

# LiveMore,

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## Transforming Retirement Interest Only Mortgages.

### CRITERIA GUIDE FOR INTERMEDIARY USE ONLY

**Information correct at 11 February 2021**

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# Introduction & general conditions

Our criteria guide has been developed to ensure that we comply with all regulatory requirements to lend responsibly to our customers, that you understand how we work and can advise on our products with confidence.

We only accept applications from suitably qualified, authorised and regulated financial advisers who are providing an advised sales service to the customer. In order to submit business, you must be registered with us.

## Key features

### Retirement interest-only mortgage products

- A range of short-term fixed rate products; 5 year & 7 year.
- Longer-term fixed rates; 10, 20 years and lifetime fixed rates.
- Up to 75% loan to value (50% for retirement homes).
- Simple Early Repayment Charges.

### Applicant

- Up to 2 applicants.
- Simple quote & application process resulting in quick decisions you can rely on.

### Loan

- Minimum advance £10,000.
- Minimum property value £100,000 (ex-local authority flats £200,000).
- Maximum loan size £1,250,000.
- No maximum property value.

### Customer care

- Transparent rate at end of fixed term – option to transfer to a new product subject to status, valuation and certain restrictions.
- Six-month payment break for certain life events.
- All customers automatically sit within our care programme.

# Applicant

Affordability	Customer can evidence that they can afford the interest payment now, at the point of retirement and upon the death of either applicant.
Age	Minimum. At completion the youngest borrower must be 55 or older. Maximum. No maximum age.
Number of Applicants	Single or joint applicants accepted. Maximum of 2. Joint applicants must hold full title to the property on completion.
Applicant Verification	Applicants should be on the electoral register or be able to verify their address through appropriate documentation. We will let you know if this is necessary.  Income verification will normally be via the customer providing supporting documentation with the application. Where a customer is not already in receipt of pension income verification will also be required.
Bankruptcy & IVA	Any bankruptcy or Individual Voluntary Arrangement should be discharged more than 6 years ago.
County Court Judgements (CCJs) and Defaults	Within last 36 months, no more than a combined total of satisfied CCJ/Defaults - max £500 total. Over 36 months, acceptable combined unsatisfied CCJ/Defaults up to a max of £500 total. Over 36 months, any CCJ/Defaults combined over £500 total must be satisfied.
Convictions	Applicants with current criminal convictions are not acceptable.  Convictions for a minor traffic offence, or convictions which have been spent under the Rehabilitation of Offenders Act 1974 can be disregarded.
Direct Debit Mandate	A direct debit mandate must be in place to collect monthly payments from the customer.
Foreign Income	Income paid in a foreign currency or sourced from a foreign country is not acceptable.
Life Insurance / Term Assurance	Whole of Life Assurance will be considered where the lump sum is used to partially repay down the loan upon the death of the insured applicant, thus reducing the size of the loan left to be serviced by the survivor. Term assurance will also be accepted subject to a maximum 50% LTV and the policy being written to a minimum age of 90 .
Property (ownership)	Owned by the applicants.
Residency	Applicants are UK residents or foreign nationals with a permanent right to reside in the UK.
Tenants in Common	Where a property is owned on a Tenants in Common basis the applicants should consider the implications of death of either borrower on the future ownership of the property. A tenant in common discretionary trust is not acceptable.
Occupancy	Occupancy in England & Wales only.  Any person over the age of 17 living in the property who is not on the mortgage should receive independent legal advice and be required to sign our Deed of Consent and charge to postpone/ charge to LiveMore any occupancy right or interest they may have in the property.  If the occupier of the property is unable to seek independent legal advice and sign the occupancy waiver due to material incapacity, we require written confirmation of lack of material capacity from the occupier's GP together with confirmation that a care plan is in place, or alternatively a copy of the relevant Court of Protection document.  Where applicants are married or in a civil partnership, and are or both will be living in the property, the application must be made in joint name.
Solicitors	For remortgages - LiveMore will instruct solicitors selected from its panel to act on our behalf in carrying out the legal work and will pay all standard costs and disbursements. If any non-standard legal work is also required, the applicant will have to pay for it. The applicant may instruct their own solicitors, in which case they will be responsible for all costs.  For purchases - the applicant should instruct solicitors who will then act for them and LiveMore and the applicant will be responsible for all costs and disbursements.

# Property

Agricultural / Acreage	Properties with up to 10 acres of land where agricultural restrictions do not exist are acceptable.
Annual Service Charge	If annual service charge includes a good sinking fund provision the following is acceptable: Max 2% service charge for properties up to £400,000. Max 3% service charge for properties valued above £400,001. If the service charge does not include everything then a maximum 1.5% service charge applies.
Construction – Framework	<p>Acceptable non-standard construction includes: Historic timber framed property in area of high marketability (e.g. historic town); Timber framed property with outer brick / reconstituted stone / block (including rendered walls) if confirmed as suitable by valuer; Properties with steel frames built after 31st December 2000.</p> <p>The following may also be considered on a case-by-case basis up to 40% LTV, subject to individual assessment: Properties built entirely of timber; concrete panel construction including Camus, Colt Homes, Cumber Homes, Norfolk Clay Lump, Salt Home; Ex-local authority steel frame properties; Poured concrete construction, steel frame construction built pre-Dec 31st 2000; Canadian cedar wood frame, with panels &amp; PVC; Norwegian Log and timber frames and Shiplap built on brick piers; Timber frames with fibre glass &amp; plasterboard insulation.</p> <p>Caravan and or park homes are not acceptable.</p>
Construction – Roof	<p>Pitched roof - Property with pitched roof made of slate or tile acceptable. Properties with roofs of thatch or shingle that are confirmed as suitable security by the valuer are also acceptable.</p> <p>Flat roof - Surveyor confirms that the property is suitable security and suitable warranties / guarantees are in place regarding the flat roof.</p>
Construction – Walls	<p>Acceptable construction includes: Solid (min 230mm) or cavity (min 280mm) built in brick, natural stone or reconstituted stone or flint. Walls built with concrete, in situ cast concrete – Wimpey 'no fines' construction, Laing Easiform, Pre-fabricated reinforced concrete (PRC) properties where valuer states that saleability is unaffected, and the property has been repaired under a PRC Home Limited approved scheme with a 10-year guarantee. Properties with walls of COB. All of the above must be deemed as part of an overall suitable security by the surveyor.</p> <p>The following may also be considered on a case-by-case basis up to 40% LTV, subject to individual assessment: Typically thin 120-150mm single leaf thickness, 1900 or later and clad in timber, thin boarding, rendered board and other similar insubstantial materials; Pre-fabricated properties; PRC systems generally referred to as Large Panel Systems; PRC Houses/ bungalows not either Designated or LPS types; All PRC flats and maisonettes (Designated or Non-Designated or Large Panel Systems).</p> <p>Properties with walls containing asbestos are not acceptable.</p>
Contamination	Properties that are 500 metres or more from a contaminated site will be acceptable if deemed suitable security and marketable by the surveyor.
Contiguous Land	Where contiguous land is owned or controlled by the applicant the case can be accepted providing either; access or services do not depend on the contiguous land, and adjacent land is in exactly the same name(s) as our security and the land can be charged to us.
Council Estates / Housing Associations	Ex-council properties and ex-housing association properties situated on developments where the valuer identifies that the property is suitable security. Properties purchased through 'Right to Buy' scheme and still in pre-emption period are unacceptable.
Farms	Properties are acceptable where farmhouse has separate title and independent access. Properties with agricultural restrictions and properties not independent to the commercial farming are unacceptable.

Flats and Maisonettes	<p>Purpose built and converted flats or maisonettes, including studio and basement flats which are the applicant's main residence in England &amp; Wales are acceptable.</p> <p>Ex-local authority flats that are valued at £200,000 or greater and are in a block with no more than 6 storeys. Open decked flats are not acceptable.</p>
Flooding	<p>Properties in areas at a high risk of flooding will be considered based upon valuer comments. A current buildings policy that is inclusive of flooding will be required.</p>
Coastal Erosion	<p>Acceptable where the valuer confirms that coastal erosion is not, and will not, adversely affect the property.</p>
Japanese Knotweed	<p>Properties assessed as Category 1 or 2 may be accepted as suitable security subject to the valuer confirming that it does not impact the marketability or suitability of the property. Properties in categories 3 or 4 will not be accepted.</p>
Listed Properties	<p>Grade 1, 2* and 2 listed in England &amp; Wales are acceptable subject to no onerous restrictions on alterations or use that would restrict marketability.</p>
Maintenance	<p>Properties should be in good condition and well maintained and not at risk of dilapidation through non-maintenance.</p>
New Build	<p>New Build is defined as built or converted within the last 12 months (based on the date of the completion certificate). New build policy can also apply to properties built / converted more than 12 months ago where the property has been; not previously occupied, is being sold by the builder or developer and has not been occupied, has not been previously used for residential purposes.</p> <p>All new build properties or conversions to have an approved warranty or to have been built under the supervision of a suitably qualified professional (please refer to the website for further detail).</p>
New Build & Incentives	<p>Sales incentives accepted on standard new build; cash back or equivalent up to 5%; reasonable legal fees for the purchase; Stamp Duty; value of the estate agent fees as part of the 5% cashback; carpets &amp; curtains; whitegoods; upgraded fixtures &amp; fittings, provided they are in keeping with the value of the property; other non-cash incentives included as part of the 5% cashback. Maximum LTV for new build flats &amp; maisonettes is 70% LTV.</p> <p>Unacceptable – undisclosed incentives and where any part of the applicants' deposit will be raised from a secured personal loan subsidised by the builder or developer.</p>
Planning Value (permission / development)	<p>Any development value, with or without planning permission is deemed speculative / too uncertain and should be excluded from the mortgage valuation.</p>
Property Defects	<p>Valuer or relevant independent reports to confirm that there are no property defects such as damp or electrical faults.</p>
Properties Adjacent to Commercial Premises	<p>Properties situated above or adjacent to commercial premises are acceptable provided the valuer has confirmed that marketability and saleability are not adversely affected. Properties above or adjacent to pubs, restaurants, takeaways, laundrette and dry cleaners may be considered up to a maximum of 40%.</p>
Retirement Homes / Sheltered Accommodation	<p>Maximum LTV of 50%.</p> <p>Valuer/solicitor should confirm that there are no onerous clauses and that the resale value will not be impacted. Onerous clauses include significant sinking funds or restriction on resale values, rather than an age restriction. We can consider age restricted properties where the minimum age restriction is 55. For properties with a minimum age restriction between 56-60 years, we can consider the property to a maximum LTV of 40%.</p> <p>New build retirement flats are not acceptable</p>

Subsidence and Movement	<p>Acceptable properties where underpinning has been carried out and has a 12-year guarantee from a reputable company covered ASUC and have been confirmed as suitable by the valuer.</p> <p>Unacceptable – where properties are considered high risk to mining subsidence, or where the property is already affected by mining subsidence. Where properties are considered at high risk of structural movement, or where the property is already affected by significant structural movement.</p>
Tenure	<p>Freehold / leasehold houses &amp; flats where the freehold is in respect of the whole building subject to leases / tenancies of the remainder of the block are acceptable.</p> <p>Freehold flats are not acceptable except as above.</p> <p>The lease term must have a minimum of 90 years remaining at application. Where there is a separate sinking fund this cost should be included in the service charge calculation, which should not exceed the maximum service charge permitted (up to 1.5%, 2% or 3% depending on the property value).</p>
Usage	<p>The property should be the applicant(s) main residence.</p> <p>Investment properties, second homes or properties bought for full or partial letting are not acceptable.</p> <p>Other restrictions. Properties with structural alterations that mean the property could not be marketed for solely residential purposes are not acceptable.</p>

## Product & loan

Purpose	Purchase or Remortgage - Capital raising is acceptable unless for business or speculative purposes, please contact us if you are unsure.
Loan Size	<p>Minimum loan £10,000.</p> <p>Maximum loan £1,250,000. Product fee can be added to the loan.</p>
Deposit Source	<p>Equity from existing property, savings and gifted deposit from family are acceptable. Funds transferred from overseas are not acceptable. Proof of deposit is required.</p>
Early Repayment Charges	Refer to individual products for early repayment charge.
Interest	Interest calculated daily, charged monthly.
Revert Rate	At the end of any fixed interest rate period, customers will revert to the LiveMore Variable rate plus a fixed margin.
Product Fee	This may be added to the loan and is disregarded for LTV purposes.
Mortgage Exit Fee	£100.
Offer Validity	Offer is valid for 4 months.
Overpayments	10% overpayment facility per year.
Term	Loan redeemed on 2 <sup>nd</sup> death or when customer(s) move into long-term care.
Capital Repayment	Sale of property. Loan redeemed on 2 <sup>nd</sup> death or move into long-term care.
Loan To Value (LTV)	Up to 75% LTV (Retirement homes up to 50% LTV).
Payment Break	Up to a six-month payment break when certain life events require that breathing space is necessary on the monthly interest payments.

## Existing customer

Porting	Allowable. The mortgage can be ported. Only the product is portable, and the new application will need to pass current lending criteria at the time of the application.
Further Loans	Not currently available.
Overpayments	10% per annum.
Vulnerability	All customers will fall into our customer care programme.
Transfer of Equity (ToE)	Change to parties on mortgage will be permitted, the new proposition will need to pass current lending criteria at the time of application.

## Buildings insurance

Valid Policy in Place	Customer must have suitable insurance in place on date of completion.
Insurance Claims Paid	Our solicitors to confirm that there are no relevant claims outstanding.
Insurance Sum Insured	Our solicitors to confirm that the sum insured is sufficient and is index-linked.

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## Additional Information

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