December 2020



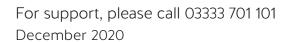
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Applicant Criteria	
Applicant Details	
Minimum age	21
Maximum age	75 at end of term. For joint applications the age of the oldest applicant is used. The term cannot extend beyond the applicant's stated retirement age
Maximum applicants	2
Guarantors	Not accepted
First time buyers	Accepted
Marital status	Applications from married/civil partnership applicants must be in joint names

Maximum Allowable Adverse	
Maximum Allowable Adverse	
Defaults	None in last 6 months
CCJs	None in last 6 months
Mortgage arrears	Arrears status of 0 in last 6 months
	None missed in the last 12 months
Unsecured arrears	Fixed Term - None in the last 6 months
	Revolving credit - Missed payments considered
	On Pepper 24, 18, 12 and 6 products we will ignore 2 individual defaults (per application) up to and including £150.00 each where these defaults relate to utilities, communications or mail order providers.
	This <b>does not apply</b> to our Debt Management Plan products.
IVA/Bankruptcy	Accepted where applicants have been discharged 6 or more years ago
Pay day loans	Accepted where the account closed more than 12 months ago
Repossessions	Accepted where repossession occurred more than 6 years ago
Debt management plans (DMP)	DMP range
	For active DMPs or those satisfied in the last 12 months a separate product range is available. The following criteria applies:
	Must have been active for a minimum of 12 months
	Must be able to provide proof of satisfactory payments from DMP provider
	If active, doesn't have to be repaid at completion
	For remortgages, capital raising can be considered to clear the DMP
	No more than 1 active DMP per application
	Standard range
	Accepted if satisfied over 12 months ago
Please refer to the product guide for further details on each product level	



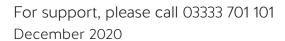


Nationality & Residency	
Residential status	3 years UK residential address history required for all applicants
EU Nationals	Accepted subject to:  • 3 years UK residency  • 3 years continuous UK employment history
Non EU Nationals	Accepted subject to:  • 3 years UK residency  • 3 years continuous UK employment history  • Indefinite rights to remain
Diplomatic immunity	Not accepted



Income Criteria	
Income	
Minimum earned income	£18,000 per application
Foreign currency	Not accepted

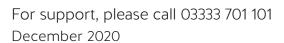
Employed, Self-Employed & Retired		
Employed, Self-Elliployed & Re	Minimum of 6 months in current jo     Day rate contractors accepted subj minimum 12 months history. Calcul rate amount or current contract day     Contract employees considered premployer together with confirmation 3 months' payslips with 3 months' by Applicants in a probationary period.     Zero hour contracts acceptable if a and stable income levels.     Income from seasonal/temporary vertices.	pank statements and last P60 d not accepted a permanent position with 2 years+ at same employer
	Income Type	Proportion Considered
	Basic salary	100%
	Car allowance	100%
Self-Employed: Sole Trader/Partnership	acceptable proof of income on the have been prepared by an account qualifications. We may also reques the business accounts.	dition to the full business accounts. SA302s are not eir own but will be requested where the accounts ant who does not appear on our list of accepted at them to confirm dividends which do not appear in where applicants own 100% of the company: tors pension contributions
	Where additional remuneration is to	be added back, finalised accounts will be required
Self-Employed: Company Director	<ul><li>Minimum of 1 year's accounts</li><li>3 months' business account bank s</li><li>SA302s may be requested to support</li></ul>	
Retired	Private pension accepted	





Other Income Sources	
Pension income	State retirement pension (SRP) - latest annual statement of pension
	Private pension - latest payslip from pension provider or letter from pension provider with 3 months' bank account statements showing credits
Secondary/additional income	Employment/self-employment income from a maximum of 2 sources per applicant considered. Benefits and maintenance may be included as additional income

Loan Criteria	
Maximum LTV	Up to £1 million available to 75% LTV
	Up to £750,000 available to 85% LTV
Maximum term	35 years
Minimum term	5 years
Minimum Ioan	£25,001
Maximum Ioan	Up to £1 million available to 75% LTV
	Up to £750,000 available to 85% LTV
Number of mortgages with Pepper	Maximum of 3 per applicant including any joint loans the applicants are party to
	Can be a mixture of Buy to Let and Residential loans
Remortgage applications	Accepted where applicant has been the registered owner for the last 6 months at application
Repayment	Capital & interest
	Interest only to 60% LTV, supported by an acceptable repayment strategy
Portable	Products are not portable
Offer validity	90 days
Let to buy	Not accepted
Right to buy	Not accepted





Deposit Criteria	
Evidence of deposit	Required on all purchase applications
Applicants savings	Considered
Capital raising remortgage	Considered
Inheritance	Accepted
Cash gifted deposit	Gifted deposits a minimum of 5% are considered from the following:  Parent/Step-Parent/Parent-in-Law  Sibling  Child/Step-Child/Son-in-Law/Daughter-in-Law  Aunt/Uncle  Grandparent/Grandchild
Unacceptable sources	Builders deposit     Unsecured borrowing     Vendor deposit

Property Criteria	
General Criteria	
New build definition	A property is to be considered new if it is a first sale by the builder
	However, properties which have not sold on physical completion will be considered on an individual basis
Minimum property value	£70,000
Locations considered	England, Wales & Isle of Wight
Retentions	Not offered
Acceptable property	Houses: Private and ex Local Authority or social housing
	Flats & Maisonettes: Private only



Alternative Construction	
Timber framed construction	Modern timber framed properties clad with masonry are considered as acceptable
	Timber framed properties which are not deemed to be of a modern type clad with masonry will be reviewed on an individual basis and will be considered on their merits
Flying freeholds	Flying freeholds will only be considered up to 20% of the total floor area
Coal mining and other forms of extraction	Any properties with a coal mining or metalliferous mining entry/feature within 20m of any building will not be considered
Electromagnetic fields	Any properties within 100m of above ground high voltage electrical supply apparatus will not be considered
Contaminated land	Where there is potential for contaminated land, a pass certificate must be available from an appropriate body
Japanese knotweed	Where a property has Japanese knotweed (or any other invasive weed) located within or immediately adjacent to the site defined as category 4, 3 or 2 in RICS paper IP 27/2012 will not be considered
Solar panels	Properties where solar panels have been installed and are subject to a lease agreement will not be considered
	If the solar panels are owned outright, the application will be reviewed on a case by case basis

Tenure	
Freehold	Houses only accepted
Leasehold	The lease must have a minimum unexpired term of 85 years at the time of completion
Commonhold	Not considered

Property Reports	
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)
	We will not lend on any property with either ongoing movement or where monitoring is required, where this is identified by either the valuer, or where evident in the structural engineer's report
	The valuer may request additional reports from specific governing bodies
Specialist reports	We may require specialists' reports. These most commonly will be:
	Timber and damp, electrical, trees, cavity wall ties;
	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.
	The valuer may request additional reports from specific governing bodies



Unacceptable Property		
General	New build properties without suitable warranty     Properties suffering on-going structural movement or insurance claims	
	Grade I & grade II* listed properties	
	Back to back/cluster homes	
	Properties located within 20m of a mine entry/feature	
	Properties within 100m of above ground high voltage electrical supply apparatus (excluding small substations)	
	Properties subject to compulsory purchase orders	
	Large flying freeholds (greater than 20% of floor area)	
	Japanese knotweed located within or immediately adjacent to the site, defined as category 4, 3 or 2 in RICS paper IP 27/2012	
	Properties without an internal WC, bathroom or kitchen	
	Properties subject to any onerous occupancy restrictions, including agricultural	
	Shared ownership/shared equity schemes (only acceptable if applicant will own 100% of the interest on completion)	
	Properties subject to enforcement notices	
	Crofting properties/land	
	Self-build properties	
	Properties with a commercial element	
	Non-standard construction	
Flats/Maisonettes	Flats in Local Authority or ex Local Authority owned blocks	
	New build flats/maisonettes	
	Flats with a gross external floor area less than 35m²	
	Studio flats	
	Freehold flats	
	Balcony access	
Non-standard construction	Pre-cast reinforced concrete (PRC)	
	Cast-in-Situ concrete	
	Metal framed construction	
	Single skin	
	Large panel systems (LPS)	
	Modern methods of construction (MMC)	
Flooding	Properties at significant risk of flooding or that cannot be suitably insured will not be considered	
Restrictive covenants	We are unable to consider any property with 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	
	Similarly, property that can only be used for retirement or sheltered accommodation is not accepted. This is the same for any property where a planning restriction (e.g. agricultural restriction) effectively limits a property's appeal on the open market	
	Please note: for new builds we do consider Section 106 planning obligations	
	We are unable to consider properties within a pre-emption period	



Documentation			
Application Requirements			
Full mortgage application	Original fully signed and dated declaration Signed and dated direct debit mandate		
Proof of deposit (purchase)	Applicants bank statements Interest waiver letter from donor where gifted deposit		
Use of funds (remortgage with a further advance)	Breakdown of use of funds, after any debts have been discharged  Account details and balance of any debts to be repaid		
Proof of address & identification	Any 2 documents from Table 1 or     document from each table		
	Table 1	Table 2	
	Valid passport  Valid photo card driving licence (full or provisional)  National identity card  Firearms certificate or shotgun licence  Identity card issued by the Electoral Office for Northern Ireland	Valid (old style) full UK driving licence Recent evidence of benefit entitlement Instrument of a court appointment Current council tax demand letter or statement Non internet generated bank statements and utility bills	
Proof of income - employed	Paid monthly – Latest 3 consecutive months with P60 and bank statements  Paid weekly – Latest 6 consecutive weeks with P60 and bank statements		
Proof of income – self-employed	Sole Trader – Minimum 1 year's accounts or SA302s with 3 months' business bank statements  Company Director – Minimum 1 year's accounts with 3 months' business bank statements		
Other sources of income	Child Benefit - Latest notice with bank statements (must be payable for at least the next 5 years)  Working or Child Tax Credits - Full award notice with bank statements  Maintenance - A copy of the maintenance agreement, received under a Court Order, a CSA assessment or a written private agreement drawn up between the separating parties and 6 months' bank statements as evidence of payment  State Pension - Latest annual statement of pension/due on retirement  Pension Credits - Latest Pension Credit Award Notice  Private Pension - Latest annual statement of pension/due on retirement or Latest payslip from pension provider or Latest letter from pension provider confirming pension due on retirement		
Rental/mortgage history	Tenancy Agreement with 12 months bank statements confirming rental payments  Last 3 years mortgage statement		
Confirmation of mortgage payments	To support the re-mortgage and to verify that the applicant is not experiencing financial difficulty and able to meet their mortgage repayment a copy of the latest bank statement evidencing payment of the last months mortgage payment should be provided.		
Unacceptable applicants	Currently in receipt of Coronavirus Job Retention Scheme (CJRS)  Currently in receipt of the Self Employment Income Support Scheme  On a mortgage payment holiday with their current lender		