Fast Track CCJs | Fast Track arrears AND Fast Track CCJs | Discharged | Operating Satisfactorily | 6,5,4 1 month's notice thereafter | |
| 80% <i>(note 5)</i> | 3.50% | 4.00% | | | | | | | | | | |
| 75%* | 3.00% | 3.25% | 0.25% | 0.25% | | | | | | | | £750k |
| 65%* | 2.75% | 3.00% | No Loading | | | | | | | | | |

*+ 1% loading if remortgage from a sub-prime lender

BUY TO LET

Refer to product grids for relevant rates on these options

RIGHT TO BUY

Refer to product grids for relevant rates on these options

1. Proof of residency required for last 12 months.
2. Repossessions only considered on Heavy Adverse and Fast Track schemes.
3. Buy to Let restricted to a maximum of £500k or a total portfolio of £1million.
4. Income multiples <75% LTV 4 + 1 3.5 x joint >75% LTV 3.75 + 1 3.25 x joint
5. If current mortgage with a Sub-Prime lender last 3 payments to be evidenced.

6. Minimum valuation £40,000 on all schemes.
7. Maximum RTB £300,000.
8. Maximum Self Cert on RTB 85% LTV.
9. CCJs are only taken into account if:
 - More than £150.
 - Satisfied less than 1 year ago.
 - Registered less than 2 years ago.

