

Our Residential and Buy to Let Mortgages Product Guide

June 2015: Issue 3

What we've changed

Buy to Let

- We are reducing our 2 year fixed BTL rates by up to 0.30%.
New rates starting from 4.18%



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www.active-investments.co.uk

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This guide is a general guide to our full lending policy. If more details are required please contact us.
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Our Residential Mortgages

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Credit status	Mortgage Arrears	None in last 1 year					
	CCJs / Defaults	None in last 3 years (CCJs & Defaults over 3 years considered)					
	Bankruptcy Order / IVA	Satisfied for 6 years					
Purchase and Remortgage products		Standard Range				Help to Buy: mortgage guarantee. Purchase Only	
Maximum LTV		70 %	75 %	80 %	85 %	90 %	95 %
2 year fixed	Initial Rate	3.98 %		4.28 %	4.78 %	5.99 %	6.09 %
	Completion fee	£999					
3 year fixed	Initial Rate	4.28 %		4.78 %	5.08 %	5.99 %	6.09 %
	Completion fee	£999					
5 year fixed	Initial Rate	4.78 %		5.28 %	5.58 %	5.99 %	6.09 %
	Completion fee	£999					
2 year discount	Initial Rate	3.88 %		4.38 %	4.68 %	n/a	
	Completion fee	£999					
Reversion rate		4.98 % AMR+ 0.00%	5.48 % AMR+ 0.50%	5.73 % AMR+ 0.75%			
Term variable rate	Initial Rate	3.88 % AMR- 1.10%		4.38 % AMR- 0.60%	4.68 % AMR- 0.30%	n/a	
	Completion fee	£999					

Remortgage Only - No valuation, legal, or completion fees*

Maximum LTV		70 %	75 %	80 %	85 %	90 %	95 %
3 year fixed	Initial Rate	4.58 %		5.08 %	5.38 %	n/a	
	Booking fee**	£199					
	Reversion rate	4.98 % AMR+ 0.00%	5.48 % AMR+ 0.50%	5.73 % AMR+ 0.75%			
Aldermore Managed Rate (AMR)	4.98 %						

Early repayment charges

Year	1	2	3	4	5
2 year fixed	3.50 %	3.00 %			
3 year fixed	4.00 %	3.50 %	3.00 %		
5 year fixed	5.00 %	4.50 %	4.00 %	3.50 %	3.50 %
2 year discount	2.50 %	2.50 %			
Term variable rate	2.50 %	2.50 %	2.00 %		
Overpayments of up to £5,000 can be made in any 12 month period without incurring an early repayment charge.					

Adding fees to the loan - Completion and electronic transfer fees can be added up to 80% LTV. Added fees will be excluded from the LTV calculation but will be included in the affordability assessment. Where fees are added to the loan they will attract interest over the mortgage term.

Procuration fee (all products) - 0.40 %

* £30 electronic transfer fee applies

** Booking fee is payable on application and is non-refundable

Valuation fees

Property value	Standard valuation fee
£75,000 - £100,000	£280.00
£100,001 - £150,000	£315.00
£150,001 - £200,000	£335.00
£200,001 - £300,000	£430.00
£300,001 - £400,000	£500.00
£400,001 - £500,000	£565.00
£500,001 - £600,000	£620.00
£600,001 - £700,000	£680.00
£700,001 - £800,000	£735.00
£800,001 - £900,000	£790.00
£900,001 - £1,000,000	£845.00
£1,000,001 - plus	Available on request
Where a more detailed report is required, the Valuer will collect the additional fee direct from the applicants. The valuation fee is not refundable once the valuation has been carried out. Aldermore will enter into commercial agreements for the provision of valuation reports. The valuation report will be for the benefit of Aldermore Bank PLC, although a copy will be provided to the applicant and their Solicitor with the mortgage offer.	

Our Buy to Let Mortgages

- Available for Let to Buy

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Credit status	Mortgage Arrears	None in last 1 year
	CCJs / Defaults	None in last 3 years (CCJs & Defaults over 3 years considered)
	Bankruptcy Order / IVA	Satisfied for 6 years

Purchase and Remortgage products

Maximum LTV		70 %	75 %	80 %
2 year fixed	Initial Rate	4.18 %		4.68 %
	Completion fee	2.50 %		
2 year fixed	Initial Rate	4.68 %		5.18 %
	Completion fee	£1,999		
3 year fixed	Initial Rate	4.78 %		5.08 %
	Completion fee	2.50 %		
3 year fixed	Initial Rate	5.18 %		5.48 %
	Completion fee	£1,999		
5 year fixed	Initial Rate	5.48 %		5.78 %
	Completion fee	£1,999		
2 year discount	Initial Rate	4.58 %		4.98 %
	Completion fee	2.00 %		
Reversion rate		4.98 % AMR+ 0.00%	5.48 % AMR+ 0.50%	5.73 % AMR+ 0.75%
Term variable rate	Initial Rate	3.93 % AMR- 1.05%		4.48 % AMR- 0.50%
	Completion fee	3.00 %		
Term variable rate	Initial Rate	4.48 % AMR- 0.50%		4.98 % AMR+ 0.00%
	Completion fee	£1,999		

Remortgage Only

- No valuation, legal, or completion fees*

Maximum LTV		70 %	75 %	80 %
3 year fixed	Initial Rate	5.28 %		5.68 %
	Booking fee**	£199		
	Reversion rate	4.98 % AMR+ 0.00%	5.48 % AMR+ 0.50%	5.73 % AMR+ 0.75%
Aldermore Managed Rate (AMR)	4.98 %			

Early repayment charges

Year	1	2	3	4	5
2 year fixed	3.50 %	3.00 %			
3 year fixed	4.00 %	3.50 %	3.00 %		
5 year fixed	5.00 %	4.50 %	4.00 %	3.50 %	3.50 %
2 year discount	2.50 %	2.50 %			
Term variable rate	2.50 %	2.50 %	2.00 %		

Overpayments of up to £5,000 can be made in any 12 month period without incurring an early repayment charge.

Adding fees to the loan - Completion and electronic transfer fees can be added. Added fees will be excluded from the LTV calculation but will be included in the affordability assessment. Where fees are added to the loan they will attract interest over the mortgage term.

Procuration fee (all products) - 0.40 %
* £30 electronic transfer fee applies

** Booking fee is payable on application and non-refundable

† Remortgage of existing residential property onto a Buy to Let.

Valuation fees

Property value	Standard valuation fee
£75,000 - £100,000	£355.00
£100,001 - £150,000	£390.00
£150,001 - £200,000	£410.00
£200,001 - £300,000	£505.00
£300,001 - £400,000	£575.00
£400,001 - £500,000	£640.00
£500,001 - £600,000	£695.00
£600,001 - £700,000	£755.00
£700,001 - £800,000	£810.00
£800,001 - £900,000	£865.00
£900,001 - £1,000,000	£920.00
£1,000,001 - plus	Available on request

Where a more detailed report is required, the Valuer will collect the additional fee direct from the applicants. The valuation fee is not refundable once the valuation has been carried out. Aldermore will enter into commercial agreements for the provision of valuation reports. The valuation report will be for the benefit of Aldermore Bank PLC, although a copy will be provided to the applicant and their Solicitor with the mortgage offer.

Key criteria

The following is designed to help you understand the type of business we will consider. Please refer to our [Lending Criteria Guide](#) for full criteria requirements.

Loan	Residential Standard Range	Help to Buy: mortgage guarantee	Buy to Let
Purpose	Purchase or Remortgage	Purchase only	Purchase or Remortgage
Term	Minimum 10 years, Maximum 35 years		
Minimum loan	Minimum £25,000		
Maximum loan and LTV	Maximum £1,000,000 to 75% LTV £400,000 to 85% LTV	£400,000 to 95% LTV	Maximum £1,000,000 to 70% LTV £600,000 to 75% LTV £400,000 to 80% LTV
Repayment types accepted	Repayment or Interest only	Repayment only	Repayment or Interest only
Interest only maximum LTV	75% LTV	n/a	80% LTV
Let to Buy	n/a		Remortgage of existing residential property onto a Buy to Let accepted
Applicants	Residential Standard Range	Help to Buy: mortgage guarantee	Buy to Let
Maximum applicants	2		
Minimum age	21 years		21 years (first time landlords 25 years)
Maximum age	70 years at end of mortgage term (the maximum mortgage term cannot extend beyond the stated retirement date)		85 years at end of mortgage term
First time buyers	Accepted		Not accepted
Affordability	Residential Standard Range	Help to Buy: mortgage guarantee	Buy to Let
Affordability	Affordability based income calculation Income (personal and/or rental) will be assessed to confirm the applicants ability to meet credit commitments and withstand future interest rate rises.		Buy to Let affordability calculation Minimum rental coverage of 125% at the product pay rate or reversion rate (whichever is higher). If rental cover is between 125% and 150% an additional stress test will also be undertaken, which may be met via rental income or surplus personal income after debt is taken into account. If cover is initially at least 150% or if the loan fits on a capital & interest repayment calculator no stress test will be applied. Personal income will be verified in all cases.

Login to the Aldermore Application Processing System to access Affordability and Rental calculators: aldermore.co.uk/login-centre/

Income	Residential Standard Range	Help to Buy: mortgage guarantee	Buy to Let
Employed	Minimum 12 months history (last 3 in same occupation)		
Self employed	Minimum trading period 2 years Sole traders, partners, sub contractors and company directors accepted		
Other income	Income from a maximum of two sources can be considered Income from trust funds, occupational pension schemes, investment and rental income will be considered		
Property	Residential Standard Range	Help to Buy: mortgage guarantee	Buy to Let
Location	England (including the Isle of Wight), Wales (including Anglesey) and mainland Scotland Properties in Northern Ireland are not accepted		
Minimum valuation	£75,000		
Tenure	Freehold (heritable title in Scotland) or leasehold (with 60 years unexpired at completion and 40 years at end of mortgage term)		
Tenancy	n/a		Assured Shorthold Tenancy (AST) for a period of between 6-12 months is required
Aldermore portfolio	1 residential property only		Maximum 10 Buy to Let properties (plus 1 residential property), subject to a maximum total exposure of £2m with Aldermore Residential Mortgages
Occupancy	Security property must be the applicants main residence.	Security property must be the applicants main residence and only dwelling wherever situated. Applicants cannot have a personal interest in any other property including Buy to Let or second homes.	Security property cannot be occupied or intended to be occupied by the applicant or a close relative (A close relative is defined as a spouse, parent, grandparent, sibling, or child).
Incentives	Residential Standard Range	Help to Buy: mortgage guarantee	Buy to Let
Free legal fees	Aldermore currently offers free legal fees on all remortgages, through its nominated Solicitor and will pay for the costs of the legal work necessary to move the mortgage to Aldermore. Costs incurred for any additional work must be paid by the applicants.		

Family Guarantee product range

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Credit status	Mortgage Arrears	None
	CCJs / Defaults	None
	Bankruptcy Order / IVA	None
Minimum LTV		95 %
Maximum LTV		100 %
2 year fixed	Initial Rate	5.48 %
	Booking fee*	£299
	Completion fee**	£999
3 year fixed	Initial Rate	5.68 %
	Booking fee*	£299
	Completion fee**	£999
Reversion rate		5.73 % AMR + 0.75%
Aldermore Managed Rate (AMR)	4.98 %	
Broker fee	0.40 %	

Early repayment charges			
Year	1	2	3
2 year fixed	3.50 %	3.00 %	
3 year fixed	4.00 %	3.50 %	3.00 %
Overpayments by the applicants and/or guarantors up to the maximum amount of the guarantee can be made during the early repayment charge period without incurring an early repayment charge. Overpayments totalling more than the maximum amount of the guarantee by the applicants and/or guarantors will incur the early repayment charge detailed above. Please also refer to the section below headed 'Release of the guarantee and collateral charge', for fees applicable where the guarantee is repaid in full.			

*Booking fee will be payable on application and is none-refundable.
**Completion fee will be deducted from the advance on completion and cannot be added to the loan.

Applicant criteria		
Purpose Purchase only Borrower Type First or second time buyers Repayment Types Repayment only Term Minimum 10 years Maximum 25 years Loan Size Minimum loan £25,000 Maximum loan £250,000 to 100% LTV Note: Aldermore will require legal representation on all loans through its nominated Solicitor at a cost of £480 including VAT. This fee covers the cost of the conveyance and registration of the collateral charge, but does not include disbursements. Applicants can choose to use the same Solicitor and benefit from competitive conveyancing costs, or take independent legal advice.	Existing Mortgage Proof of conduct required for all mortgages Maximum Applicants 2 Minimum Age 21 years Maximum Age 70 years at end of mortgage term (The maximum mortgage term cannot extend beyond the stated retirement date) Employment/Self Employment Employed – minimum 12 months history (last 3 in the same occupation) Self employed – minimum trading period 2 years Income Verification Employed – P60 and last 3 months payslips (or employers reference)	Self Employed – SA302 or certified accounts covering the last 2 years State benefits are not acceptable Income Minimum income £10,000 Applicants must be able to afford the full mortgage amount - please refer to the Aldermore Residential affordability calculator Property Located in England (including the Isle of Wight), Wales (including Anglesey) and mainland Scotland Minimum valuation £75,000 Freehold (heritable title in Scotland) or leasehold (with 60 years unexpired at completion and 40 years at end of mortgage term) Freehold flats are not accepted Non-standard construction are not accepted

Guarantor criteria		
Maximum Guarantors 2, one of which must be a parent, step parent or grandparent Minimum Age 21 years Maximum Age 70 years at end of guarantee period (The maximum guarantee period will be 10 years and cannot extend beyond the stated retirement date) Employment/Self employment Employed – minimum 12 months history (last 3 in the same occupation) Self employed – minimum trading period 2 years Income Verification Employed – P60 and last 3 months payslips (or employers reference) Self Employed – SA302 or certified accounts covering the last 2 years Retired – in receipt of personal / company pension income Income No minimum income	Whilst guarantors will not be actively pursued in the event of repayment arrears, they will be liable for any shortfall in the event of repossession and sale of the mortgaged property, up to the maximum amount of the guarantee. Guarantor income will therefore be assessed as part of the underwriting process. Guarantee A guarantee will be required from a parent, step parent or grandparent for the amount of mortgage above 75% LTV. Note: All secured debt including the new mortgage, guarantee and any first mortgage or other secured debt on the guarantor property cannot exceed a maximum combined LTV of 75% across both properties. The guarantee will be secured by a collateral charge (which in Scotland will take the form of a standard security) on the guarantors' residential property and the amount of guarantee will be capped at the original agreed amount. The maximum guarantee period will be 10 years, at which point it will expire (and the charge against the guarantors property will be released) unless demand has been made under it and moneys remain outstanding, in which case it will expire when outstanding money is paid in full. Independent legal advice The guarantors will be required to take independent legal advice	Release of the guarantee and collateral charge The guarantee can be repaid at any time by payment of an amount equivalent to the maximum guarantee. The guarantee (and collateral charge) will also be released (if no money has been demanded under it that remains outstanding) once the loan to value falls to 75% or lower, upon request and subject to an acceptable revaluation of the mortgaged property at a cost of £100 and a release of land / collateral fee of £95. Fees may change and will be detailed in the Aldermore mortgages Tariff of Charges. Guarantor Property Located in England (including the Isle of Wight), Wales (including Anglesey) and mainland Scotland Minimum valuation £75,000 Freehold (heritable title in Scotland) or leasehold (with 60 years unexpired at completion and 40 years at end of mortgage term) Freehold flats are not accepted Non-standard construction are not accepted A valuation will be carried out on the guarantor(s) residential property. The report will be paid for by Aldermore and will not be disclosed to the guarantor(s) or applicant(s).

Please also refer to the following information leaflets

- Family Guarantee broker information
- Family Guarantee mortgage application and Guarantor leaflet