

KEY RESIDENTIAL LENDING CRITERIA – SEPTEMBER 2011

Income multiples

Age at date of application		Admissible income of main earner*	
		Up to £40,000	£40,001 or more
55 and under		x3.6	x4.0
56 and over	16-19 years to maximum age*	x3.2	x3.4
	11-15 years to maximum age*	x2.6	x3.0
	6-10 years to maximum age*	x2.0	x2.2
	1-5 years to maximum age*	x1.2	x1.2

* The maximum age is up to the applicant's 70th birthday, unless they have adequate retirement income which would allow borrowing up to the applicant's 75th birthday. See our fact sheet 'Acceptable sources of retirement income' for more information.

For new mortgages the applicable income multiplier is determined by the number of years remaining to the maximum age. This is calculated by deducting the age of the applicant at their next birthday from the maximum age.

For joint applicants, select the multiplier based on the income of the higher earner and apply it to the total admissible income of both applicants.

Total admissible income is calculated by taking your clients' gross annual income minus any financial liabilities. We will only take into account a maximum of two applicants' incomes when considering a mortgage.

For applicants aged 56 and over, we will apply our income multipliers to the lower of the following:

- current annual income minus any financial liabilities, or;
- future acceptable pension income disregarding any existing financial liabilities.

Where the mortgage term exceeds the applicant's 70th birthday, and the applicant is aged 56 or over on the date of application, evidence of retirement income is required.

Maximum advance

LTV maximum	LTV advance
Up to 75%	£1,000,000
Up to 80%	£750,000
Up to 85%	£400,000

We reserve the right to restrict the maximum LTV in certain locations or developments.

Property valuations

One valuation is included up to £670, provided the valuation is instructed by us. If instructed at application, we will discount the Homebuyer's Report. For full details please visit www.coventryintermediaries.co.uk

Mortgage-related fees

Where applicable, all booking and valuation fees must be paid when you submit the application. Until we receive these fees, your application will not be processed. This means that we will not instruct a valuer or carry out any underwriting, and the scheme you have selected will not be reserved.

We will automatically cancel any applications received without the relevant fees after ten days. Where this happens you will need to re-submit the application, and will have to select a new scheme if the previous one has closed. Any booking and valuation fees that apply to the new scheme will be payable.

Acceptable terms and types

The normal maximum repayment term is 35 years but for pensions, PEPs or ISAs the maximum term is 40 years. Part and part (where there is a mix of repayment vehicles) may be used. If there is any interest-only element to the mortgage then we will only lend to a maximum of 75% LTV and £500,000. All interest-only loans must have a suitable existing repayment plan in place prior to the date of application.

Remortgage residency

At the date of making the mortgage application, the applicant (or in the case of joint mortgages, all applicants) must reside in the property.

First time buyer (FTB) specific policy

- When FTB products are available, the maximum advance is £250,000 and the maximum LTV is dependent upon the scheme chosen.
- Repayment is the only acceptable payment method. Interest-only mortgages are not acceptable.
- Maximum term is 35 years.

www.coventryintermediaries.co.uk

All information is subject to change. Product information is subject to availability and may change. This information is for intermediaries only and is not intended for distribution to potential customers.

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