

THE  
FAMILY  
BUILDING  
SOCIETY

A GUIDE TO OUR  
RETIREMENT LIFESTYLE BOOSTER  
MORTGAGE CRITERIA

Issued: 21 October 2016

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# A guide to our Retirement Lifestyle Booster lending policy criteria

## Introduction

This document outlines a summary of the current lending terms which apply to our **Retirement Lifestyle Booster** mortgage product. Please note that this is not our full lending policy and any specific queries should be referred to a member of our team.

**Please note:** These lending terms should be read in conjunction with the relevant mortgage product summary which will outline any requirements specific to individual mortgage products.

## Summary

Subject to confirmation of status and no adverse credit history, borrowing secured on wholly residential property is available up to 25% of the property value.

After repayment of any existing first charge mortgage, the remaining agreed advance is paid to the borrower's nominated bank account in 120 equal monthly payments.

## Purpose of borrowing

Remortgage for older applicants seeking to access equity. Details of the purpose of the remortgage and the use of funds being raised must be provided.

Some cases will also receive a lump sum on completion. Therefore, the three parts to the mortgage would be:

- (A) regular **monthly advance**
- (B) lump sum to **repay existing mortgage**, and
- (C) **optional additional lump sum** for lifestyle purposes.

The enhancement of (C) above means that a Retirement Lifestyle Booster mortgage could be either of the following combinations:

1. Monthly advance only
2. Monthly advance + additional lump sum
3. Monthly advance + repay existing mortgage
4. Monthly advance + repay existing mortgage + additional lump sum.

Further advances are not available.

All cases, irrespective of loan purpose, will be required to pass the Family Building Society's income and affordability requirements.

## Status

Applicants will need to provide satisfactory proof of identity, residence and clear credit register enquiry. They may submit a personal credit report with their application. This must be printed in colour and will be accepted where produced via a recognised credit reference agency such as Equifax, Experian or Callcredit.

Alternatively lender, landlord, bank and current and / or previous employment references may be required.

Where applicants are **employed**, confirmed annual salary will be accepted with guaranteed overtime / bonus elements up to 100% and non-guaranteed elements up to 50%. The most recent original P60 and last three months' original payslips will be required.

Where applicants are **self-employed** and have more than a 33% financial stake in a business, their proportion of net profit for the most recent year is accepted. The most recent SA302 or online HMRC Self Assessment Return can be accepted showing:

- The Tax Calculation, with the customer's self-reported income and the HMRC calculation of the tax due on that income, and
- The Tax Year Overview, with the total tax due and how much the customer has paid in tax.

Alternatively the latest audited accounts (prepared by a Certified or Chartered Accountant) may be accepted to determine whether the income to be used appears reliable.

An Accountant's reference or other corroborative information may be required.

Where applicants are **retired**, annual pension income is accepted. A copy of the latest original pension statement, latest original P60 or original bank statements will be required.

The Family Building Society does not penalise those applicants who wish to work beyond State or normal retirement age, however, we do not consider earned income beyond the age of 70 years and would expect those borrowers whose mortgage term extends beyond this age to have sufficient pension provision to support the advance requested.

We do not consider lending where income is made up entirely of Benefits.

### **Foreign nationals**

In order to be considered for a loan, foreign nationals must have permanent/indefinite rights to reside in the UK.

Where an applicant is a foreign national from a country outside of the European Economic Area (EEA) we will require proof of nationality through sight of a certified copy of their passport. Certification is acceptable by a person within an organisation which is covered by Money Laundering Regulations such as a bank or building society, solicitor or financial advisor.

### **Impaired credit**

Where an applicant has an impaired credit history we may consider this on an individual basis. However, we will not consider it if any of the following circumstances have occurred:

- Arrears on any mortgage, a credit arrangement such as a credit card, secured or unsecured loan within the last two years, where the cumulative amount overdue at any point reached three or more monthly payments
- One or more County Court Judgements (CCJs), with a total value greater than £500, within the last three years
- An ongoing Individual Voluntary Arrangement (IVA) or bankruptcy order at any time within the last three years.

Please contact a member of our team to discuss before proceeding.

### **Income**

The following forms of income will be accepted:

- **Employed:** confirmed annual salary plus guaranteed overtime / bonus elements up to 100% and non-guaranteed elements up to 50%
- **Self-employed:** net profit
- **Retired:** annual pension income.

We may also accept investment income depending on circumstances. Income which is totally reliant on benefits will not be considered.

Any financial commitments will be deducted from the net annual income, net profit or pension income.

If it is identified during the application process that an applicant's circumstances may change during the life of the mortgage, the affordability will be assessed taking into account those changed circumstances. Triggers for reassessment include:

- **Retirement:** the proposed advance must be affordable based on post retirement income
- **Job change:** where the Family Building Society is made aware of a change in employment, affordability will be assessed based on the new circumstances. This can be where a new job has been obtained or where employment has ceased. In the latter case, unless there is sufficient income from other sources, the application will typically be unaffordable and the Family Building Society will not be able to proceed
- **Change to household size:** where the Family Building Society becomes aware that children / dependants will be joining the household, the affordability must be assessed taking this into account. Please note that the Family Building Society does **not** discriminate against women on maternity leave.

This list is not exhaustive and our underwriters will apply a common sense approach. In these circumstances details of the applicant's income, following the change, will be collected and assessed to ensure the proposed advance is affordable.

## Age

The youngest borrower must be aged 60 or over at the time of application, and the oldest borrower must be 79 or under at the time of application.

## Mortgage term

The mortgage term is 10 years only.

## Minimum loan

If you are currently mortgage free, the minimum amount you can borrow is £60,000. This equates to 120 monthly advances of £500.

If you are also using the mortgage to repay your existing mortgage, the minimum amount you can borrow is £45,000. At least £30,000 of the loan amount must be used for the monthly advances to you. This equates to 120 monthly advances of £250.

## Maximum loan

The maximum loan available is 25% of the property value. For loans over £500,000, you are recommended to obtain an 'in principle' agreement.

## Property type

### We will accept:

- Residential properties of standard construction in England and Wales, either freehold or leasehold subject to a minimum of 70 years unexpired remaining on the lease at outset.

### We will not accept:

- Isolated properties, farms, small holdings, or properties where animals are grazed
- Shared ownership
- Houses in multiple occupation (HMOs)
- Properties with commercial use.

Where the property is a flat, we will require a suitable lease to be in place. We will not normally accept a flat when it is:

- A new build
- Above a commercial premises
- Ex-local authority/Housing Association
- Above four storeys high
- A studio flat
- Freehold.

If you have any further questions on standard or non-standard construction, or if you are unsure about whether we will consider the type of property in question, please contact a member of our team.

### Minimum property value

The minimum acceptable property value is £240,000 for properties that are currently mortgage free.

If you are also using the mortgage to repay your existing mortgage, the minimum property value is £180,000.

### Interest-only mortgages

All of the loan must be on an interest-only basis. Repayment should be made by sale of mortgaged property, where this is a credible strategy because of downsizing and where it is deemed that the sale will provide sufficient funds to both repay the advance and allow the borrower to purchase a cheaper property to reside in. Other strategies using existing assets can be considered.

### Specialist mortgages

This mortgage is not available on Buy to Let, second homes, holiday homes or guarantor mortgages.

### Application fee

There is an application fee to be paid which includes a valuation fee, based on the value of the property, and £175 to process the application. For properties up to £500,000 a free valuation is included. For properties above £500,000 you must pay the difference between the valuation cost and £360. The fee is payable on application and is non-refundable.

| Residential value       | Application fee | Residential value       | Application fee |
|-------------------------|-----------------|-------------------------|-----------------|
| £125,000 - £200,000     | £175            | £1,250,001 - £1,500,000 | £940            |
| £200,001 - £300,000     | £175            | £1,500,001 - £1,750,000 | £1,090          |
| £300,001 - £400,000     | £175            | £1,750,001 - £2,000,000 | £1,250          |
| £400,001 - £500,000     | £175            | £2,000,001 - £2,500,000 | £1,410          |
| £500,001 - £600,000     | £250            | £2,500,001 - £3,000,000 | £1,570          |
| £600,001 - £700,000     | £325            | £3,000,001 - £3,500,000 | £1,815          |
| £700,001 - £800,000     | £430            | £3,500,001 - £4,000,000 | £2,115          |
| £800,001 - £900,000     | £535            | £4,000,001 - £4,500,000 | £2,415          |
| £900,001 - £1,000,000   | £640            | £4,500,001 - £5,000,000 | £2,815          |
| £1,000,001 - £1,250,000 | £790            |                         |                 |

HomeBuyer Reports and Full Structural Surveys are available on request, the cost for which will be individually advised.

### **Life cover and income protection**

There is no requirement to purchase life assurance or other protection products. However it is in the applicant's interest to review their financial planning when taking out a new mortgage to ensure that they have adequate protection against the impact of involuntary unemployment, accident or ill-health. For joint applications the Family Building Society may need to consider whether the proposed mortgage is affordable should one applicant predecease the other.

### **Capital repayments and redemption**

Early Repayment Charges may apply. Please refer to the product summary for more information.

Redemptions can be arranged within five working days of receipt of the applicant's request.

Other mortgage products will each have specific Early Repayment Charges. The conditions will be stated in the product summary sheet and in the mortgage offer.

**All products are subject to change or withdrawal without prior notice.  
Family Building Society reserves the right to refuse any application submitted.**

**THE MORTGAGE WILL BE SECURED ON YOUR HOME.  
YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP  
REPAYMENTS ON YOUR MORTGAGE.**

For **Customer Enquiries** please contact our dedicated New Business Team:

Tel: **03330 140140**

Email: [newbusiness@familybsoc.co.uk](mailto:newbusiness@familybsoc.co.uk)

Web: [familybuildingsociety.co.uk](http://familybuildingsociety.co.uk)

Family Building Society, Ebbisham House, 30 Church Street, Epsom, Surrey KT17 4NL

Family Building Society is a trading name of National Counties Building Society which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority  
Firm Reference No: 206080 [www.fca.org.uk/register/](http://www.fca.org.uk/register/)



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