

# Later Life Mortgages

## Suitability Criteria

Legal & General are a specialist mortgage lender in the later life mortgage market. Loans will only be advanced when Legal & General have completed full and thorough investigations to ensure validity of the applicant and suitability of security. **For the Legal & General Retirement Interest Only (RIO) or Payment Term Lifetime Mortgage there will be a requirement to assess affordability.**

Compliance with these criteria does not imply a guarantee of a mortgage and Legal & General reserve the right at our absolute discretion to add or change these criteria at any time.

Property Types	
Criteria	
Houses and Bungalows that are acceptable as mortgage security to a bank or building society	✓
Second homes that aren't the main residence	✗
Properties in England and Wales and mainland Scotland	✓
Properties in the Isle of Wight	Considered
Other Isles; Northern Ireland, Scilly Isles, Isle of Man and the Channel Isles	✗
Minimum Property Value – Houses and Bungalows	£70,000
Minimum Property Value – Flat, Studios, Maisonettes and ex-local authority, ex-housing association and ex-MoD	£100,000
Maximum Property Value	£2,000,000 (£1,000,000 for studio flats) Refer cases above this
<ul style="list-style-type: none"> <li>Flats, Studios and Maisonettes</li> <li>Studio flats must have a minimum internal measurement of 30m<sup>2</sup> with their own bathroom and kitchen. The kitchen can be in the same room.</li> </ul>	✓
All Bed-sits and Studios under 30m <sup>2</sup>	✗
Flats above or below commercial properties, or properties adjacent to commercial properties: For information on classification of commercial properties see <a href="https://legallandgeneral.com/adviser/further-details">legallandgeneral.com/adviser/further-details</a>	Considered

## Property Types continued

## Criteria

• Blocks up to 5 storeys (with or without a lift) flat on any floor including the 5th.	✓
• Blocks up to 10 storeys with a lift where the flat is situated on the 10th floor or below - consideration will be given to ex-local authority	✓
• Blocks over 5 storeys without a lift where the flat is on 3rd Floor or below.	Considered
• Blocks over 10 storeys with a lift where the flat is situated on the 10th floor or below	Considered
Blocks above 5 storeys, without a lift where the flat is on the 4th floor or above.	✗
Freehold flats	✗
Flats/maisonettes with no block building insurance	✗
External Wall Systems (cladding)	✓
• Rating A1 or A2	
External Wall Systems (cladding)	✗
• Rating B1, B2 or A3	
Age restricted properties	✗
Sheltered housing	Considered
Re-sale fee exceeds 3% of the property value	✗
Properties where the total service charge payable, including ground rent and any contribution to a sinking fund, is greater than 2.5% of the property value	✗
New build properties are defined as properties up to two years old or being occupied for the first time with NHBC Certificate, Building Warranty, or acceptable Professional Consultant Certificate	✓
Details of acceptable New Build Warranties can be found at <a href="https://legallandgeneral.com/adviser/further-details">legallandgeneral.com/adviser/further-details</a>	
Properties between two–ten years old with NHBC Certificate, Building Warranty or acceptable Professional Consultant Certificate	✓
Details of acceptable New Build Warranties can be found at <a href="https://legallandgeneral.com/adviser/further-details">legallandgeneral.com/adviser/further-details</a>	
Properties in poor state of repair or in need of full refurbishment; or properties deemed unacceptable by a valuer due to major restrictions on saleability	✗
Certain properties upon agreement that repair works will be carried out upon completion or receipt of the monies	Considered
Properties without mains water, or have water supplied from a Bore Hole or private water source	Considered
Short-Term Let Accommodation - including but not limited to platforms such as Airbnb and Vrbo.	✗

## Annexes:

- Sharing or on separate council tax banding. No separate services. Annexe is either empty at completion or occupied by a maximum of 2 family members (more than 2 to be referred) or a contracted live-in carer, each of whom signs a Deed of Consent. Annexe to be less than 50% of the main property footprint.
- With separate council tax banding can be considered but must be part of the main legal title and have no separate services



Properties defective under the 1984 housing act



Properties with Buildings Insurance with onerous terms or excesses



## Properties:

- With onerous restrictive covenants (i.e. agricultural ties)
- Where spray foam insulation has been applied in the loft space
- Which have flooded in the last five years, or where our flood risk data indicates a higher risk of flooding
- Subject to Equity share schemes
- Structural movement underpinned in the last five years
- Progressive structural movement



## Japanese Knotweed:

- Within 7 metres of boundary but more than 7 metres away from habitable spaces, conservatory and/or garage of the property



Solar Panels – owned



Solar Panels – Air space lease: The lease needs to meet our requirements. The requirements have taken a broader approach to those implied by UK Finance



Properties that have been extended by more than 50% of the original floor area



Caravans or Park Homes



## Property Tenure

### Criteria

Freehold or Leasehold. Absolute ownership in Scotland. For leasehold, age of the youngest applicant at completion, plus remaining lease term, must be at least 175 years



Properties with up to 15% flying freehold



England and Wales Grade 2; Scotland Grade C Listed Buildings



England and Wales Grade 2\*

Scotland Grade B Listed Buildings

Considered

England and Wales Grade I and Scotland Grade A Listed Buildings

✗

## Construction

### Criteria

Timber framed properties built after 1960

Considered

Timber framed properties built before 1900

Considered

Timber framed properties built between 1900–1960

✗

Brick and solid stone

✓

Steel framed built before 2001 or steel-clad properties

✗

Wimpey no fines or Mundic properties with current AI category report held

✓

- Other types of concrete; Prefabricated reinforced concrete (PRC) and non AI Mundic concrete or High Alumina cement properties
- Large panel systems (LPS)

✗

Standard Construction

✓

A single skin wall is a wall of less than 225mm brick thickness. Property's that have elements of single skin walls may be acceptable subject to meeting all the following conditions.

- Up to a maximum of 20% of the exterior wall area;
- No adverse structural or damp issues;
- If the Single skin walls are on an upper floor they must be structurally sound i.e. the roof is securely tied in, and
- Saleability and mortgageability must not be adversely affected.

Considered

Single skin walls on two floors are not acceptable as the structural integrity may be compromised. Single skin wall construction of the full building is unacceptable.

✗

Tiled or Slate roof building

✓

- Property originally built with a flat roof
- Property with a flat roof where 50% or more of the roof forms part of an extension

Considered

Thatched roof buildings

✗

## Land

### Criteria

Any property that is up to 10 acres

✓

Any property that is above 10 acres	Considered
Properties:	
<ul style="list-style-type: none"> <li>Near or including contaminated land or waste</li> <li>Where the access is shared with a family member or a commercial business, they also own</li> <li>Where any part of the property is used for farming (arable or pastoral), providing any form of commercial income including renting of land to other parties</li> <li>Where livestock are being kept for commercial purposes</li> <li>Small holdings</li> </ul>	✗
<ul style="list-style-type: none"> <li>Any property where livestock are kept for non-commercial gain</li> </ul>	Considered

## Occupancy

### Criteria

Up to two lodgers may reside in the property. A lodger is a person who pays rent in return for accommodation which includes sharing a kitchen, bathroom, and other communal areas	✓
If family or friends live in the property with the applicants, they will need legal advice and must sign a deed of consent	Considered
Where a tenancy agreement exists, or a lodger has independent facilities	✗
If applicants share ownership of the property with a third party (for example, the developer) they must have the third party's interest discharged before completion	✓
Pre-emption for current market value	Considered
Buy-back clause or pre-emption relating to the property being sold	✗
Bed and Breakfast where the property has not been modified and has no paid employees	Considered
Commercial use at the property:	
<ul style="list-style-type: none"> <li>The property must be occupied and used exclusively by the applicant for their own business purpose</li> <li>The surveyor must be able to value the property on a residential basis ignoring any business use</li> <li>The property must be capable of being sold as a standard residence without extensive modification and expense</li> <li>The surveyor must be aware of the full usage of the property at the time of instruction</li> <li>The property must be wholly or predominantly classified as residential under planning legislation</li> </ul>	✓

## Power of Attorney

### Criteria

Property and Financial LPA submitted with ID and Residency Proof for Attorney. Please refer to sales support for further guidance



- Health and Welfare Lasting Power of Attorney or Scottish equivalent
- Spousal LPA
- Same attorney acting for both applicants



**It is not possible to list all applicant and property types. We may consider or decline applicants or properties not listed here.  
PLEASE NOTE: Our underwriter's decision is final.**

## Applicant Suitability

Criteria	OPLM & IRLM Mortgages	PTLM and RIO Mortgages
Affordability assessed	N/A	Please see product Lending Policies: <b>PTLM</b> <b>RIO</b>
Applicants must be a minimum of 55 (50 for PTLM) years and if two applicants, the youngest must be a maximum of 90 (74 for PTLM) years at the time of application and complete within 6 months of the youngest borrower turning 91. (For PTLM this must be a minimum payment term of 1 yr).	✓	✓
Maximum number of two applicants	✓	✓
Applicants must own and reside in the property as their main residence	✓	✓
Applicants who are married or in a civil partnership must apply in joint names. If the property is owned by one of them, then the spouse or civil partner who is not on the title deeds will need legal advice to be added to the title deeds and mortgage	Unmarried cohabiting partners are acceptable with independent legal advice and a Deed of Consent	Unmarried cohabiting partners need to be added to the title deeds and mortgage
Applicants who have leased the property to any third party	✗	✗
For re-mortgages, at application at least one applicant must have owned and lived in the property for at least 6 months	N/A	✓
Joint tenancy or tenants in common	✓	✓
Properties held in trust	✗	✗
Applicants must be UK nationals or Foreign nationals must have indefinite leave to remain in the UK. We may ask for evidence of this.	✓	✓
Credit and voters roll searches: incorporating a three-year check on the applicant(s) address history will be carried out on all applicants	✓	✓
Missed Payments:		Not accept;
<ul style="list-style-type: none"> <li>Mortgage, secured loan and or tenancy:</li> </ul>	N/A	<ul style="list-style-type: none"> <li>One or more missed payments in the last 12 months.</li> <li>Two or more missed payments in the last 24 months.</li> </ul>
<ul style="list-style-type: none"> <li>Unsecured loans</li> </ul>	N/A	<ul style="list-style-type: none"> <li>More than one missed payment in the last 12 months</li> <li>More than two missed payments in the last 24 months</li> </ul>

## County Court Judgements

- Up to four CCJ's per application will be accepted.
- Satisfied CCJs are disregarded, those not satisfied are subject to individual consideration.
- There will be no requirement to clear unsatisfied CCJs from the lifetime mortgage advance.
- The same CCJ held jointly by two applicants will count as one.

Not accept;

- Any unsatisfied CCJ's
- Latest satisfied CCJ registered within last 36 months
- More than 2 satisfied CCJ's
- Satisfied CCJ's totalling more than £500

Defaults	N/A	Not accept; <ul style="list-style-type: none"> <li>• Any outstanding default of any amount.</li> <li>• Satisfied defaults totalling more than £150 where latest registered within last 36 months</li> <li>• More than 1 satisfied default where latest registered within last 36 months</li> </ul>
Bankruptcy/Sequestration	Discharged/satisfied before application	Discharged for a minimum of 72 months
Applicants with any arrears currently outstanding on any credit commitments	✓	✗
Individual Voluntary Arrangements (IVA) / Trust Deeds / Debt Management Plan	✓	<ul style="list-style-type: none"> <li>▪ Satisfied for a minimum 72 months</li> <li>▪ No further adverse credit since it was satisfied</li> </ul>
Repossession	✗	Decline where a customer has had a re-possession in last 72 months.
Debt Consolidation	✓	✓
Applicants who have taken out a Payday Loan or Home Credit Loan within the last 6 years	✓	✗



## For more information

Visit [legalandgeneral.com/adviser/over-50s-mortgages/](https://legalandgeneral.com/adviser/over-50s-mortgages/)

Call us on **03330 048 444**  
8.30am to 5.30pm, Monday to Friday.

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