

Key Residential Lending Criteria - July 2021



Affordability

It is important that all applicants can afford to repay their mortgage before we enter into a regulated mortgage contract with them, and we take a range of factors into account to determine how much an applicant can borrow. Our affordability assessment aims to ensure that after the mortgage payment has been made, there is sufficient net income remaining to cover financial commitments and additional outgoings, including general household and lifestyle costs. We will also consider the impact of possible future interest rate increases on the long term affordability of the mortgage.

The actual loan amount will be subject to: a full credit score, affordability assessment, review of current credit commitments and our current lending policy.

Our quick and easy Affordability Calculator provides you with both the maximum loan amount and maximum monthly payments, based on your clients' individual circumstances. This can be found in the calculators section of our website.

Lending into retirement

For further details on lending into retirement, please refer to our lending policy on our website. If you would like to discuss individual cases in more detail, please call the Coventry for intermediaries team on 0800 121 7788.

Maximum advance

Loan amount £	Purchase	Remortgage			Further advance	
	All Cases	Without Additional borrowing	With Additional borrowing		Employed/ Other	Self- Employed
			Employed/Other	Self-Employed		
>£1.25m up to £2m	65%	65%	65%**	65%**	65%	65%**
>£1m up to £1.25m	75%	75%	75%**	65%**	75%^	65%**
>£750k up to £1m	80%	80%	75%**	65%**	80%**^	65%**
>£500k up to £750k	85%	85%	75%**	65%**	85%**^	65%**
>£400k up to £500k	90%	90%	75%**	65%**	90%**^	65%**
Up to £400,000	95%	95%	75%**	65%**	95%**^	65%**

** If the property is unencumbered or there is less than £5,000 outstanding on the current mortgage the maximum LTV is 50%.

^ Where the further advance has an element of Debt Consolidation, the Debt Consolidation element is restricted to 75%.

Additional borrowing on the applicant's current scheme as a result of either porting or further advances is restricted to a maximum LTV of 95% or the product limit whichever is lower. LTV restrictions may apply see intermediary website for further information.

Property valuations

We will instruct a valuation once we've reviewed your application. The valuation is for our benefit only and used to confirm whether we can lend on the property. It's important to remember that we decide the type of valuation most appropriate to the application, therefore a physical inspection of the property may not be required.

Mortgage-related fees

Where applicable, all application 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 application and valuation fees that apply to the new scheme will be payable.

Acceptable terms

The maximum repayment term is 35 years (subject to lending policy).

Mortgage offer periods


Mortgage offer expiry dates are determined from the date of application and are calculated as follows:

- property purchase and remortgage - six months from date of application
- further advance - four months from date of application.

Any delay in sending outstanding supporting information will reduce the validity period of the offer. Completion of the mortgage must take place by the mortgage offer expiry date.

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.

 **0800 121 7788** Please check our website for our opening hours



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