

Product Guide

6th March 2008

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Key changes

Fixed rates from 7.14%

Max LTV changes across all adverse categories

Max loan now £500k Status and £350k Self Cert

Max age now 64 years at application and 74 years at end of term

Self Certification - not available on Heavy Adverse

- still available from Almost Prime + to Medium Adverse

Right to Buy - not available on Light Adverse to Fast Track

- still available from Almost Prime to Minor Adverse

Buy to Let option withdrawn across entire range

SPML

southern pacific mortgage ltd

Almost Prime +

A competitively priced product, made possible by an enhanced online Decision in Principle (DIP) which uses additional credit bureau information. The DIP will determine instantly whether your client fits Level 1, Level 2, or will cascade to our other products. You must obtain a printed DIP acceptance letter from www.spml.co.uk to include with all submitted applications.

Adverse Levels	
CCJs – Satisfied/unsatisfied (per applicant)	£1k in last 24 months (none in last 6 months)
Defaults	Incorporated as part of credit score
Arrears – cleared or not	0 in last 12 months
Bankruptcy/Sequestration (Scotland)	Not allowed
IVA/Trust Deed (Scotland)	Not allowed

Level 1

Max LTV Purchase and remortgage	Status / Self Cert (Self Emp)	65%	70%	75%	80%	85%
2 Year Fixed Until 31/08/2010 1.5% Arrangement fee (min £1495)	Status	7.29%	7.39%	7.69%	8.14%	8.34%
	Self Cert		7.64%	7.94%	8.39%	N/A
3 Year Fixed Until 31/08/2011 1.5% Arrangement fee (min £1495)	Status	7.14%	7.24%	7.54%	7.99%	8.19%
	Self Cert		7.49%	7.79%	8.24%	N/A
Reversionary Rate Based on LIBOR at 5.74% set on 1st March 2008	Status	8.78%	8.88%	8.98%	9.68%	10.18%
	Self Cert		9.13%	9.23%	9.93%	N/A

Level 2

Max LTV Purchase and remortgage	Status / Self Cert (Self Emp)	65%	70%	75%	80%	85%
2 Year Fixed Until 31/08/2010 1.5% Arrangement fee (min £1495)	Status	7.34%	7.44%	7.74%	8.29%	8.59%
	Self Cert		7.69%	7.99%	8.54%	N/A
3 Year Fixed Until 31/08/2011 1.5% Arrangement fee (min £1495)	Status	7.19%	7.29%	7.59%	8.14%	8.44%
	Self Cert		7.54%	7.84%	8.39%	N/A
Reversionary Rate Based on LIBOR at 5.74% set on 1st March 2008	Status	8.78%	8.88%	8.98%	9.68%	10.18%
	Self Cert		9.13%	9.23%	9.93%	N/A

Basic Criteria

Maximum Loan	Status	£500k	
	Self Cert	£350k	N/A
	First Time Buyers	No additional restriction	
Minimum Loan	£25,001		
Minimum Valuation	£60k / Ex-local authority flats and maisonettes (excluding Scottish cottage style properties) £125k		
Additional Notes	Right to Buy not available		
Early Repayment Charges 2 and 3 Year Fixed	6% of the outstanding mortgage balance during the fixed rate period, then 1 month's written notice thereafter		

Almost Prime

You must submit a Decision in Principle (DIP) from www.spml.co.uk and include the printed DIP acceptance letter with all applications.

Adverse Levels

CCJs/Defaults – Satisfied/unsatisfied (per applicant)	Maximum £1k of CCJs and Defaults combined in the last 24 months (none in last 6 months)
Arrears – cleared or not	0 in last 12 months
Bankruptcy/Sequestration (Scotland)	Not allowed
IVA/Trust Deed (Scotland)	Not allowed

Max LTV Purchase and remortgage	Status / Self Cert (Self Emp)	65%	70%	75%	80%	85%
2 Year Fixed Until 31/08/2010 1.5% Arrangement fee (min £1495)	Status	7.39%	7.49%	7.84%	8.44%	8.84%
	Self Cert		7.74%	8.09%	8.69%	N/A
3 Year Fixed Until 31/08/2011 1.5% Arrangement fee (min £1495)	Status	7.24%	7.34%	7.69%	8.29%	8.69%
	Self Cert		7.59%	7.94%	8.54%	N/A
Reversionary Rate Based on LIBOR at 5.74% set on 1st March 2008	Status	8.78%	8.88%	8.98%	9.68%	10.18%
	Self Cert		9.13%	9.23%	9.93%	N/A

Product Loadings

Right to Buy (Only add for purchase, no loading when remortgaging)	0.25%	0.25%	0.25%	0.25%	0.25%
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Basic Criteria

Maximum Loan	Status	£500k	
	Self Cert	£350k	N/A
	Right to Buy	£300k	
	First Time Buyers	No additional restriction	
Minimum Loan	£25,001		
Minimum Valuation	£60k / Ex-local authority flats and maisonettes (excluding Scottish cottage style properties) £125k		
Early Repayment Charges 2 and 3 Year Fixed	6% of the outstanding mortgage balance during the fixed rate period, then 1 month's written notice thereafter		

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Near Prime

Adverse Levels	
CCJs – Satisfied/unsatisfied (per applicant)	1 CCJ, maximum £500
Defaults	Unlimited
Arrears – cleared or not	None in last 12 months
Bankruptcy/Sequestration (Scotland)	Not allowed
IVA/Trust Deed (Scotland)	Not allowed

Max LTV Purchase and remortgage	Status / Self Cert (Self Emp)	65%	70%	75%	80%
2 Year Fixed Until 31/08/2010 1.5% Arrangement fee (min £1495)	Status	7.59%	7.69%	8.09%	8.59%
	Self Cert		7.94%	8.34%	N/A
3 Year Fixed Until 31/08/2011 1.5% Arrangement fee (min £1495)	Status	7.44%	7.54%	7.94%	8.44%
	Self Cert		7.79%	8.19%	N/A
Reversionary Rate Based on LIBOR at 5.74% set on 1st March 2008	Status	8.98%	9.08%	9.18%	9.88%
	Self Cert		9.33%	9.43%	N/A

Product Loadings

Right to Buy (Only add for purchase, no loading when remortgaging)	0.25%	0.25%	0.25%	0.25%
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Basic Criteria

Maximum Loan	Status	£500k		
	Self Cert	£350k	N/A	
	Right to Buy	£300k		
	First Time Buyers	No additional restriction		
Minimum Loan	£25,001			
Minimum Valuation	£60k / Ex-local authority flats and maisonettes (excluding Scottish cottage style properties) £125k			
Early Repayment Charges 2 and 3 Year Fixed	6% of the outstanding mortgage balance during the fixed rate period, then 1 month's written notice thereafter			

Minor Adverse

Adverse Levels	
CCJs – Satisfied/unsatisfied (per applicant)	£1.5k
Defaults	Unlimited
Arrears – cleared or not	1 in last 12 months (none in last 3 months)
Bankruptcy/Sequestration (Scotland)	Not allowed
IVA/Trust Deed (Scotland)	Not allowed

Max LTV Purchase and remortgage	Status / Self Cert (Self Emp)	65%	70%	75%	80%
2 Year Fixed Until 31/08/2010 1.5% Arrangement fee (min £1495)	Status	7.99%	8.09%	8.34%	8.99%
	Self Cert		8.34%	8.59%	N/A
3 Year Fixed Until 31/08/2011 1.5% Arrangement fee (min £1495)	Status	7.84%	7.94%	8.19%	8.84%
	Self Cert		8.19%	8.44%	N/A
Reversionary Rate Based on LIBOR at 5.74% set on 1st March 2008	Status	9.18%	9.28%	9.38%	10.08%
	Self Cert		9.53%	9.63%	N/A

Product Loadings

Right to Buy (Only add for purchase, no loading when remortgaging)	0.25%	0.25%	0.25%	0.25%
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Basic Criteria

Maximum Loan	Status	£500k		
	Self Cert	£350k	N/A	
	Right to Buy	£300k		
	First Time Buyers	No additional restriction		
Minimum Loan	£25,001			
Minimum Valuation	£60k / Ex-local authority flats and maisonettes (excluding Scottish cottage style properties) £125k			
Early Repayment Charges 2 and 3 Year Fixed	6% of the outstanding mortgage balance during the fixed rate period, then 1 month's written notice thereafter			

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Light Adverse

Adverse Levels	
CCJs – Satisfied/unsatisfied (per applicant)	£3k
Defaults	Unlimited
Arrears – cleared or not	2 in last 12 months (none in last 3 months)
Bankruptcy/Sequestration (Scotland)	Discharged - 36 months or more
IVA/Trust Deed (Scotland)	Satisfied - 36 months or more

Max LTV Purchase and remortgage	Status / Self Cert (Self Emp)	65%	70%	75%	80%
2 Year Fixed Until 31/08/2010 1.5% Arrangement fee (min £1495)	Status	8.24%	8.34%	8.74%	9.39%
	Self Cert		8.59%	8.99%	N/A
3 Year Fixed Until 31/08/2011 1.5% Arrangement fee (min £1495)	Status	8.09%	8.19%	8.59%	9.24%
	Self Cert		8.44%	8.84%	N/A
Reversionary Rate Based on LIBOR at 5.74% set on 1st March 2008	Status	9.38%	9.48%	9.58%	10.28%
	Self Cert		9.73%	9.83%	N/A

Basic Criteria

Maximum Loan	Status	£500k	
	Self Cert	£350k	N/A
	First Time Buyers	No additional restriction	
Minimum Loan	£25,001		
Minimum Valuation	£60k / Ex-local authority flats and maisonettes (excluding Scottish cottage style properties) £125k		
Early Repayment Charges 2 and 3 Year Fixed	6% of the outstanding mortgage balance during the fixed rate period, then 1 month's written notice thereafter		

Medium Adverse

Adverse Levels

CCJs – Satisfied/unsatisfied (per applicant)	£6k
Defaults	Unlimited
Arrears* – cleared or not	3 in last 12 months (1 in last 3 months)
Bankruptcy/Sequestration (Scotland)	Discharged - 36 months or more
IVA/Trust Deed (Scotland)	Satisfied - 36 months or more

* Proof of last three months' contractual mortgage payments required if remortgaging from a non conforming lender.

Max LTV Purchase and remortgage	Status / Self Cert (Self Emp)	Option A (CCJs OR Arrears)			Option B (CCJs AND Arrears)		
		65%	70%	75%	65%	70%	75%
2 Year Fixed Until 31/08/2010 1.5% Arrangement fee (min £1495)	Status		8.59%	8.89%		8.79%	9.09%
	Self Cert	8.49%	8.84%	N/A	8.69%	9.04%	N/A
3 Year Fixed Until 31/08/2011 1.5% Arrangement fee (min £1495)	Status		8.44%	8.74%		8.64%	8.94%
	Self Cert	8.34%	8.69%	N/A	8.54%	8.89%	N/A
Reversionary Rate Based on LIBOR at 5.74% set on 1st March 2008	Status		9.78%	9.88%		9.98%	10.08%
	Self Cert	9.68%	10.03%	N/A	9.88%	10.23%	N/A

Basic Criteria

Maximum Loan	Status	£500k			
	Self Cert	£350k	N/A	£350k	N/A
	First Time Buyers	No additional restriction			
Minimum Loan	£25,001				
Minimum Valuation	£60k / Ex-local authority flats and maisonettes (excluding Scottish cottage style properties) £125k				
Early Repayment Charges 2 and 3 Year Fixed	6% of the outstanding mortgage balance during the fixed rate period, then 1 month's written notice thereafter				

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Heavy Adverse

Adverse Levels	
CCJs – Satisfied/unsatisfied (per applicant)	£10k
Defaults	Unlimited
Arrears* – cleared or not	4 in last 12 months (1 in last 3 months)
Bankruptcy/Sequestration (Scotland)	Discharged - 36 months or more
IVA/Trust Deed (Scotland)	Satisfied - 36 months or more

* Proof of last three months' contractual mortgage payments required if remortgaging from a non conforming lender.

Max LTV Purchase and remortgage	Status	Option A (CCJs OR Arrears)		Option B (CCJs AND Arrears)	
		65%	70%	65%	70%
2 Year Fixed Until 31/08/2010 1.5% Arrangement fee (min £1495)	Status	8.79%	8.89%	8.99%	9.09%
3 Year Fixed Until 31/08/2011 1.5% Arrangement fee (min £1495)	Status	8.64%	8.74%	8.84%	8.94%
Reversionary Rate Based on LIBOR at 5.74% set on 1st March 2008	Status	9.98%	10.08%	10.18%	10.28%

Basic Criteria

Maximum Loan	Status	£500k
	First Time Buyers	No additional restriction
Minimum Loan		£25,001
Minimum Valuation		£60k / Ex-local authority flats and maisonettes (excluding Scottish cottage style properties) £125k
Early Repayment Charges 2 and 3 Year Fixed		6% of the outstanding mortgage balance during the fixed rate period, then 1 month's written notice thereafter

Fast Track

Adverse Levels	
CCJs – Satisfied/unsatisfied (per applicant)	Unlimited
Defaults	Unlimited
Arrears – cleared or not	Unlimited
Bankruptcy/Sequestration (Scotland)	Discharged - 36 months or more
IVA/Trust Deed (Scotland)	Satisfied - 36 months or more

Max LTV Purchase only	Status	Option A (CCJs OR Arrears)		Option B (CCJs AND Arrears)	
		65%	70%	65%	70%
2 Year Fixed Until 31/08/2010 1.5% Arrangement fee (min £1495)	Status	9.09%	9.19%	9.29%	9.39%
3 Year Fixed Until 31/08/2011 1.5% Arrangement Fee (min £1495)	Status	8.94%	9.04%	9.14%	9.24%
Reversionary Rate Based on LIBOR at 5.74% set on 1st March 2008	Status	10.38%	10.48%	10.58%	10.68%

Basic Criteria

Maximum Loan	Status	£500k
	First Time Buyers	No additional restriction
Minimum Loan		£25,001
Minimum Valuation		£60k / Ex-local authority flats and maisonettes (excluding Scottish cottage style properties) £125k
Early Repayment Charges 2 and 3 Year Fixed		6% of the outstanding mortgage balance during the fixed rate period, then 1 month's written notice thereafter

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Criteria

For full terms and conditions refer to SPML's Intermediary Manual, which can be found at www.spml.co.uk

Property Locations:

England, Wales and Scotland.

Reversionary Rate:

On expiry of the Fixed Rate period the interest rate will revert to a variable rate of LIBOR plus the product margin and any applicable loadings.

Repayment Method:

- Capital & Interest.
- Interest Only.
- Part & Part.

For Interest Only or Part Interest Only, details of the intended method of repayment is required on the application form.

Fees:

All SPML fees, including panel solicitors, can be added up to 90% LTV.

- There is no Higher Lending Charge.

Adverse Credit:

The following will be allowed:

- CCJs:
 - Up to £150, satisfied or unsatisfied. (except on Almost Prime+ and Almost Prime)
 - Satisfied more than 12 months. (except on Almost Prime+ and Almost Prime)
 - Registered more than 24 months ago, satisfied or unsatisfied.
- Defaults (except Almost Prime - see below).
- Arrears over 12 months old.

Subject to a satisfactory explanation of adverse.

On Almost Prime defaults will be allowed if:

- less than 25% of the original default balance is outstanding.
- communications/mail order less than £250 when issued.
- or default date over 24 months old.

Applicants with a previous repossessions record will only be considered:

- On Light Adverse to Fast Track (inclusive) where:
 - The repossession took place over 3 years prior to the application.
- And
 - We are in receipt of confirmation that any shortfall has been repaid in full OR a satisfactory repayment schedule has been in place for a minimum of 12 months. Any shortfall payments will be treated as an outgoing.

- If repossession is Pending we will decline the case regardless of product.
- If evidence is received after offer that repossession proceedings have already commenced the offer will be withdrawn.
- We will not accept any applicant on Almost Prime+ to Minor Adverse (inclusive) who has had a previous repossession.

Minimums and Maximums:

Minimum Income:

£15,000 per annum per application. Please refer to the Intermediary Manual for details of eligible income and verification.

Minimum Employment Period:

- Verified Employed: employed for the last 12 months and been with their current employer for a minimum of 3 months, with no outstanding probation.
- Self Certification Employed: Not accepted.
- Verified Self Employed: Minimum 12 months self employment history.
- Self Certification Self Employed: 6 months trading.
- Contract workers and those who work for agencies as temporary staff: Will be considered if they can prove 12 months continuous employment with the same firm.

Minimum / Maximum Age:

18 years / 64 years at application and 74 years at the end of the term.

Minimum / Maximum Term:

5 years / 35 years (subject to above age limits).

Minimum Lease:

35 years at the end of the mortgage term.

Maximum LTV:

All LTV maximums are excluding fees, which can be added up to 90% LTV.

- Houses and bungalows: 85%.
- All new build properties, all flats (up to 6 storeys) and maisonettes (including Scottish cottage style property): 75%.

New build properties are defined as those built or converted in the last 12 months.

Self Certification:

- Self Certification of income only available for Self Employed applicants on selected products.
- A confirmation phone call will be made to all applicants Self Certifying their income.

Debt to Income Ratio:

Based on affordability. Log onto www.spml.co.uk/affordability or request a decision via our Decision in Principle service. The model accurately deducts tax, national insurance, outgoings and estimated household expenditure from the gross monthly income. It then calculates the maximum loan from the remainder given the requested loan term and the Reversionary Rate for the product selected.

Outgoings Excluded:

- Credit card/loan balances that are £500 or less.
- Unsecured loans with less than 7 monthly instalments remaining.

Outgoings Included:

- Monthly repayments for all other loans.
- 3% of credit card / mail order balances greater than £500.
- All other regular outgoings

Proof of Mortgage/Secured Loan Payments:

- Arrears (within the last 12 months) on all secured loans and mortgages including Buy to Let considered for product eligibility.
- On Medium Adverse and Heavy Adverse products proof of last three months' contractual mortgage payments required if remortgaging from a non conforming lender.
- Refer to Intermediary Manual on the SPML's website for list of non conforming lenders.
- Where at least 70% of the contractual monthly payment has been paid within **a month of the due date** - it will not be treated as a missed payment.

Solicitors:

Where solicitors are acting on behalf of SPML and the applicant:

- In England, Wales and Scotland firms MUST have a minimum of 2 partners and be currently registered at the Law Society.
- Licensed conveyancers are unacceptable.

Buildings Insurance:

Required for the level of cover recommended by the valuer – competitive block cover is available, details upon request. All cases must have a minimum of 1 month (6 months where the valuer has confirmed special insurance risk) insurance cover remaining at the completion date.

Title Insurance:

Available on all products. £150 premium, which can be added to the loan up to a maximum 90% LTV.

Deed of Gift:

From family members or landlords where the sitting tenant has been resident for 12 months allowed up to 100% of discounted purchase price plus £3k in fees up to maximum 90% LTV of open market value.

Right to Buy:

- Available for owner occupation only and not for letting purposes.
- Additional funds above discounted purchase price are acceptable subject to policy criteria, up to the product LTV limit.
- No Housing Benefit in the last 6 months.

In Pre-emption Discount Period:

We will consider remortgages within the pre-emption period subject to acceptable property type, see Intermediary Manual for details.



For details call **0800 085 0853[†]** or visit **www.spml.co.uk**
or **speak to your packager**

Southern Pacific Mortgage Ltd

SPML is registered in England and Wales, Registration No 3266119 at 1st Floor, 6 Broadgate, London, EC2M 2QS. SPML is authorised and regulated by the Financial Services Authority for regulated mortgage contracts and general insurance.

[†] Monday – Friday 9.00 am to 5.30 pm. Telephone calls may be monitored. BT landline calls to 0800 numbers will incur no charge at all times. Mobile and other providers' charges may vary.

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