

INTERMEDIARIES

Mortgage Lending Criteria

Effective from 26th July 2021

This bulletin is for intermediary use only and strictly not for public distribution

Principality is committed to the intermediary market and assisting your customer to buy or remortgage their residential or buy-to-let (BTL) property.

Principality will always act responsibly as a mortgage lender. We will establish if the mortgage is affordable at the outset and as best we can during the life of the mortgage to ensure it is repaid in full by the maturity date. Any fees will be fair and not excessive and borrowers will be given the opportunity of adding the fee to the mortgage or to pay it separately. We recognise that borrowers may get into financial difficulty for a variety of reasons and we will work with them to find a long term solution. Repossession will always be the last resort.

| | | |
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| Acceptable Income | Employed | <p>Basic salary plus 100% of regular bonus or shift allowance, large town and car allowance and rent/mortgage allowance. Also 100% of Working Family Tax credit, pension from previous employer or widow(er)s pension and 50% of regular overtime/commission and income from second job. Applicants paid in cash must show full credit being paid into their bank account in order for us to consider this income. Only income paid in Sterling and subject to UK taxation will be considered. We will not accept child tax credits or child benefits.</p> <p>Confirmation(s) of income must accompany all applications – Most recent monthly payslips or most recent three weekly. Please provide 1 month personal bank statement, which will show salary credit and all bill payments. If this is split over more than 1 account, we will require the additional statements for assessment. The statement MUST include name, address and bank account number.</p> <p>If furloughed, we will assess affordability by only using the income that is currently being received by the applicant. We will also require written confirmation directly from the applicant's employer confirming the date they will return to work, and whether their contractual arrangements will change.</p> <p>Variable income will only be included for affordability purposes if the applicant can evidence that it is currently being paid and has been regularly and consistently over a prolonged period.</p> |
| | Self Employed | <p>We will calculate affordability for self-employed applicants by taking an average of the most recent 2 years figures (or latest year if lower) in the following way:</p> <p>Limited Company Directors – For applicants who are Limited Company Directors (greater than 33% shareholding) we will require 2 years accounts or an accountants certificate prepared by an appropriately qualified accountant. The most recent accounts must not be older than 18 months. We will accept salary and dividend income.</p> <p>Sole Traders – For applicants who are Sole Traders we will require 2 years HM Revenue & Customs (HMRC) tax calculations, SA302 or online tax assessments supported by the corresponding tax year overviews. The SA302 and assessments must detail the customer's name, tax year, unique tax reference (UTR) and HMRC logo.</p> <p>Partners – For partners in large firms with multiple partners written confirmation of income can be accepted from the company accountant, finance or managing director.</p> <p>Labour only contractors – labour only contractors are acceptable where applicants have been contracted to no more than 2 employers over the last 12 months. Examination of 1 years account will be adequate.</p> |
| | Other | <p>Bank Nurses – For applicants who are bank nurses we will require 6 months proof of income.</p> <p>Day Rate Contractors – For applicants who are day rate contractors we will require a copy of the latest contract which must evidence minimum annual income of £50,000 as well as a minimum of 2 years' experience in the industry. To calculate the income we will use the day rate x number of days worked x 48 weeks.</p> <p>Medical Professionals – For applicants who are working as Locums we will require 6 months invoices/remittance slips and work off an average. For newly qualified Medical Students we can work off their offer letter confirming their start date and salary.</p> <p>Supply Teachers – For applicants who are supply teachers we will require 6 months proof of income.</p> |
| | Lending into Retirement | <p>Where an applicant has retired or the maturity of the loan is beyond State Pension Age (SPA) or their intended retirement age if less than 70, an underwriter will assess whether the loan is affordable and is likely to be repaid during the life of the borrower and within the maximum term allowed for a loan i.e. 40 years.</p> <p>Please refer any cases where the applicant may have the option of accessing their pension earlier (e.g. Emergency Service, Armed Forces, Airline Pilots and Professional Sports People).</p> <p>Where the loan matures beyond either age 70 or their own intended retirement date (if less than 70) or their SPA if proposed retirement age is not declared and where affordability is reliant upon projected pension income, the applicant must have been contributing to a pension scheme for 10 years or more at the time of the application and be able to produce documentary evidence of the projected pension income e.g. latest annual statement or projection. The underwriter must satisfy themselves that the loan remains affordable and where they are not, the loan will be declined.</p> <p>Please refer applications where the clients are lending into retirement to the Intermediary Desk BDM Team on 0330 333 4021*.</p> |
| | Advised Mortgage Applications | <p>Principality will only accept residential, non-regulated and consumer Buy to Let applications from intermediaries where advice has been given in line with MCOB regulation.</p> |
| Acceptable Security | <p>We will lend on the security of freehold/leasehold properties in England and Wales. Flats/maisonettes must be leasehold. All leasehold properties must have an unexpired lease period of at least 85 years remaining on the lease at time of application.</p> <p>New build houses, flats, maisonettes and apartments on a residential basis are acceptable up to 85% LTV, 90% LTV for purchase (first time buyers and subsequent buyers).</p> <p>Flats, studios, maisonettes and apartments are acceptable provided the block in which they are situated does not exceed 6 storeys and the property is not less than 30sqm (gross internal area).</p> <p>Principality will not lend on ex-local authority flats, maisonettes and apartments on a residential or buy-to-let basis. We accept new build houses, flats, apartments, studios and maisonettes on a Buy to Let basis up to a maximum of 75% LTV. We will not lend on any property that has a restricted occupancy clause i.e 157 or 106.</p> <p>Where affordability is proven, the Society will consider loans for the purchase or re-mortgage of a second home, for the borrower's own use, subject to a maximum of 75% LTV.</p> | |
| Additional Borrowing | <p>Additional Borrowing is available 3 months after completion, and is subject to suitable valuation & affordability. If an applicant wishes to take advantage of further borrowing, they can call our sales team on 0330 333 4000*.</p> | |
| Affordable Housing | <p>We lend throughout England & Wales and support a number of Government and other first time and next time buyer initiatives.</p> <p>Please refer Affordable Housing cases to your BDM or call the Intermediary sales Desk on 0330 333 4021* prior to submission.</p> <p>The Society will consider Help to Buy Wales and Help to Buy England Shared Equity Loans with as little as a 5% deposit.</p> <p>The Society also considers council Right to Buy schemes and in such cases the mortgage loan needs to reflect exactly the names of those being offered the discount as detailed on the legal paperwork. We will lend up to 100% of the discounted purchase price.</p> | |

| Consumer Buy to Let (CBTL) | <p>We consider Consumer Buy to Let (CBTL) applicants where:</p> <ul style="list-style-type: none"> The applicant does not own other Buy To Let properties and The applicant or related person has previously lived in the proposed security <p>Note: The Society does not currently lend for regulated Buy To Let mortgage loans but continues to service existing accounts.</p> | | | | | | | | | | | | |
|--|--|--|-------------------|-----|----------|-------------|-------------|---------------|-------------------|-----|----------|-----|----------|
| Buy-to-let | <p>For Holiday lets, please refer to our Holiday let criteria. We consider non-regulated Buy to Let applications from intermediaries on an advised basis. Properties must have an energy performance certificate rating of 'E' or above. A minimum income of £20,000 is required for any applicant on the application, if any one applicant does not earn at least £20,000, the applicants must earn a minimum of £30,000 jointly. All income will be verified. Income is assessed and calculated as per our standard residential lending policy. Applicants must have owned and resided in their own home within the last 12 months and be shown on the title deed, be aged 21 or over and collectively own no more than 3 mortgaged Buy to Lets. The maximum total aggregated borrowing must not exceed a total balance of £2m including our lending (excluding any residential and/or holiday let mortgages). – Please note this includes any mortgages the applicant(s) is included on jointly. The below table sets out what we will now require as rental coverage for various different lending scenarios:</p> <table border="1" data-bbox="347 450 1107 607"> <thead> <tr> <th colspan="2">Is the application a £4£ remortgage on a BTL property purchased prior to January 2017?</th> </tr> <tr> <th>Yes</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>125% @ 5.5%</td> <td>145% @ 5.5%</td> </tr> </tbody> </table> <p>Lettings must be by way of Assured Shorthold Tenancy Agreements (ASTA) with no more than 12 months remaining at application. Where a tenant is continuing tenancy beyond the initial ASTA, a new rolling contract is acceptable. This will be verified by the solicitor in line with our mortgage conditions. Please note; no third party or sub lettings are accepted, this includes company lets and local authorities. All borrowers must be named on the tenancy agreement.</p> <p>The maximum LTV for Buy to Let's is 75% with a minimum value of £50,000 and a minimum loan size of £25,000. Please note that if the applicants do not meet our residential owner occupier requirements as they reside in a home provided by their employer (as part of their contractual obligations), please refer to our Intermediary Desk BDM Team on 0330 333 4021*.</p> <table border="1" data-bbox="938 719 1544 898"> <thead> <tr> <th>Loan-to-Value</th> <th>Maximum Loan Size</th> </tr> </thead> <tbody> <tr> <td>60%</td> <td>£750,000</td> </tr> <tr> <td>75%</td> <td>£500,000</td> </tr> </tbody> </table> | Is the application a £4£ remortgage on a BTL property purchased prior to January 2017? | | Yes | No | 125% @ 5.5% | 145% @ 5.5% | Loan-to-Value | Maximum Loan Size | 60% | £750,000 | 75% | £500,000 |
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| Yes | No | | | | | | | | | | | | |
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| 75% | £500,000 | | | | | | | | | | | | |
| Debt Consolidation (Residential) | <p>The Society will consider loans where an element of the total advance is used to repay other secured or unsecured debts, including those where the agreement is with family or friends and where it can be demonstrated that the new loan is affordable. All loans will be considered on the following basis:</p> <ul style="list-style-type: none"> Maximum Loan to Value (LTV) 75% Capital repayment only A special condition is added to the mortgage offer requiring the applicant to repay the debts stated in the application Please note all current debts (including those that are being repaid) will still be included in the affordability calculation | | | | | | | | | | | | |
| Deposit | <p>The deposit and costs associated with the purchase should be provided out of the applicants own resources. However, gifts from immediate family are acceptable. An immediate family member is classified as mother, father, brother, sister, child, grandparent, grandchild or legal guardian.</p> | | | | | | | | | | | | |
| Family gifted equity | <p>Where the property is being purchased from a family member at under value the Society accepts the equity as the deposit.</p> | | | | | | | | | | | | |
| Fixed Term Contracts | <p>We can accept applicants employed on a fixed term contract providing the contract is for 12 months or more with 6 months or more remaining at the time of application. The applicant will also need to be able to provide 3 months payslips. First time contracts are acceptable.</p> | | | | | | | | | | | | |
| Forces Help To Buy | <p>Applications for those employed in our Armed Forces are acceptable. Such customers may have access to special schemes provided by their employer which are designed to help them purchase their own home. An example which would be the Forces Help To Buy Scheme. These schemes are essentially an advancement of pay to provide a deposit for home purchase. Some schemes have an element of loan repayment, and some applicants will be required to maintain a 'residence' on or near their work base, any such monthly outgoings must be included as expenditure for the calculation of the mortgage amount. Whilst these schemes may vary, in principle they are acceptable to The Society. Applicants will have normally have received a confirmation document from their employer which will detail the scheme. This will need to be provided on application.</p> | | | | | | | | | | | | |
| Foster Carers | <p>For applicants who are foster carers, we will require 6 months remittance slips with corresponding bank statements. The number of children within the applicant's foster care will need to be included as dependents for affordability purposes.</p> | | | | | | | | | | | | |
| Gambling Debts | <p>Where online gambling or any gambling debts are identified, often by reviewing the applicant's bank statement, the Underwriter will exercise discretion and may ask for more information to ensure there is no underlying affordability issue.</p> | | | | | | | | | | | | |
| Holiday Lets | <p>Please refer to the product term table in the Buy to Let section of this document for rental coverage.</p> <p>We consider non-regulated Holiday Let applications from intermediaries on an advised basis. The applicant must have no more than two mortgaged holiday lets, whether in sole or joint names (including current application). A minimum income of £20,000 is required for any applicant on the application up to a maximum loan size of £250,000. For loan sizes up to £250,000 if any single applicant does not earn at least £20,000 then the applicants must earn a minimum of £30,000 jointly. For loan sizes between £250,001 and £750,000 the minimum income rises to £80,000 either solely or jointly. All income will be verified. Income is assessed and calculated as per our standard residential lending policy. Applicants must have owned and resided in their own home within the last 12 months and be shown on the title deed, be aged 21 or over. Rental income will be calculated using an average of the projected Low, Mid and High season weekly rental yields, typically multiplied by an assumed occupancy level of 30 weeks and divided by 12 months. We will allow applicants to reside in the property for up to 2 months per annum. For example, if high season = £700, mid-season = £500 and low season = £300 we would use the average of £500 over 30 weeks to give an annual rental figure of £15,000 to be applied to the relevant rental coverage calculation above. The calculation is £15,000 / 12 months = £1,250 monthly rental. £1,250 / 1.45 = £862.07 / 0.055 = £15,673.98. £15,673.98 x 12 gives a maximum lend of £188,087.77.</p> <p>The maximum LTV for Holiday Let's is 75% with a minimum value of £50,000 and a minimum loan size of £25,000. Please note that if the applicants do not meet our residential owner occupier requirements as they reside in a home provided by their employer (as part of their contractual obligations), please refer to our Intermediary Desk BDM Team on 0330 333 4021*.</p> <table border="1" data-bbox="938 1906 1544 2063"> <thead> <tr> <th>Loan-to-Value</th> <th>Maximum Loan Size</th> </tr> </thead> <tbody> <tr> <td>60%</td> <td>£750,000</td> </tr> <tr> <td>75%</td> <td>£500,000</td> </tr> </tbody> </table> | Loan-to-Value | Maximum Loan Size | 60% | £750,000 | 75% | £500,000 | | | | | | |
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| Impaired Credit policy | <p>The Society will not consider a mortgage application where one or more applicant is considered to be credit impaired.</p> <p>PBS define “credit impaired” as being where an applicant:</p> <ul style="list-style-type: none"> • Has incurred 1 or more County Court Judgements with a total value greater than £500 within the last six years, or: • Has incurred 1 or more delinquent accounts with a total value greater than £500 within the last six years, or: • Within the last 2 years has owed overdue payments of an amount equivalent to 3 months repayments, on a mortgage or loan (secured or unsecured) except as a result of an error caused by the bank or other third party or: • Is subject to an Individual Voluntary Arrangement (IVA), bankruptcy or Debt Management Plan (DMP) in force any time in the last six years. <p>This meets and exceeds the “credit impaired” definition set out by the FCA. A Delinquent CAIS Account is one that:</p> <p>a) Is in Default (i.e. CAIS status 8);</p> <p>b) OR has a CAIS status of 4 or worse in the last 12 months of account activity;</p> <p>c) OR has two consecutive CAIS status 3s in the last 12 months of account activity.</p> <p>If one or more applicant has experienced any credit issue that amounts to less than our impaired criteria please phone to discuss prior to submission. In addition, please note we will not lend to anyone that has ever had a property repossessed.</p> | | | | | | | | | | |
|---|--|---|---------------|-------------------|-------|----------|--------|----------|--------|----------|--|
| Interest Only Loans (Residential) | <p>Subject to the following criteria:</p> <ul style="list-style-type: none"> • Maximum LTV, where any element of the loan is interest only is 50%. • Maximum term, where any element of the loan is interest only is 25 years. • All applications received will need to be repaid on or before the eldest applicant’s 70th birthday. • A mix of interest only and repayment is allowed but the total borrowing must not exceed 50% LTV. • Minimum equity in the property of £150,000, where any element of the loan is interest only. • Evidence of a suitable repayment strategy is required for all interest only or part interest only Residential applications only. See guide on reverse for more information. • A mortgage offer will only be issued once we have evidence of a suitable repayment strategy that meets our criteria, documentary evidence of the repayment strategy should be submitted together with all other supporting documentation as soon as possible after the application has been submitted. Please see Interest Only matrix on final page. <p>Affordability is still required to fit our standard affordability calculator model on a repayment basis even where the loan is submitted on interest only.</p> <p>Capital raising for debt consolidation is not acceptable on an interest only basis.</p> <p>Interest Only applications are acceptable for Buy to Let up to 75% LTV.</p> | | | | | | | | | | |
| Joint Borrower Sole Proprietor (JBSP) | <p>The Society will consider residential purchase applications made jointly between parents/grandparents and children/grandchildren utilising all income for affordability without the parents/grandparents needing to be on the deeds. There are additional document requirements for these applications which can be found online on our website. Please refer your JBSP applications to your BDM.</p> | | | | | | | | | | |
| Lending Area | <p>Products are only available on properties in England and Wales.</p> | | | | | | | | | | |
| Let to Buy | <p>Where the existing residential property is to be let rather than sold, the Society will require evidence of the letting in the form of a copy ASTA or letter from the letting agency confirming the intention to let and at a minimum 145% of the monthly mortgage payment at product rate or 5.5%. A Consent to Let letter will be required from the other lender.</p> | | | | | | | | | | |
| Loan Purpose | <p>For house purchase, remortgage, further advance including home improvements, purchase of freehold and transfer of equity. Capital raising is available for existing borrowers by way of a Lifestyle Loan. Whether your client is planning to purchase a house, remortgage or BTL we can help. We do not lend on BTLs for Debt Consolidation.</p> | | | | | | | | | | |
| Minimum and Maximum age | <p>All residential mortgage applications received will need to be repaid on or before the eldest applicant’s 76th birthday, with a minimum lending age of 18. For residential applications where any element of the loan is interest only, the mortgage will need to be repaid on or before the eldest applicant’s 70th birthday.</p> <p>For Buy to Let/Holiday Let applications we consider a mortgage term until the eldest applicant’s 86th birthday, with a minimum lending age of 21.</p> <p>The minimum repayment term which can be considered is 5 years, and a maximum of 40 years.</p> | | | | | | | | | | |
| Maximum loan to value for Purchase and Remortgage on Residential Properties | <p>85% for loans up to £500,000, <u>90% for purchase only (first time buyers and subsequent buyers)</u>.</p> <p>95% LTV for loans up to £350,000 for first time buyers in Wales only.</p> <p>80% for new build property, <u>90% for purchase only</u>.</p> <p>Maximum loan-to-value for remortgage applications is 80% (maximum loan size £500,000)</p> <p>For debt consolidation, all loans must be on a capital repayment basis and subject to a maximum loan-to-value of 75% (maximum loan size £650,000).</p> | <table border="1"> <thead> <tr> <th>Loan-to-Value</th> <th>Maximum Loan Size</th> </tr> </thead> <tbody> <tr> <td>> 65%</td> <td>£750,000</td> </tr> <tr> <td>65-75%</td> <td>£650,000</td> </tr> <tr> <td>75-90%</td> <td>£500,000</td> </tr> </tbody> </table> | Loan-to-Value | Maximum Loan Size | > 65% | £750,000 | 65-75% | £650,000 | 75-90% | £500,000 | |
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| Minimum Advance | <p>£5,000 for a new residential mortgage advance.</p> <p>£25,000 for a new buy Buy to Let or Holiday Let advance.</p> | | | | | | | | | | |
| Minimum/Maximum loan terms | <p>Minimum 5 years.</p> <p>Maximum term 40 years can be considered.</p> <p>Where any element of the loan is interest only a maximum term of 25 years will be considered.</p> | | | | | | | | | | |
| Multiple Occupancy | <p>We don’t lend on houses in multiple occupancy or student lets.</p> | | | | | | | | | | |
| New Build | <p>Builder’s incentives such as the Cashbacks, Mortgage subsidies, Payment of stamp duty and/or a contribution towards legal costs are acceptable of Stamp Duty and/or a contribution towards legal costs are acceptable provided they are fully disclosed, taken into account by the surveyor and informed by the UK Finance Disclosures Form.</p> <p>Please note builders Gifted Deposit will be Net off the Purchase Price.</p> | | | | | | | | | | |

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| Offer Validity | Residential and buy to let purchase and remortgage offers are valid for a 120 day period, except in the case of new build purchase, where offers are valid for 210 days. |
| Overpayments | The overpayment facility is available on all non-flexible residential and Buy to Let/Holiday Let mortgages. They can be made regularly or as occasional lump sums. The overpayment allowance is 10% of the outstanding balance (as at January 1st) per calendar year. Overpayments received above and beyond the annual allowance may incur an early repayment charge. |
| Parental Leave | For an applicant who is about to or has started a period of parental leave their income will be based on their salary on return to work. Therefore we will require the last 3 monthly or weekly payslips along with a full month bank statement for the account which is in receipt of the applicant's salary. In addition we will require a letter from their employer to confirm the return to work date. The letter should confirm the applicant's salary on return to work. If savings are being used to support the mortgage during the period of parental leave, evidence of such savings is required. |
| Pay Day Loan | If an applicant has had a pay day loan within the last 12 months, it is unlikely we will be able to consider an application from them. |
| Product Fee | Please note that all product fees are non-refundable and non-transferable. The product fee can be added to the loan providing the total borrowing does not exceed the maximum LTV cap for the product. |
| Repaying debt | If financial commitments are to be repaid from either capital being raised as part of a remortgage, or if the client(s) use equity from the sale of their existing during a purchase transaction, the debt will still be taken into consideration for affordability purposes. |
| Residence | To whom we will lend: <ul style="list-style-type: none"> • A European Economic Area (EEA) national who is resident in the UK and at the time of application and has permanent legal right of residence in the UK • or, a Non-EEA national resident in the UK who has obtained indefinite leave to remain or has a minimum remaining residency entitlement of more than 2 years at the time of application. All applicants must be a UK resident at the time of application, and have a minimum of three years' UK residential address history. |
| Portability | From 8th March, we request all porting enquiries to be submitted to your local BDM or via our support desk. Please note that ERC's will not be waived under the following circumstances: <ul style="list-style-type: none"> • Where the client already owns the property to which they wish to transfer this mortgage; • Where the amount the client wishes to transfer to their new property is less than the balance outstanding at the time of transfer; • Where the client opts not to transfer their loan on its existing terms; • When the client wishes to port more than 2 accounts; • The client may not borrow additional sums on the terms governing the amount they wish to transfer. They may only borrow additional amounts by choosing another non-flexible product from our range current at the time; or • The client or their new property do not meet our lending criteria current at the time of the transfer. Please note; this list is not exhaustive. Clients should refer to their original terms and conditions or contact us to discuss in further detail. For any porting scenario where redemption of the loan is 90 calendar days or less from the expiration of any product special rate restriction, the resulting ERC will be waived and the customer would be free to select a new product from the Society acquisition range available at the time. This is subject to a simultaneous redemption and completion of a new mortgage loan with the Society. |
| Solar Panels | The Society will consider a new mortgage on a property where solar panels are currently in place and or subject to a lease. Where a lease exists or a lease is to be entered into, the lease must comply with the CML's minimum requirements. Any lease not meeting this minimum standard will be declined. <p>Where customers have chosen a "fees free remortgage" product, the work is not included in the free legal package therefore the cost of checking the lease will be met by the customer.</p> |
| Transition Arrangements | The Mortgage Market Review (MMR) allows the Society to relax affordability assessment rules for those borrowers who already have a mortgage with us but do not meet the stricter affordability and criteria requirements which came in with MMR. If you are looking to assist an existing Principality borrower with a new mortgage application please contact us to discuss their circumstances. |
| Valuations | A desk valuation will be instructed on any residential remortgage application with a LTV cap of 75%. The property must be a house that is not listed, with no more than two storeys, and of standard construction. The property value is limited to £500,000 with a maximum loan size of £400,000. For all other application types, a physical valuation will be required. |
| Variable Rate changes | If our Standard Variable Rate increases or decreases, the discounted rate paid will increase or decrease accordingly. The Standard Variable Rate will apply at the end of the fixed or discount period. |
| Verification of address | When applicants are not located on the Voters' Roll we seek verification of address for the last three years, which have to be UK addresses. |

Right First Time

To make life easier for all concerned, and to speed up the application process, we have set standard requirements for all cases. We will always ask for the documents listed below. Failure to submit all the required documents will result in processing delays.

- The last 1 months payslips for employed applicants along with their most recent bank statement showing salary credit; or
- 2 years accounts for self employed applicants along with their most recent personal bank statement.

Please ensure that all customer details used in the application process are accurate and that telephone numbers and addresses are the customers' own. Whilst these are the standard requirements, we reserve the right to ask for additional documentation when processing an application.

Acceptable Repayment Strategies for Interest Only Loans (Residential Applications Only)

Detailed below are the repayment strategy and evidence we require to support your client's interest only mortgage application. This information is only a guide, any repayment strategies that do not meet these criteria should be referred to your BDM or our underwriting team prior to submission.

| Repayment strategy | Evidence required | Assessment method |
|--|--|--|
| Endowment - with profits & unit linked vehicle | Copy projection statement, dated in the last 12 months. | Endowment maturity value must be equal to or greater than the interest only capital sum being borrowed. We accept up to 100% of the projected growth rate based on the mid growth projection. |
| Stocks & Shares ISA (UK) | Copy statement dated in the last 12 months. The strategy must have been in existence for a minimum of 12 months. | Please refer, we will assess the value of each investment on an individual basis. |
| Investment Bonds (UK) | Copy statement dated in the last 12 months, or confirmation of the opening balance from the deposit holder. | Please refer, we will assess the value of each investment on an individual basis. |
| Stocks & Shares (UK) | Copy share certificates, or letter from a recognised stock broker confirming the portfolio valuation. | Please refer, we will assess the value of each investment on an individual basis. |
| Only shares quoted within the FTSE index held in sterling are acceptable | | |
| Pension (Company or Private) | Copy statement dated in the last 12 months, or in the case of new strategies we require a copy of the acceptance letter and associated illustration. | 25% of the projected pension fund value must be equal to or greater than the interest only capital sum borrowed on the mortgage (based on the mid growth projection) i.e. the maximum cash lump sum available on retirement must be equal to or more than the Interest only balance of the mortgage on maturity. |
| Savings - Savings accounts offered by UK based banks and building societies, including Premium Bonds | Copy statement dated in the last 12 months. Strategy must have been in existence for a minimum of 12 months. | The total value of the savings/investment must be equal to or more than the interest only capital sum borrowed or the total monthly savings must be equal to or more than the interest only capital balance of the mortgage at the date of maturity. We calculate the level of investment required as: Annual subscription x Mortgage term = Interest only mortgage balance. |
| Downsizing from main residence | The Society's valuer will assess the security at the time of application. | The Society requires that there is a minimum of £150,000 of equity in the security subject to a maximum LTV of 50%. The Society will assess this as part of our application process. Please be aware that "downsizing" cannot be used in conjunction with any other repayment strategy. |

Important points

- We are not providing advice on your client's repayment strategies or making any guarantee that their strategies will be sufficient to repay the outstanding balance capital at the end of the mortgage term.
- A repayment strategy must be UK based and administered (sterling denominated)
- A repayment strategy will not be accepted if it includes the name of anyone not named on the mortgage.
- More than one repayment strategy can be used to cover their total interest only amount.
- A mortgage offer will only be issued once we have evidence of a suitable repayment strategy that meets our criteria, documentary evidence of the repayment strategy should be submitted together with all other supporting documentation as soon as possible after the application has been submitted.
- It is essential that we are presented with an application that details the full and accurate expenditure and personal financial commitments of your client(s) at the time of submission. Only then are we able to make a full and accurate assessment of the application. Principality is committed to acting responsibly as a mortgage lender and will assess all cases on an affordability basis. If you need to know how much we will consider lending your clients, simply log onto www.principalitybrokerpoint.co.uk and click on the affordability calculator.

Field BDM Team:

| | | |
|----------------------------------|--|--------------|
| Aaron Farrell | North East England CA, NE, DH, SR, LA, DL, TS | 07976 394333 |
| Alan Browning | South West England BS, SN, BA, TA, DT, EX, PL, TQ, TR | 07767 352566 |
| Andrea Roberts | North West England & North Wales FY, PR, BB, L, WN, BL, OL, WA, M, SK, ST | 07872 100742 |
| Dafydd Pritchard | North Wales LL, CH, SY, CW | 07976 246370 |
| Zoe Jones | South & West Wales SA, LD, CF | 07976 247848 |
| James Whitford | Yorkshire BD, HG, YO, HX, LS, HD, WF, HU, S, DN | 07872 100036 |
| Peter Caldicott | Central England LN, NG, DE, LE, NN, CV, B, WS | 07970 746238 |
| Jon Parry (Temporary) | West Midlands, Gwent & Oxford TF, WV, DY, HR, WR, NP, GL, OX | 07872 100757 |
| Geoff Edmunds | South England RG, KT, SP, SO, GU, BH, PO | 07866 983344 |
| Philip Summers (Office Based) | East Anglia PE, NR, SB, IP, SM, CO, IG, RM, SS | 07768 452216 |
| Chris Jeacott (Office Based) | South East England & London SM, CR, BR, DA, RH, TN, CT, BN, ME, N, NW, W, SW, SE, E, WC, EC | 07738 396469 |
| Katie Bevan (Office Based) | Home Counties MK, SG, LU, AL, EN, WD, HP, HA, UB, SL, TW | 07702 817530 |

Intermediary Desk BDM Team:

Alongside your Business Development Manager you can contact our Intermediary Desk BDM Team. We're your dedicated point of contact for new business enquiries or any other queries you might have about products, criteria or our service.

New Build Business Development Manager:

Niki Willacott - **07870 982196** - Niki.Willacott@principality.co.uk

Useful Telephone Numbers:

General Enquiries and Registrations

0330 333 4021*

Conveyancing Updates

0330 333 4029*

Opening Times: Mon, Tues, Thurs, Fri 9.00am-5.00pm & Weds 9.30am-5.00pm

E-mail: Intermediary@principality.co.uk



ONLINE

www.principality.co.uk/intermediaries
f t i @principalityBS



EMAIL

intermediary@principality.co.uk



CALL US

New Business Enquiries
0330 333 4021*
Conveyancing Updates
0330 333 4029*

- To help us maintain our service and security standards, telephone calls may be monitored and recorded.

Principality Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, reference number 155998. Principality Building Society, Principality Buildings, Queen Street, Cardiff, CF10 1UA.

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