

Lending criteria for brokers

with effect from 23 Mar 2012

This factsheet is designed to give general guidance to mortgage brokers on the Society's lending criteria. It should be read in conjunction with the 'Mortgage Product Guide'. We offer flexibility on income where we can see affordability. Please ask your local contact if you have a slightly unusual case which does not fit the criteria given. We are always willing to look at a case and being a smaller building society, can obtain a quick decision for you.

The applicants

- All applicants must have permanent rights to residency and employment in the UK.
- Must be aged 70 or less at the end of the mortgage term.
- Employed and self-employed applicants are acceptable, subject to income criteria as set out below. Applicants with no income from employment will not normally be considered.
- The use of a guarantor can be considered. The applicant should be able to support 85% of the loan on their own. The guarantor must be able to support the loan plus any existing commitments, using our standard income multiples.

Mortgage term and repayment

- Minimum mortgage term = 5 years
- Maximum mortgage term = 30 years
- Mortgages can be repaid as interest-only or capital and interest. We do not generally assign investment policies (decided on a case by case basis) but we do ask the applicant how they plan to repay their mortgage at the end of the term if they opt for an interest-only mortgage.

Affordable housing applicants

- Minimum applicant age = 21 years
- Minimum employment history in current job = 6 months
- A clear credit history of at least 2 years must apply

Buy to Let

- Applications accepted from owner occupiers only.

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Loan To Value ratios

Residential purchase & remortgage

Loan size:	Purchase Max LTV:	Remortgage Max LTV:
Minimum loan £25,000		
£25,000 - £250,000	90%	85%
£250,001 - £275,000	80%	80%
£275,001 - £500,000	75%	75%

For remortgages, lending over 85% is limited to like for like remortgages or capital raising for home improvements. Buy to let mortgages have a maximum LTV of 75%. Commercial mortgages have a maximum LTV of 60%. Owner occupied loans over 70% LTV must be on a capital and interest repayment basis.

Income multipliers

Household income	Single income:	Joint income:
More than £20,000	4 x	4 x
Up to £20,000	3.75 x	3.75 x

Assessable income

For PAYE applicants:

- Basic gross salary. In addition (if applies) add to basic salary:
- 100% of car allowance.
- 50% of regular/permanent bonuses and overtime (to be confirmed by employer /P60s).
- Mortgage subsidies/housing allowances or large town allowances (if permanent part of income).

For self-employed applicants:

- Average of the last two years' net profit.
- Three years' accounts to assess the health of the business.
- For commercial propositions, available income cover based on the average of the retained net profits must be sufficient to cover interest charges twice over. Suitable adjustments will be made in the calculations for items such as depreciation, non-recurring items and existing interest charges.

Credit commitments:

- All credit commitments will be grossed up by 42% and deducted from income prior to applying income multiples.
- No mortgage application will be accepted where there are previous credit problems.

Valuation fees

(For purchase/remortgage of main residence and buy to let)

A valuation of the property is required in all cases. We offer the choice of a basic mortgage valuation or a homebuyer's report. We can give the applicants the names of suitable surveyors if they would like to arrange a full building survey. Commercial survey fees are negotiated, please ask us for details.

For Buy to Let add £25 to the basic mortgage valuation fee or Home Buyers Report to cover rental assessment.

£ Market Value	£ Basic Valuation Fee	£ Home Buyers Report (Including the Basic Valuation Fee)
£100,001 to £150,000	225	500
£150,001 to £200,000	250	550
£200,001 to £250,000	275	600
£250,001 to £300,000	300	650
£300,001 to £400,000	400	750
£400,001 to £500,000	450	850
£500,001 to £600,000	500	950
£600,001 to £700,000	600	1050
£700,001 to £800,000	650	1150
£800,001 to £900,000	700	1250
£900,001 to £1 million	750	1300
£1,000,001 to £1.2 million	850	1500
£1,200,001 to £1.4 million	950	1650
£1,400,001 to £1.6 million	1100	1800
£1,600,001 to £1.8 million	1200	1950
£1,800,001 to £2 million	1300	2100

Affordable Housing

We will consider applications for New Build HomeBuy and HomeBuy Direct. The mortgage must be on a capital and interest repayment basis.

The applicants can use our solicitors or their own - all legal costs to be paid by the applicants. We can use the same solicitors as the applicants, subject to our normal requirements of a minimum of 2 partners in the firm and they are registered on The Law Society website (www.lawsociety.org.uk). Licensed conveyancers are also acceptable for residential business only. The conveyancer must be registered with the Council of Licensed Conveyancers and be in a firm of at least two partners.

Shared Ownership - The share being purchased by the applicants must be between 40% and 75% of the purchase price or valuation (the lower of the two). They can borrow up to 95% of the purchase share, depending on the product terms.

The property

(Properties where the value is less than £100,000 must be referred to Newbury Building Society for initial approval)

Age:

- Properties of any age are acceptable (subject to valuation).
- NHBC Certificate, Zurich Municipal, Premier Guarantee, Build Life Plans, LABC New Home, Build Zone Policy, HAPN, Castle 10 or Architect supervision required for properties aged under 10 years.

Construction:

- All properties of conventional construction (i.e. brick and tile) are generally acceptable.
- Timber and concrete properties are not accepted.
- Self-build proposals will be accepted from applicants who have the appropriate skills and assistance from qualified tradesmen.

Tenure:

- Freehold houses (including those under the Right to Buy scheme) are acceptable.
- Leasehold houses are acceptable with an unexpired lease of 45 years more than the mortgage term.
- Freehold flats and maisonettes are not acceptable.
- Leasehold flats in blocks of more than 6 storeys are not acceptable.
- Other leasehold flats must be referred to Newbury Building Society for initial approval.

Locality:

- Properties must be located in England or Wales.
- Affordable Housing and Buy to Let properties must be located within the following postcode areas: AL, BA, BH, BN, BS, DT, GL, GU, HA, HP, KT, MK, OX, PO, RG, RH, SL, SN, SP, SO, TW, UB, WD (see map on next page).
- Lending in London is restricted to 85% LTV.

Submitting an application

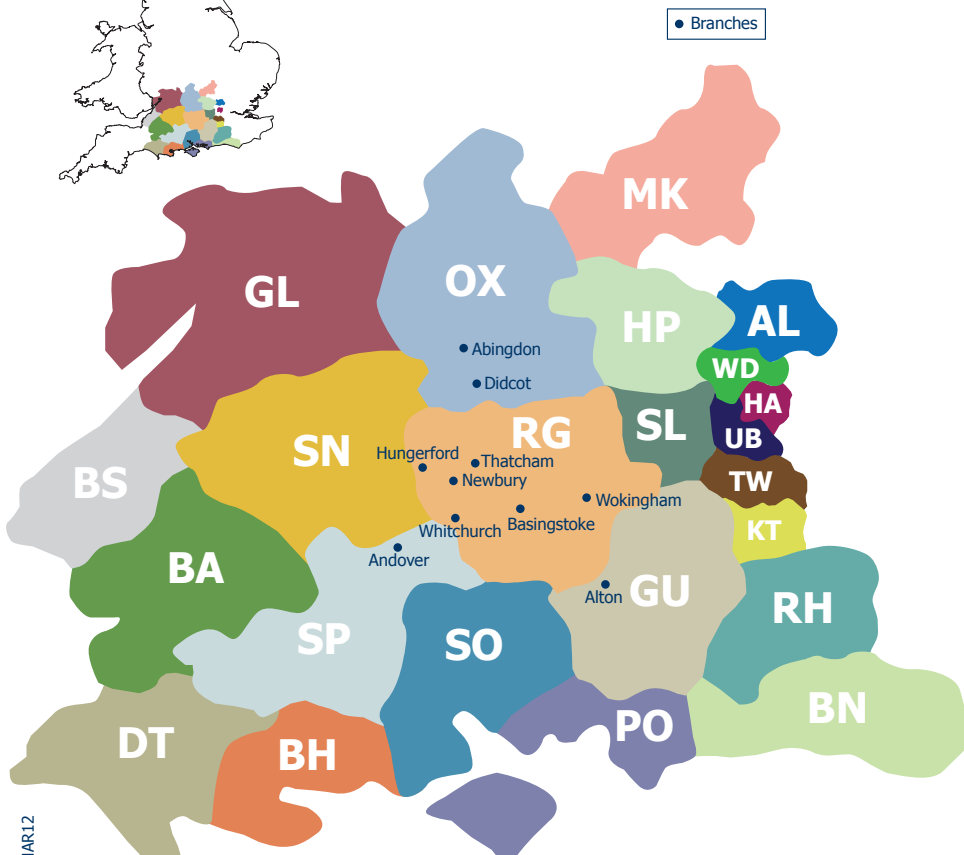
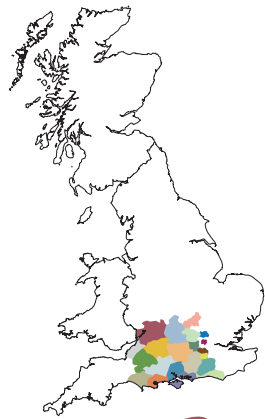
We will need from you:

- Fully completed and signed mortgage application form.
- Identification for all applicants.
- A cheque made payable to Newbury Building Society for arrangement, booking or valuation fees (if applicable). Please add client's name to payee line, for security purposes.
- Last P60 and 3 months' payslips for all employed applicants.
- Last 3 years' accounts for all self-employed applicants. For commercial propositions we will also need a business plan incorporating cash flow projections for next 12 months and a CV for the applicants to ascertain personal history.
- For contractors, details of all contracts over the last 12 months including current contract, 6 months business and personal bank statements and a CV for the applicant to ascertain personal history.
- Last 2 years' mortgage statements (if applicable).
- Evidence of deposit for purchases (unless from the sale of existing home)

We will acknowledge receipt of your mortgage application and may ask for additional information from you or your client, if we need it to underwrite the case. We aim to send a formal mortgage offer to your client within 10 working days of receiving the application (this may be longer for commercial propositions depending on the complexity).

Newbury Building Society is authorised and regulated by the Financial Services Authority (registration no. 206077). English Law applies and we will communicate with you in English. We are participants of the Financial Ombudsman Service. We have a complaints procedure which we will provide on request. Most complaints that we cannot resolve can be referred to the Financial Ombudsman Service.

Normal operating area for Affordable Housing and Buy to Let



3323/MAR12

AL	Harpenden, Hatfield, St Albans, Welwyn, Welwyn Garden City
BA	Bath, Bradford-On-Avon, Bruton, Castle Cary, Frome, Glastonbury, Radstock, Shepton Mallet, Street, Templecombe, Trowbridge, Warminster, Wells, Westbury, Wincanton, Yeovil
BH	Bournemouth, Broadstone, Christchurch, Ferndown, New Milton, Poole, Ringwood, Swanage, Verwood, Wareham, Wimborne
BN	Arundel, Brighton, Eastbourne, Hailsham, Hassocks, Henfield, Hove, Lancing, Lewes, Littlehampton, Newhaven, Peacehaven, Pevensey, Polegate, Seaford, Shoreham-By-Sea, Steyning, Worthing
BS	Axbridge, Banwell, Bristol, Cheddar, Clevedon, Wedmore, Weston-Super-Mare, Winscombe
DT	Beaminster, Blandford Forum, Bridport, Dorchester, Lyme Regis, Portland, Sherborne, Sturminster Newton, Weymouth
GL	Badminton, Berkeley, Blakeney, Cheltenham, Chipping Campden, Cinderford, Cirencester, Coleford, Drybrook, Dursley, Dymock, Fairford, Gloucester, Lechlade, Longhope, Lydbrook, Lydney, Mitcheldean, Moreton-In-Marsh, Newent, Newnham, Ruardean, Stonehouse, Stroud, Tetbury, Tewkesbury, Westbury-On-Severn, Wotton-Under-Edge
GU	Aldershot, Alton, Bagshot, Bordon, Camberley, Cranleigh, Farnborough, Farnham, Fleet, Godalming, Guildford, Haslemere, Hindhead, Lightwater, Liphook, Liss, Midhurst, Petersfield, Petworth, Sandhurst, Virginia Water, Windlesham, Woking, Yateley
HA	Edgware, Harrow, Northwood, Pinner, Ruislip, Stanmore, Wembley
HP	Amersham, Aylesbury, Beaconsfield, Berkhamsted, Chalfont St Giles, Chesham, Great Missenden, Hemel Hempstead, High Wycombe, Princes Risborough, Tring
KT	Addlestone, Ashted, Chertsey, Chessington, Cobham, East Molesey, Epsom, Esher, Kingston Upon Thames, Leatherhead, New Malden, Surbiton, Tadworth, Thames Ditton, Walton-On-Thames, West Byfleet, West Molesey, Weybridge, Worcester Park
MK	Bedford, Buckingham, Milton Keynes, Newport Pagnell, Olney
OX	Abingdon, Bampton, Banbury, Bicester, Burford, Carterton, Chinnor, Chipping Norton, Didcot, Kidlington, Oxford, Thame, Wallingford, Wantage, Watlington, Witney, Woodstock
PO	Bembridge, Bognor Regis, Chichester, Cowes, East Cowes, Emsworth, Fareham, Freshwater, Gosport, Havant, Hayling Island, Lee-On-The-Solent, Newport, Portsmouth, Rowland's Castle, Ryde, Sandown, Seaview, Shanklin, Southsea, Totland Bay, Ventnor, Waterlooville, Yarmouth
RG	Basingstoke, Bracknell, Crowthorne, Henley-On-Thames, Hook, Hungerford, Newbury, Reading, Tadley, Thatcham, Whitchurch, Wokingham
RH	Betchworth, Billingshurst, Burgess Hill, Crawley, Dorking, East Grinstead, Forest Row, Gatwick, Godstone, Haywards Heath, Horley, Horsham, Lingfield, Oxted, Pulborough, Redhill, Reigate
SL	Ascot, Bourne End, Gerrards Cross, Iver, Maidenhead, Marlow, Slough, Windsor
SN	Calne, Chippenham, Corsham, Devizes, Faringdon, Malmesbury, Marlborough, Melksham, Pewsey, Swindon
SP	Andover, Fordingbridge, Gillingham, Salisbury, Shaftesbury, Tidworth
SO	Alresford, Brockenhurst, Eastleigh, Lymington, Lyndhurst, Romsey, Southampton, Stockbridge, Winchester
TW	Ashford, Brentford, Egham, Feltham, Hampton, Hounslow, Isleworth, Richmond, Shepperton, Staines, Sunbury-On-Thames, Teddington, Twickenham
UB	Denham, Greenford, Harefield, Hayes, Northolt, Perivale, Uxbridge, Southall, West Drayton
WD	Bushey Heath, Chorleywood, Elstree, Kings Langley, Radlett, Rickmansworth

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Call **01635 555777** Visit **www.newbury.co.uk/brokers**