

Kensington

Intelligent lending for intermediaries

Residential mortgages

Issued 24/11/11

Self Employed

- ✓ 1 year's accounts
- ✓ Most recent year's figures generally used
- ✓ Inland Revenue SA302 acceptable

Your clients



at the centre

Employed

- ✓ Up to 50% of regular overtime/bonus taken
- ✓ Up to 100% of second job income taken
- ✓ Pension and investment income allowable

Remortgages

- ✓ Capital raising for a broad range of purposes
- ✓ Debt consolidation
- ✓ Free valuations and free legals

Intelligent Underwriting

- ✓ No credit score - decisions made on a customer's circumstances, not a score
- ✓ Can consider all types of declarable income
- ✓ Loans up to £500,000 considered
- ✓ Will consider minor historic credit events

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Broker procurement fee 0.40%

Case to discuss?

Call our Business Development Unit on **0800 111 020**

Apply now at **kmc.co.uk**

Residential 24th November 2011

FOR PROFESSIONAL
INTERMEDIARY USE ONLY

Current LIBOR rate is 1.05% with effect from 14th November 2011

Prime							
Range	LTV	Rate Type/Term	Rate	Fee	Reversion	Repayment	Incentive
Purchase	75%	Fixed until 28/02/15	4.59%	£999	LIBOR plus 4.10%	Capital & Interest or Interest Only	N/A
	60%	Fixed until 28/02/15	4.29%	£999	LIBOR plus 4.10%	Capital & Interest or Interest Only	N/A
Remortgage	75%	Fixed until 28/02/15	4.74%	£999	LIBOR plus 4.10%	Capital & Interest or Interest Only	Free valuation and legals*
	60%	Fixed until 28/02/15	4.44%	£999	LIBOR plus 4.10%	Capital & Interest or Interest Only	Free valuation and legals*

CCJ	None registered in last 24 months	Defaults	None registered in last 24 months	Secured	No missed payments in the last 24 months	Unsecured	Max Credit Report Status of 2 in last 12 months. Must be up to date
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*Free standard legal fees (see additional information) £100 admin fee will still be payable

Prime Criteria		
	Purchase	Remortgage
Minimum Loan Amount	£25,001	
Maximum Loan Amount	Purchase and Remortgage £500,000	
ERCs	5% during the fixed rate period	
Employment Status	Employed/Self-employed	
Region	England and Wales only	
Minimum Age (at application)	21 years	
Maximum Age (at end of term)	65th birthday or expected retirement age, whichever is earlier	
Minimum Term	6 years	
Maximum Term	30 years	
Minimum Valuation	£90,000 (£120,000 for New Build flats)	
Maximum LTV	75% LTV (75% LTV for New Build Houses, 65% LTV for New Build flats)	75% LTV
Minimum Income	Minimum income: £18,000 sole income or £25,000 combined for joint applicants	
Bankruptcy or IVA	None	
Additional Criteria	In assessing single or joint minimum incomes and with respect to affordability assessments no Working Family Tax Credits or Child Tax Credits can be taken into account and income must be from a single source, for example, one employer or self-employment activity. Additional income from a second employer or self employment will be used to assess the total size of loan available. No first-time buyers.	

Phone **0800 111 020** or go to **kmc.co.uk** for more information



Information about our Residential mortgages

At Kensington, we want to make it easy for you to select the right mortgage for your client's circumstances and we have worked hard on making our criteria clear and simple to understand. Please use the information below to help you find out more about our mortgages and how you can ensure an application is processed quickly and efficiently.

If you do have any questions, please call us on 0800 111 020.

Maximum Applicants	Maximum of 4 Applicants per application.
Loan Purpose	Most loan purposes, including capital raising but excluding injection into a business or payment of an Inland Revenue tax bill. Purpose must be stated and evidence may be required.
Rate Shock	As a responsible lender, Kensington must be satisfied that our customer is able to withstand increases in mortgage interest rates and be able to afford the mortgage now and after any fixed rate/discounted period expires. As a consequence and to validate the customer's ability to repay, we may request evidence of savings/assets etc the customer may have which could be used as a buffer to support an increased mortgage payment. Factors that cause us to believe that the customer cannot meet an affordability assessment in a higher interest rate environment may result in the application being declined.
Repayment Method	Capital and Interest, Interest Only or Part and Part acceptable subject to Product LTV. When all or part of the loan is on an interest only basis, the method and full details of repaying the capital must be declared and acceptable to Kensington. Evidence of the repayment vehicle will be required. Any payments made towards a repayment vehicle must be taken into account for affordability purposes.
Deposit Monies	Source of deposit is required on all cases and evidence will be required regarding the accrual of funds. Proof of a minimum 5% deposit from applicants own resources will be required on all Inter family sales. Maximum builders deposit 5%.
First Time Buyer/ No existing mortgage/ Unencumbered homeowner	Considered First Time Buyer if has not held a mortgage within the last 12 months.
Applicants in joint financial or married partnerships	We would normally expect applications from applicants that are in joint financial or married partnerships to be submitted in joint names, so that their credit and affordability situation can be fully assessed. However, where this is not possible we would request the matter be brought to our attention prior to submission for consideration. Full details regarding why application is required in sole name will be required.
Applicant Exclusions	Applicant exclusions apply for Disqualified Company Directors, back to back sales within 12 months of application, foreign nationals with less than 12 months bank records available, those with bankruptcies (including discharged) and Individual Voluntary Arrangements, those who have been subject to a repossession within last 3 years and those with criminal convictions, sale and rent back transactions. Remortgages within 12 months of a purchase or previous remortgage are not acceptable. Where the applicant is paid in cash, their gross pay must not exceed £10,000.
Solicitors	The firm of solicitors acting for Kensington must be registered with The Law Society and have a minimum of 4 partners. Applicants are free to choose a firm of solicitors to act on their behalf that does not meet this requirement, but the firm cannot also represent Kensington. In these circumstances, Kensington will appoint its own solicitor. Applicants will be responsible for the payment of both their own legal fees and the legal fees of Kensington's solicitor.
Higher Lending Charge	There is no Higher Lending Charge payable on any of our products.
Portable	Our products are not portable.
Property	Loans will not be considered on: Shared ownership properties, Right to buy within pre-emption, Freehold flats and maisonettes, Ex local authority flats and maisonettes, Flats above commercial property, Most properties of concrete construction*, Properties deemed defective under the Housing Defects Act 1984 and Housing Act 1985, Properties containing mundaic block materials, Properties with agricultural restrictions, High rise flats over 4 storeys, Studio flats, Leasehold properties with less than 35 years at end of the mortgage term and properties where Borrower or Borrower owned business owns more than 25% of the freehold on a leasehold property. *Please note we will accept Wimpey No Fines and Laing Easiform houses (not flats) up to 75% LTV. Laing Easiform houses must be dated 1945 onwards.
Valuations	For LTV purposes, the lower of the purchase price or the valuation is used in all cases (no concessions on family sales or Sitting Tenant purchases). All applications require a minimum deposit/personal stake of at least 5% of the lower of purchase price or valuation.

Property Value

For property value up to £250,000	=	£300	£750,001 to £1 million	=	£750
£250,001 to £500,000	=	£450	£1 million to £2 million	=	£900
£500,001 to £750,000	=	£600	£2 million and over	=	by arrangement

Valuation fee is inclusive of VAT and a non-refundable administration charge of £100. Full fee must be provided with the application. If payment card details are given, the fee will be deducted on receipt.

We reserve the right to carry out audit valuations at our own expense - please note we will work on the lower of the two valuation figures.

Income and Referencing Affordability

All applications are subject to a full affordability assessment. Income is classed as 100% of net profit figure or basic salary, dividends, shares of net profits, guaranteed salary allowances (ie car allowance, regional weighting, housing allowance, mortgage subsidy, shift allowance), private pensions, investment income and other declarable income for tax purposes, and up to 50% of all bonuses* and overtime*.

*Please note variable income will only be acceptable if regular, sustainable and evidenced.

In assessing single or joint minimum incomes, this must be from a single source, for example, one employer or self employment activity. Additional income from a second employer will be used to assess the total size of loan available. Working Family Tax credits or Child Tax Credits will not be taken into account for income or affordability purposes. Maintenance payments supported by Court Order/CSA documentation and last 3 months bank statements to verify receipts will be considered. Underwriters will look at a complete credit history when making their decisions. Any evidence of loans which are advances against income (Pay Day loans) will result in a decline.

Status

Employed applicants must have been in their current job for a minimum of 3 months and must not be on probation. In addition the last 12 month employment history is required if employed, minimum requirement is 3 most recent payslips and a P60. If a P60 is not available, then an Employment contract and bank statements are required.

Applicants who are sole traders or those holding not less than 25% of a company's share will be treated as self employed. If self employed, ideally a 3 year net profit history is required but a minimum of 1 year's trading history is acceptable. Verification will be required by a qualified accountant/book keeper who will be required to provide latest audited accounts. The Accountant/Book keeper must hold a current, valid practicing certificate with an acceptable professional body (ACCA, ACA, CIMA, CIPFA or ICB). The applicants proportion of the last years net profit figure will be considered when assessing affordability, unless when a Director of a limited company where only the salaried income plus dividends received will be considered when assessing affordability.

Additional Information

Free standard legal fees: For remortgages in England and Wales where the amount borrowed is less than £500,000, Kensington will cover the cost of the standard legal work required to investigate the title to your property, redeem any previous mortgages and register Kensington's interest in your property at the Land Registry. This standard legal work will be carried out by a conveyancer selected by Kensington.

If you need any extra legal work in relation to your remortgage, such as first registration at the Land Registry; a change of name on the title deeds; a transfer of equity; or a deed of postponement, Kensington's conveyancer will tell you. Kensington's conveyancer may be able to provide this extra legal work for you, but you will be responsible for the cost of this extra work.

Kensington's conveyancer will act on Kensington's behalf only. You are free to arrange your own conveyancer to do any legal work that is required, but you will have to meet the costs of your own conveyancer.

Free valuations: Kensington will pay for one full valuation and further valuations must be covered by the applicant. There will not be any extension to offers unless an exchange date is confirmed or under exceptional circumstances agreed with the case manager.

Phone **0800 111 020** or go to **kmc.co.uk** for more information



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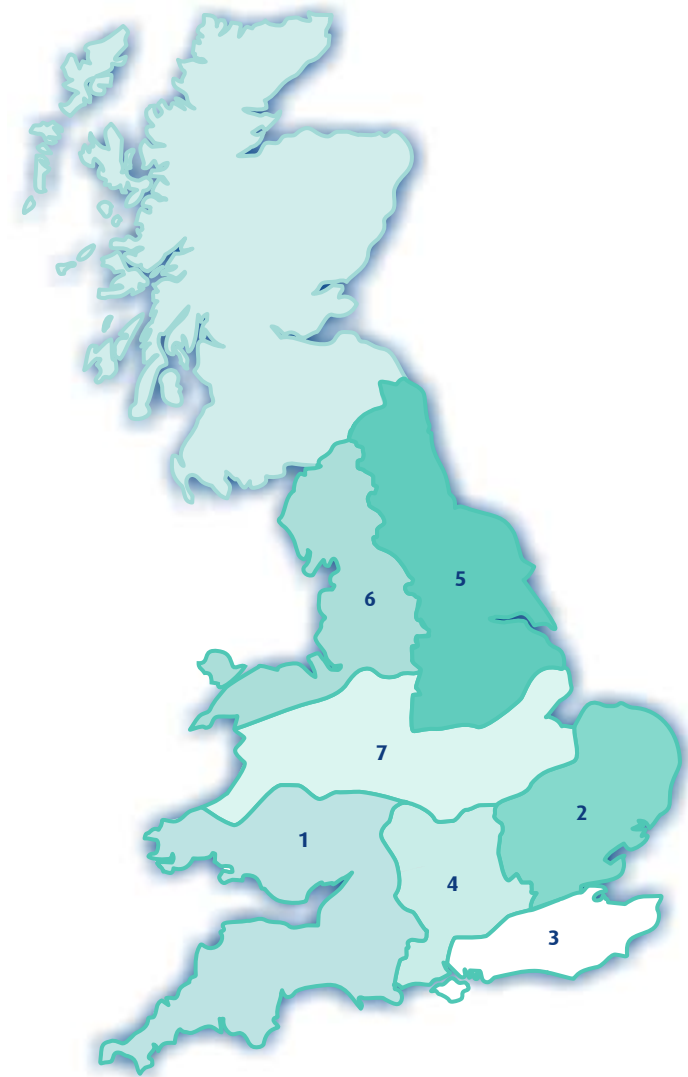
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