



# Criteria Guide



## General Criteria (applies to all lending)

### Loan

Minimum Loan Term:	5
Maximum Loan Term:	30
Minimum loan:	£25,001
Maximum loan:	£1,000,000 (Home Owner) £300,000 (Buy to Let)

All products are non-portable. Precise Mortgages will not accept remortgage applications within 12 months of either the original purchase date or the last remortgage date. Capital and Interest or Interest Only repayment method allowed.

Maximum LTV for flats and apartments 75%.

Interest only limited to 75% LTV only.

**Repayment Vehicles acceptable for Interest Only:** Endowment, Stocks & Shares ISA, Unit Trusts / OEICs, Pension, UK Stocks & Shares, Savings (inc. PEPs/TESSAs), Premium Bonds, Sale of Second Home.

### Applicant

Minimum Age:	25
Maximum Age:	65 (at the end of the term)
Max. No of applicants:	2
Minimum Earned Income: (Primary Applicant)	- £15,000 for Home Owner. - £25,000 for Buy to Let.
Guarantors	Not acceptable.
First Time Buyers:	Not acceptable (are defined as any applicant who has not owned a UK property in the last 18 months).
Allowable Adverse:	Defaults – Refer to product. CCJ's – Refer to product. Arrears – Assessed on worst status, refer to product. Bankruptcy, IVA and Debt Management plans – Not allowed. Repossessions – Not allowed.

### Portfolio

- **Precise Mortgages** - No more than one mortgage with Precise Mortgages at a time.
- **Other Lenders** - No more than 20 Buy to Let mortgages with other lenders.

### Fees & Deposit

Fees that may be added to loan.	Product fee and telegraphic transfer (TT) fee Up to 85% LTV (Any fees added will not be incorporated into LTV calculation, but will be included in our affordability calculation).
Product switching fee	If the applicant decides to change the product on the application after the mortgage product has been offered, a non-refundable administration fee of £120 is payable prior to the amended mortgage offer being issued.
Source of Deposit	<b>The following forms of deposit / incentive are not acceptable:</b> <ul style="list-style-type: none"> <li>• Builder's Deposit.</li> <li>• Family Gift (If the property is being purchased from a family member).</li> <li>• Vendor's Deposit/Discounted purchase price.</li> <li>• Purchase from family at discounted purchase price.</li> </ul>

### Nationality & Residency

Residential Status:	in <b>all</b> cases we require a three year residential address history.
All UK/EEA Nationals:	must have been resident in the UK for the last 3 years. (EEA Nationals: Austria, Belgium, Bulgaria, Cyprus (Greek Cypriots only), Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland)
Non-EEA Nationals:	Will not be considered for lending purposes.
Diplomatic immunity:	Unacceptable if diplomatic immunity applies to immunity from UK law.

### Solicitors

Precise Mortgages operates a controlled solicitor panel. For further details please consult our Solicitor Panel Guide.

## Validation

<b>Mortgage Conduct:</b>	Proof of the most recent 12 months' mortgage payments is required for all current mortgages.
<b>Bank Statements:</b>	Latest 3 months' consecutive bank statements are required on all applications.
<b>Self-employment:</b>	The existing business must have been trading for a minimum of 3 years and the latest two years accounting information should be provided. For Home Owner applications, it may be acceptable if the business has been trading for only 2 years, where we can accept 1 year accounts. We only accept accounts prepared by accountants with the following qualifications: ACA/FCA, CA, ACCA/FCCA, AAPA/FAPA, CIMA, CIPFA.
<b>Company Directors:</b>	Where a company director owns more than 25% of the company shares they must be treated as self-employed and accounts obtained.
<b>Limited Companies:</b>	Precise Mortgages will only lend to individuals. Lending to Limited Companies is not acceptable.
<b>Employment:</b>	A minimum of 6 months in current employment and 12 months continuous employment history is required for all employed applicants. Income for employed applicants must be verified by means of the last three months payslips and most recent P60. Where guaranteed or regular bonuses form a substantial part of an applicant's total income, please provide sufficient evidence to confirm that this is the case. For regular annual bonuses, a two year track record should be provided.
<b>Offer Validity:</b>	3 months from date of valuation

## Property

<b>Minimum property value:</b>	£75,000 or £150,000 in London postcode districts.														
<b>General:</b>	All property must comprise a single residential dwelling unit, ie own living accommodation/ kitchen/bathroom etc. Taking a single mortgage over a property converted into more than one unit is unacceptable.														
<b>Location:</b>	England, Wales and Scotland only. Applications in the following locations will not be considered (applies to Scotland):														
	<table> <thead> <tr> <th>Region</th> <th>Post Codes</th> </tr> </thead> <tbody> <tr> <td>Western Isles</td> <td>HS – All</td> </tr> <tr> <td>Highlands</td> <td>IV – All</td> </tr> <tr> <td>Orkney</td> <td>KW – All</td> </tr> <tr> <td>Shetland</td> <td>ZE – All</td> </tr> <tr> <td>Renfrewshire &amp; Argyll</td> <td>PA – PA24 to PA78</td> </tr> <tr> <td>Perthshire</td> <td>PH – PH27 to PH50</td> </tr> </tbody> </table>	Region	Post Codes	Western Isles	HS – All	Highlands	IV – All	Orkney	KW – All	Shetland	ZE – All	Renfrewshire & Argyll	PA – PA24 to PA78	Perthshire	PH – PH27 to PH50
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<b>Retentions:</b>	Are not acceptable.														

## Tenure

<b>Freehold (except in Scotland):</b>	Unacceptable for flats/maisonettes
<b>Leasehold:</b>	30 years unexpired term after end date of the mortgage term.
<b>Flying freehold:</b>	We can consider flying freeholds provided the percentage does not exceed 10% of the total area. The valuer must comment and confirm total percentage.
<b>Commonhold:</b>	Not acceptable.
<b>New Build:</b>	All properties must be at least two years old and must have previously been occupied.
<b>Flats/Maisonettes /Apartments:</b>	Must be self-contained with private facilities and direct access to the highway via covered common parts. Flats in high-rise blocks or above commercial premises maybe considered on an individual basis.
<b>Buildings Insurance:</b>	Suitable buildings insurance should be in place at completion (remortgage) or at exchange (purchase) and will be a condition of the offer that the solicitor must address. The sum assured should be index-linked.
<b>Social Housing:</b>	We will not consider any property being purchased under any social housing schemes eg (Right to Buy, Shared Ownership, Key Worker etc). Nor will we consider remortgaging any property purchased under any such scheme where the original vendor retains any interest or where any pre-emption clause remains.

### Unacceptable property types (if the construction is non-traditional contact us for acceptability)

- Studio flats or maisonettes.
- Property designated defective under Part XVI Housing Act 1985, Housing (Scotland) Act 1987 or Pre-Cast Reinforced Concrete (PRC) property (irrespective of whether repaired under a licenced repair scheme).
- Properties constructed with high-alumina cement, timber framed property with no brick skin or 100% steel or timber framed property.
- Property where material environmental hazards are present.
- Property where commercial usage exceeds 20%. The commercial element should not extend to light engineering, manufacturing, livestock, rearing or caring for domestic animals. "Home" office usage is acceptable however, such use should not include circumstances where clients are seen on the premises on a regular basis (eg dental surgery would not be acceptable).

## Property *(continued)*

- Live/works units.
- Freehold flats/maisonettes (except in Scotland).
- Any property deemed unsuitable security by the valuer.
- Any property deemed in multiple occupation (HMO).
- Any property where there is ongoing movement/monitoring is required.
- Ex-local authority flats or maisonettes.
- Flats or maisonettes in blocks exceeding 15 storeys.
- Mobile homes and houseboats.
- Grade I listed buildings.
- Property where saleability may be adversely affected by local planning or by an unsatisfactory mining search.
- Any property of Modern Method of Construction (MMC) eg a POD type construction where units are built off site, craned onto site and secured and serviced connected etc, then externally clad.
- Any property containing Mundic concrete.

**Restrictive Covenants:** We are unable to consider any property that may have a restricted occupancy clause within the planning permission, for example, it can only be occupied for a maximum of 11 months in any one year Property with unrestricted occupancy can be considered provided our normal requirements are met.

Similarly, property that can only be used for retirement or sheltered accommodation is unacceptable, as is any property where a planning restriction (eg agricultural restriction) effectively limits a property's appeal on the open market.

In all instances the property assessment will be instructed by Precise Mortgages.

**Property assessment service:**

## Valuation and Assessment Fee Scale

Valuation Up To (£)	Standard Valuation and Assessment Fee	Homebuyers Valuation and Assessment Fee
£100,000	£305	£495
£150,000	£320	£550
£200,000	£355	£610
£250,000	£390	£670
£300,000	£410	£740
£350,000	£440	£785
£400,000	£425	£825
£450,000	£475	£875
£500,000	£535	£905
£600,000	£595	£970
£700,000	£665	£1,055
£800,000	£730	£1,140
£900,000	£800	£1,265
£1,000,000	£850	£1,385
£1,250,000	£1,130	£1,790
£1,500,000	£1,235	£1,790
£1,750,000	£1,415	£2,045
£2,000,000	£1,540	£2,045

**Note:** Once the valuation is carried out the valuation and assessment fee is non-refundable.

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## Other Fees

<b>Property re-inspection fee</b>	£75.00
Where a re-inspection is necessary after the initial valuation is carried out.	
<b>Product switch</b>	£120.00
The fee is applied when we agree to change the product initially applied for.	
<b>Telegraphic Transfer fee</b>	£35.00

## Structural Reports

Reports may be accepted from members of the following bodies:

The Institution of Structural Engineers [www.istructe.org.uk](http://www.istructe.org.uk) & The Institution of Civil Engineers [www.ice.org.uk](http://www.ice.org.uk).

The report must be referred to the valuer for comment. If the report is not addressed to the applicant, written confirmation must be obtained from the originator that its contents may be relied upon by the applicant(s)

**Specialist Reports** Most commonly requested reports comprise:

- Timber & damp, Electrical, Trees, Cavity Wall Tie.
- Mining Report (as these are obtained by the solicitors, a special condition is imposed at offer).
- Any such reports should be prepared by a reputable firm and should be forwarded to us for review and referral to the valuer.

## Intermediary Support:

**Freephone:**

**0800 116 4385**

9.00am to 17.00pm (Monday to Friday)

**Fax:**

**0800 131 3180**

**Email:**

**[enquiries@precisemortgages.co.uk](mailto:enquiries@precisemortgages.co.uk)**

We can provide literature in large print, Braille and audio tape.  
Please ask us for alternative literature if you need it.

