

# Victoria Mortgages Product Criteria – 1 September 2005

## APPLICATIONS

- Minimum age 18 at application (25 to Buy to Let), no maximum age.
- Must have a UK bank account.
- The maximum number of applicants is 4.
- Mortgages are available on properties in England and Wales.

## ACCEPTABLE NON-STANDARD PROPERTIES

- Ex Local Authority flats and Maisonettes with a value over £100,000
- Flats/Properties attached to/above commercial premises
- High Rise purpose-built Flats
- PRC (with certificate)
- Studio Flats
- Prefabricated Buildings
- 100% Timber Construction
- Freehold Flats

## BANKRUPTCY

Discharged bankruptcy, over 3 years ago, is ignored and no explanation required. If within the last 3 years, we will require an explanation from the applicant together with a certified copy of the original certificate of discharge.

## BUY TO LET

Rental cover: 125% of interest only mortgage payment based on the revert to rate (ie. current rate post discount). Letting must be on a single 6 months assured shorthold tenancy or company let (max 6 months). Up to 4 properties allowed per portfolio with a maximum total borrowing of £600k. Available to UK citizens, expatriates and foreign nationals. Multiple occupancy of investment properties is not permitted. Where an applicant has a number of buy to let properties, we will only require a reference on the property in which they reside and the property on which they require a loan.

## CAPITAL REPAYMENTS

Regular overpayments are permitted up to a maximum of £200 per month. Lump sum capital repayments are not permitted.

## CCJs

Ignored if:

- satisfied or
- registered more than 2 years ago or
- Less than £100, satisfied or not.

Explanation is required for all CCJs, excluding those listed above.

CCJs registered by the Inland Revenue or Customs & Excise must be repaid on or before completion. We reserve the right to ask who has registered a CCJ, and will require an explanation.

## CREDIT SEARCH

A credit search will be carried out on all applicants.

## DEFAULTS

We ignore defaults when considering applications.

## EARLY REDEMPTION CHARGES (ERC)

Discount Mortgages 6% for three years from completion  
2 Year Fixed 7% for 1 year from completion, 6% for the rest of fixed period  
3 Year Fixed 6% for the duration of the fixed period

We will waive the ERC if you move and take out a new mortgage with Victoria provided the new loan is equal to or greater than the existing mortgage to be repaid. If the new loan is smaller than that being repaid a pro-rata ERC will be charged. The new mortgage must be completed within 30 days of the existing mortgage being repaid. The provision of the new loan is at our sole discretion.

## EMPLOYMENT

Employed -

Status- Applicant must have been employed for at least 9 of the 12 months prior to application. Employers reference or P60 and last 3 months' payslips required. If less than 6 months previous reference will be sought.

Self-Cert - No minimum period of employment required..

NB- Probation periods only accepted where current employment similar to previous (on status cases)

Self-Employed -

Status - Minimum 12 months trading. Accountants Certificate required, completed by qualified Accountant.

Self-Cert - Minimum 3 months trading.

If self-certifying income (employed/self employed) for LTV greater than or equal to 80%, we will require employers confirmation letter/qualified accountants or point of sale (FSA Authorised) brokers affordability letter.

A valid reason for self-certifying income acceptable to Victoria, must be provided.

## FEES

Arrangement fee £499. Funds transfer fee £45. Title Insurance (Right to Buy) fee £125. Buildings Insurance fee £35. Arrangement, Funds transfer, Title Insurance and buildings insurance fees can be added to loan. Fees can be added to the loan up to 90% LTV.

## FIRST TIME BUYERS

Permitted on all products.

## FOREIGN NATIONALS

Applicants must have permanent right to reside in the UK.

In addition Foreign Nationals must:

- Provide 24 months proof of residency in UK, and
- Have been resident in the UK for a minimum of 12 months at time of application

If unable to provide more than 12 months proof of residency, applications will be considered on the CreditBuilder range only.

Applications will be considered from applicants without permanent right to reside subject to sight of work permit and a minimum of three years proof of residency.

## INCOME

Minimum income (including Buy to Let) for single applicants: £22,000  
joint applicants: £25,000

100% of Guaranteed/Regular Overtime, Bonus and Commission considered as acceptable income. 50% of Irregular Overtime, Bonus and Commission considered as acceptable income.

## INTEREST

Interest will be charged at 3 month LIBOR plus any loading for the product. LIBOR resets on the first of March, June, September and December, and the new rate will be applied to the account within one month. At the conclusion of a period of fixed interest the case will revert to the floating rate of the equivalent discount product.

## IVA

In accordance with the product scheme, we will require the IVA to be satisfied for 1 year, satisfied at completion or will require reference from the IVA administrator confirming satisfactory conduct of the IVA.

## LOAN AMOUNT LIMIT

Minimum: £70,000  
Maximum: £500,000 – up to 85% LTV  
£350,000 – from 85% to 90% LTV  
£350,000 – on Right to Buy  
£400,000 – on Buy to Let

## LOAN PURPOSE

Most purposes accepted including capital raising. Purpose must be stated on application form.

## MORTGAGE PAYMENTS

Number of missed mortgage payments in previous 12 month period determines scheme. We will require proof of the last 3 months contractual monthly payments if re-mortgaging from a non-conforming lender on CreditBuilder range.

For second charges – evidence of payments required for loans of £15,000 and above. We require an explanation for all missed payments within the last 12 months.

## PROOF OF IDENTIFICATION

Our Identity Verification form must be completed by the individual who has seen the original documentation. A form is required for each applicant. The following are acceptable evidence of name:

- Current valid (signed) full Passport or EEA Member State Identity Card
- Resident Permit issued to EEA Nationals by Home Office
- Current UK/EEA Photo Driving Licence
- Current full UK Driving Licence (old style)
- Shotgun /Firearms Certificate
- State Pension/Benefit book/notification letter
- Sub-contractors certificate
- Inland Revenue Tax Notification
- UK Provisional Driving Licence (new style)

## PROOF OF RESIDENCY

The Identity verification form will capture current proof of residency.

We require 24 months proof of residency, in the event that an applicant does not appear on the voters roll at the address(es) given, the following items are acceptable as proof of residency:

- Solicitor letter confirming completion of house purchase or land registration
- Utility bills (not mobile phone)
- Most Recent Mortgage Statement
- Bank/Building Society/Mortgage/Credit card statements
- Local Authority rent cards/tenancy agreement
- Current Local Authority tax bill
- House/Motor insurance certificate
- Current UK/EEA Photo Driving Licence
- Current full UK Driving Licence (old style)
- State Pension/Benefit book/notification letter

Items may be used to evidence either identity or residency but not both.

Note - mobile phone statements are not acceptable.

Please note – If advice is provided on a non face-to-face basis, an additional certified document will be needed as current proof of residency.

## REPAYMENT METHODS

- Capital and Interest
- Interest only

## REPAYMENT TERMS

Minimum term: 5 years  
Maximum term: 30 years

Leasehold properties must have a minimum of 30 years unexpired lease at the end of the mortgage term.

## REPOSSESSION

We will consider applicants who have had a property repossessed but not if this was in the last 2 years. If at any time during the underwriting/completion process we are made aware of any repossession proceedings against our proposed borrowers, we reserve the right not to proceed with the application.

## RIGHT TO BUY

Loans are based on open market value, not discounted purchase price.

Loans are covered by Title Insurance. The premium must be paid by the Applicant but can be added to the loan if required.

Capital raising is permitted over discounted purchase price up to scheme maximum LTV. Properties shown below as requiring a drive by valuation will attract a rate loading.

## VALUATIONS

Valuations are only acceptable in Victoria's approved format.

For properties of non-traditional construction and adjacent to/above commercial premises, an additional drive-by audit will be required, paid for by Victoria.

In addition Victoria arranges audit valuations on a random sample of valuations generally on basis of LTV and property related risk.

Second Valuations are required where the property value exceeds £500,000 and the LTV is greater than 75%. Lending will be based on the lower of the two figures.