

## AFFORDABILITY

As part of LiveMores' approval process, we carry out an affordability assessment. This is a standard process completed by every Lender to ensure that the repayments of the loan are within their means.

Our loans are more affordable than a traditional mortgage. That's because only the interest has to be taken into account without any need for capital repayment. This makes us ideal for older borrowers who would otherwise be forced to accept a short mortgage term with high monthly payments.

If an applicant can plausibly work and earn an income beyond normal retirement age, we may be able to include this income for affordability calculation purposes.

The more information you can provide the faster we can process the application. Whilst we assess each case on an individual basis, some information is required as standard:

- Proof of any regular income the customer may have - including their net monthly or weekly wage, benefit payments, or any extra income they receive (such as pensions)
- Information about your customer's personal and living expenses, which may include their mortgage payment or rent, utility bills, food bills, and other outgoings including any other loan repayments they might have
- A credit reference check (we will do this check)

### HELP US TO HELP YOU AND YOUR CUSTOMER:

We give each case individual attention but these criteria need to be met:

#### YOUR CUSTOMER:

1. Your customer is 55 years of age or over?
2. The LTV is equal to or less than 75%?
3. Your customer is looking to mortgage their primary residence?
4. Your customer is looking for a loan of more than £10,000 but less than £1,250,000?
5. Your customer wants to pay the monthly interest rather than allowing this to roll up and erode the equity in their home?

#### AFFORDABILITY:

1. Income - Can your customer(s) provide evidence that they can afford the interest payment **now**, at the point of **retirement** and upon the **death** of either applicant?
2. Pension Income - we need the gross amount and that you should multiply the monthly state pension by 13 not 12 as this is paid every four weeks
3. Investments/Assets – do the customers have any savings/investments/other property to support the affordability assessment?
4. Life Cover – where the customer has Whole of Life cover or term assurance (to age 90) and where the LTV is no more than 50% we can accept these policies to bridge any affordability gap on first death.

#### PROPERTY:

1. Is the property valued at more than £100,000? (£200,000 for ex- local authority flats)
2. Is the property leasehold? Is there 90years or more remaining on the lease?
3. If the property is a farmhouse, do you have the full details of adjoining land surrounding the property?

**We hope you find this information helpful and look forward to receiving completed applications from you in due course.**