

# Lender's Criteria – Applying to CF6

For study purposes only. Not to be taken into exam

Maximum loan to value	95% of the purchase price or valuation, whichever is the lower.	
Income multipliers	3 times main income plus 1 times second income <b>or</b> 2.75 times joint income. Where an applicant has 2 incomes, use 3 times main income plus 1 times second income.	
Self employed applicants	For income multiple purposes, take the higher of either the average of the last 3 years actual net profit <b>or</b> the latest actual net profit figure if the net profit figure progressively increases.	
Other income	Guaranteed overtime, i.e. employer will confirm in writing that it is guaranteed, take at 100%.  Regular overtime, i.e. not confirmed as guaranteed, but evidenced by payslips, P60 etc, take 50%.  Mortgage Subsidy – take 100% providing employee has completed at least 12 months' service.  Bonuses – ignore.	
Other financial commitments	For loans with more than 12 months to run, deduct the annual cost of repayments from income before applying the income multipliers (for credit cards, assume a 5% monthly payment).  For maintenance payments, deduct the annual cost of payments from income before applying the income multipliers.  If an existing mortgage is to remain in place, the outstanding balance should be deducted after applying the income multipliers.	
Credit history	<ul style="list-style-type: none"> <li>• One County Court Judgment, for less than £250, which has now been settled – ignore.</li> <li>• Any other County Court Judgments – decline.</li> </ul>	
Other	<ul style="list-style-type: none"> <li>• Leasehold properties must have 25 years left to run after the term of the mortgage.</li> </ul>	
Higher lending charge	<ul style="list-style-type: none"> <li>• Up to and including 90% of valuation</li> <li>• 90.01% to 92.4% of valuation</li> <li>• 92.5% to 95.0% of valuation</li> </ul>	<p>Nil.</p> <p>7.0% of the amount of the loan over 75% of the valuation.</p> <p>7.75% of the amount of the loan over 75% of the valuation.</p>



# List of Mortgage Products – Applying to CF6

Type	Interest Rate	Maximum Loan to Value (excluding higher lending charge)	Completion Fee	Early Repayment Period	Conditions
Standard variable rate	5.70%	95%	Nil	Nil	Nil
Fixed rate for 2 years	3.99%	90%	£300	2 years	building and contents insurance
Fixed rate for 5 years	4.99%	95%	£350	5 years	Nil
Discounted rate for 2 years	3.95% (1.75% off standard variable)	95%	Nil	2 years	Nil
Capped rate for 3 years	4.50%	95%	£300	5 years	Nil
Capped rate for 5 years	5.25%	95%	£350	5 years	building and contents insurance
Cashback mortgage	5.70% 5% cashback 3% cashback	90% 95%	Nil	5 years	cashback refundable in full if loan repaid in full or in part within 5 years
Flexible mortgage*	4.70%	95%	Nil	Nil	Nil

## \*Flexible mortgage

- Daily interest.
- Up to two payment holidays per year.
- Regular overpayments of any amount.
- Lump sum overpayments – minimum £500 per overpayment.
- Borrow back overpayments – minimum £1,000 per withdrawal.