



Criteria Guide



General Criteria (applies to all lending)

Loan

Minimum Loan Term:	5
Maximum Loan Term:	30
Minimum loan:	£25,001

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.

Applicant

Minimum Age:	25
Maximum Age:	65 (at the end of the term)
Max. No of applicants:	2
Minimum Earned Income: (Primary Applicant)	£35,000
Guarantors	Not acceptable
First Time Buyers	Are defined as not having held a mortgage in the last 6 months. Lending to First Time Buyers is prohibited.

Fees & Deposit

Fees that may be added to loan	Product fee and telegraphic transfer (TT) fee Up to 75% 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

The following forms of deposit / incentive are not acceptable:

- Builder's Deposit
- Family Gift (If the property is being purchased from a family member)
- Vendor's Deposit/Discounted purchase price
- Purchase from family at discounted purchase price

Nationality & Residency

Residential Status	in all 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 is also included in this group))

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

Mortgage Conduct Bank Statements Self-employment

Proof of the most recent 12 months' mortgage payments is required for all current mortgages. Latest 3 months' consecutive bank statements are required on all applications.

The existing business must have been trading for a minimum of 3 years and the latest two years accounting information should be provided. We only accept accounts prepared by accountants with the following qualifications: ACA/FCA, CA, ACCA/FCCA, AAPA/FAPA, CIMA, CIPFA.

Company Directors

Where a company director owns more than 25% of the company shares they must be treated as self-employed and accounts obtained.

Employment

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, care should be taken to provide sufficient evidence that this is the case. For regular annual bonuses, a two year track record should be provided.

Offer Validity:

3 months from date of valuation

Property

Minimum property value General

£75,000 or £150,000 in London postcode districts

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.

Location Retentions

England and Wales only.

Are not acceptable.

Tenure

Freehold

(Unacceptable for flats/maisonettes)

Leasehold

30 years unexpired term after end date of the mortgage term.

Flying freehold

We can consider flying freeholds provided the percentage does not exceed 10% of the total area. The valuer must comment and confirm total percentage.

Commonhold

Not acceptable

New Build

Any properties that are less than 5 years old (or converted less than 5 years ago) or are yet to be occupied for the first time are unacceptable.

Flats/Maisonettes Buildings Insurance

Must be self-contained with private facilities and direct access to the highway via covered common parts.

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

Social Housing

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 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)
- Live/works units
- Freehold flats/maisonettes
- 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



Property *(continued)*

- Ex-local authority flats or maisonettes
- Flats or maisonettes in blocks exceeding 5 storeys
- Flats or maisonettes over commercial premises
- 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.

Property assessment service

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

Valuation Up To (£)	Standard	Homebuyers
£100,000	£250	£435
£150,000	£265	£490
£200,000	£300	£550
£250,000	£335	£610
£300,000	£355	£675
£350,000	£385	£720
£400,000	£415	£760
£450,000	£445	£810
£500,000	£475	£840
£600,000	£535	£900
£700,000	£605	£985
£800,000	£665	£1,070
£900,000	£735	£1,190
£1,000,000	£785	£1,310
£1,250,000	£1,060	£1,705
£1,500,000	£1,160	£1,705
£1,750,000	£1,335	£1,955
£2,000,000	£1,460	£1,955



Property re-assessment fee	£65.00
Product switch	£120.00
Assessment fee	£280.00
Telegraphic Transfer fee	£35.00

Structural Reports

Reports may be accepted from members of the following bodies:

The Institution of Structural Engineers www.istructe.org.uk & The Institution of Civil Engineers 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

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

