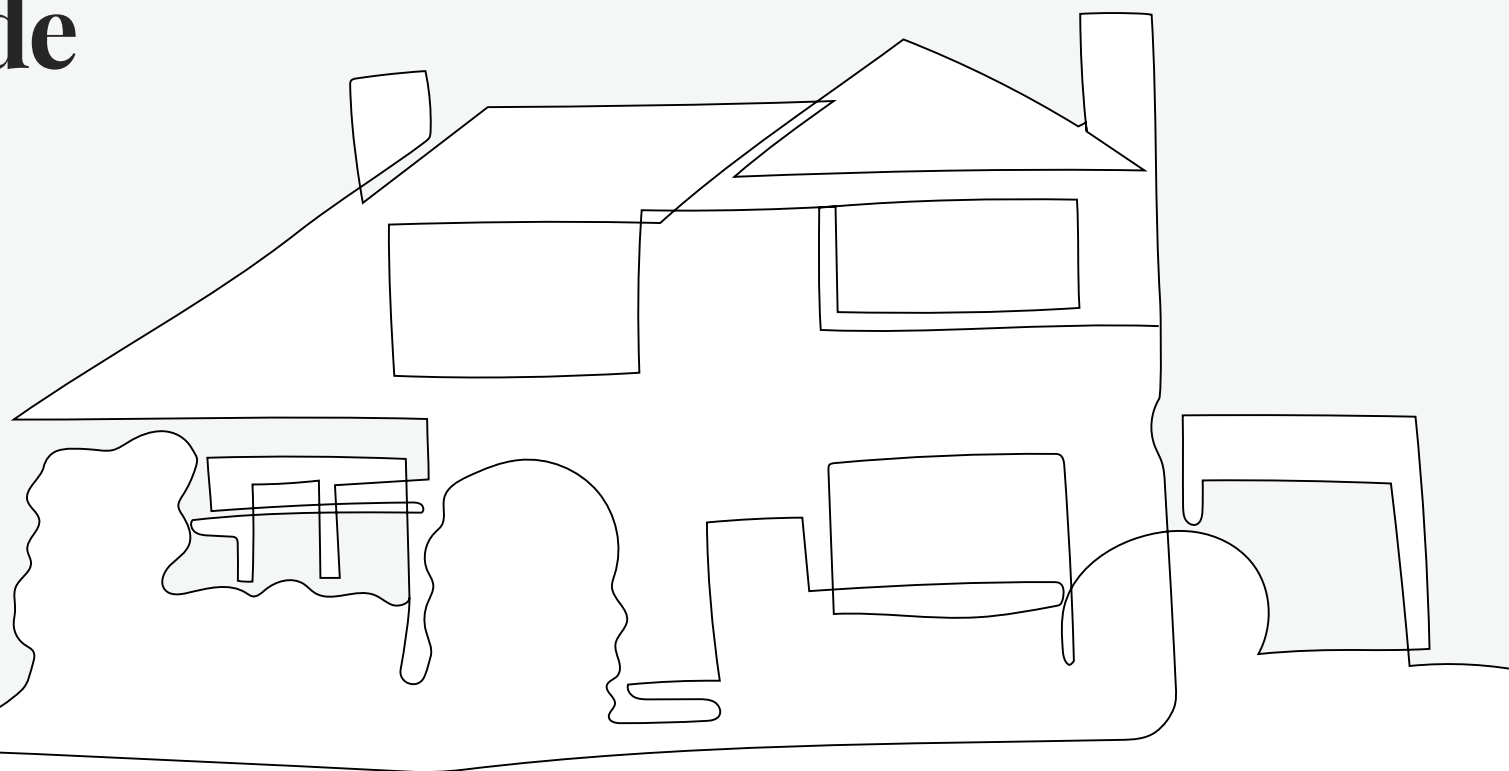


RESIDENTIAL

# Second Charge Mortgage Product Guide

JUNE 2020



# Residential Second Charge Mortgage Rates

PLAN	MS00	MS0
Maximum LTV	70%	70%
Minimum loan	£10,000	£10,000
Maximum loan	£150,000	£150,000
PRODUCT TYPE		
2 Year fixed	4.44%	5.34%
5 Year fixed	4.89%	5.65%
Reversion Rate*	5.25%	5.75%
Lifetime Variable*	4.19%	4.64%
MBAVR+/-	-1.06%	-0.61%
Lender fee	£495	£495
CREDIT PROFILE		
Total Units	0 in 24	0 in 12
Worst Status Mortgage Arrears	0 in 24	1 in 12
Worst Status Unsecured Credit	1 in 24	2 in 12
Unsatisfied CCJs/defaults**	0	1
Mortgage History	12 months history required	
Debt Management Plans	Satisfied > 24	
IVA/Bankrupt/ Sequestration	Satisfied/discharged > 36	

## EARLY REPAYMENT CHARGES

Lifetime Variable: 2% Year 1, 1% Year 2  
 2 Year Fixed: 2% in Year 1, 1% in Year 2  
 5 Year Fixed: 2% in Year 1, 1% in Years 2,3,4,5

## PROCURATION FEE

2% of the NET advance, subject to a maximum of £5000

## UNIT DEFINITION

1. A unit is defined as:

- 1 missed mortgage payment
- 1 unsecured credit account > £300 where the worst status is 3 or more – regardless of whether the account has subsequently settled
- 1 CCJ/default > £300 whether satisfied or not

2. We ignore CCJs/defaults that are:

- Less than £300
- Older than 36 months
- Incurred in months 12-36 which are now satisfied (24-36 on MS00)

\*\*Unsatisfied CCJs/defaults > £2,500 by referral

\* Lifetime Variable and Reversion Rates change by tracking the movement in the Masthaven Bank Administered Variable Rate (MBAVR) which is currently 5.25%

# Residential Second Charge Mortgage Criteria

THE LOAN AND APPLICANT	
Minimum age	21 employed, 25 self-employed
Maximum age	85 at term. No maximum age on application but anything over 70 at start is subject to referral and independent legal advice
Maximum number of applicants	2
Residency	Applicants must have resided in the UK for a minimum of 3 years <ul style="list-style-type: none"> <li>UK Citizens</li> <li>EU Citizens - proof of identity required</li> <li>Worldwide nationals - proof of identity, residency and evidence of rights to remain required</li> </ul>
Minimum income	£12,500 for the main applicant in their main job
Location	England, Wales and mainland Scotland
Purpose	<ul style="list-style-type: none"> <li>Business purpose</li> <li>Car purchase</li> <li>Debt consolidation – subject to cheques being issued in the name of the creditor, at the time of the application, the total value of unsecured debt must be no greater than the customer(s)' total annual income, all unsecured debts must be operating within their agreed credit limit, and the loan must be on capital and interest repayment.</li> <li>Gift to a family member</li> <li>Home improvements/maintenance</li> <li>Investment/holiday property</li> <li>Purchasing a time share</li> <li>Transfer of equity – subject to a legal fee of £350 to cover associated legal work</li> </ul>
Minimum term	3 years
Maximum term	35 years
Repayment	Capital and interest
Overpayments	Maximum of 10% of the balance at the start of the mortgage year before ERC apply as detailed in the mortgage illustration

EMPLOYMENT AND INCOME			
EMPLOYED		CONTRACTOR	
Time employed	3 months and probation period completed	Calculation	Day rate x 5 x 46
Evidence	3 x payslips monthly, 4 x payslips weekly	Minimum time contracting	3 months
Bonus/ Commission/ Overtime	Not accepted	Minimum contract remaining	3 months or evidence of renewal
Shift allowance	100% if guaranteed	Gaps allowed	4 weeks in last 12 months
Car allowance	100% if guaranteed	Evidence	Contract and 3 most recent payslips, invoices or bank statements
Location allowance	100% if guaranteed		
SELF-EMPLOYED			
Minimum trading	18 months		
Evidence	<b>LTD COMPANY/PARTNERSHIP</b> 2 years' full signed accounts (not abbreviated) audited if available supported by either: 2 years' SA302s/tax calculations with corresponding HMRC tax overview statements OR An accountant's reference completed by the applicant's accountant  <b>SOLE TRADER</b> 2 years' SA302s/tax calculations with corresponding HMRC tax overview statements AND An accountant's reference completed by the applicant's accountant		

THE PROPERTY	
Minimum value	£100,000
Minimum ownership	6 months
Tenure	Freehold, Leasehold subject to 75 years remaining at start of term and 50 years at the end
Hometrack Automated Valuation Model	Accepted on properties subject to a maximum valuation of £1m and: <ul style="list-style-type: none"> <li>Minimum confidence level 5 – maximum loan of £100,000 and 60% LTV</li> <li>Minimum confidence level 6 – maximum loan of £150,000 and 60% LTV</li> </ul>
Unacceptable properties	<ul style="list-style-type: none"> <li>Commercial properties/live-work units/ semi-commercial properties</li> <li>Concrete houses which are listed as defective under 1984 Housing Defects Act</li> <li>Farms or small holdings</li> <li>Flying freehold where the % exceeds 10% of the overall floor space</li> <li>Flats located on the 4th floor or above where the property is not serviced by a lift</li> <li>Freehold flats/maisonettes</li> <li>Grade 1 listed buildings</li> <li>Mobile homes</li> <li>Properties affected by an agricultural restriction</li> <li>Properties affected by an invasive growth such as Japanese Knotweed</li> <li>Properties classed as uninhabitable</li> <li>Properties containing asbestos in the main walls</li> <li>Properties containing mundic block materials unless classified as class A</li> <li>Properties located on contaminated land</li> <li>Properties where the valuer has recommended a retention, which cannot be ignored</li> <li>Shared ownership</li> <li>Steel framed properties</li> <li>Studio flats that are less than 30 square metres – MB will only lend if the property has self-contained facilities</li> </ul>

# Second Charge Highlights



No credit scoring



No age limit on application  
Maximum age 85 at end of term



Unsecured credit status 1+2 ignored



## Key Contacts



**Laura Sneddon**

National Account Manager  
Nationwide

☎ 07432 496 232  
✉ [laura.sneddon@masthaven.co.uk](mailto:laura.sneddon@masthaven.co.uk)



**John Smith**

National Account Manager  
East Anglia, Kent & London

☎ 07932 569 261  
✉ [john.smith@masthaven.co.uk](mailto:john.smith@masthaven.co.uk)



**Wes Baker**

Business Development Manager  
North & North Wales

☎ 07498 072 660  
✉ [wes.baker@masthaven.co.uk](mailto:wes.baker@masthaven.co.uk)



**Jon Sturgess**

Head of Sales  
South East & London

☎ 07535 591 947  
✉ [jon.sturgess@masthaven.co.uk](mailto:jon.sturgess@masthaven.co.uk)



**Jez Quinn**

Business Development Manager  
Midlands

☎ 07377 996 722  
✉ [jez.quinn@masthaven.co.uk](mailto:jez.quinn@masthaven.co.uk)



**David Owen**

Business Development Manager  
South West, South Wales & Scotland

☎ 07377 992 284  
✉ [david.owen@masthaven.co.uk](mailto:david.owen@masthaven.co.uk)



**Bea Zadrozna**

Business Development Executive  
Nationwide

☎ 020 7036 4482  
✉ [beata.zadrozna@masthaven.co.uk](mailto:beata.zadrozna@masthaven.co.uk)

**Want to talk through a case?**

Speak to one of our Lending Specialists:

☎ **020 7036 2020**

✉ **[mortgages@masthaven.co.uk](mailto:mortgages@masthaven.co.uk)**

