

Retirement Interest Only Mortgage Suitability Criteria

Legal & General are a specialist mortgage lender. Loans will only be advanced when Legal & General have completed full and thorough investigations to ensure affordability and validity of the applicant and suitability of security. 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

Acceptable	Considered	Not Acceptable
Houses, bungalows, flats that are acceptable as mortgage security to a bank or building society.	Properties near to or adjacent to commercial properties.	Secondary homes that are not the main residence.
Properties of a minimum value of £100,000.		Properties below the value of £100,000.
Flats and maisonettes – 85% of property values will be considered.	Flats above or below commercial properties or adjacent to commercial properties. Properties with commercial use (as long as no business modifications).	<ul style="list-style-type: none"> • Flats or maisonettes not covered by the lock property insurance • Flats above ten storeys in height (above five storeys if they do not have lift access) • Flats above five storeys in height with no lift, where the subject property is located on the 4th floor or above • Freehold flats • Bed-sits and studios
Properties less than 10 years old with NHBC Certificate, Building Warranty or acceptable Professional Consultant Certificate.		Properties less than 10 years old without NHBC Certificate, Building Warranty or acceptable Professional Consultant Certificate.
Properties in a good state of repair.	Certain properties upon agreement that repair works will be carried out upon completion or receipt of the monies.	Properties in poor state of repair or in need of full refurbishment; or properties deemed unacceptable by a valuer due to major restrictions to saleability.

Property Types

Acceptable	Considered	Not Acceptable
Annexes sharing council tax banding and services of the main property, where the annex is either empty at completion or occupied by either a maximum of two family members or a contracted live-in carer, each of whom signs a Deed of Consent.		<p>Properties without mains water or have water supplied from a Bore Hole or private water source.</p> <p>Properties with an annex occupied by a non-family member (except contracted live-in carers) or which have separate council tax banding and services.</p>
Properties in England, Wales and mainland Scotland.	Properties in the Isle of Wight.	<p>Properties defective under the 1984 housing act.</p> <p>Other Isles; Northern Island, the Scilly Isles, Isle of Man, Channel Islands.</p>
Properties that have no onerous restrictive covenants or are at environmental risk.		<p>Properties:</p> <ul style="list-style-type: none"> • With onerous restrictive covenants (for example agricultural ties or leased solar panels) • Japanese knotweed either within the boundary of the property or neighboring properties even if eradication programmes are in place • Where spray foam insulation has been applied in the loft space • Which have flooded in the last five years • Subject to Equity share schemes • Structural movement underpinned in last 5 years • Progressive structural movement
Buildings Insurance must be accepted on standard terms.		Properties with onerous terms or excesses.
Age restricted properties (5% reduction on LTV's).	<ul style="list-style-type: none"> • Sheltered housing (5% reduction on LTV's) • Retirement Villages 	<ul style="list-style-type: none"> • Service charge and Ground Rent combined exceeding 1.5% of property value • Re-sale exceeds 3% of the property value
		Caravans or Park Homes.

Property Tenure

Acceptable

Freehold or leasehold. Absolute ownership in Scotland. For leasehold, age of the youngest applicant at completion, plus remaining lease term, must be at least 185 years.

Properties with up to 15% flying freehold.

Considered

Leasehold where the age of the youngest applicant at completion, plus remaining lease term is between 180-185 years.

Not Acceptable

- Leasehold where the age of the youngest applicant at completion, plus remaining lease term is less than 180 years
- Where the service charge and ground rent combined total more than 1.5% of property value

Properties where more than 15% is flying freehold.

Flats/maisonettes with no block building insurance.

Listed Properties

Acceptable

Non listed properties, Grade 2 and Grade C.

Considered

Not Acceptable

- England and Wales Grade 1 and Grade 2*
- Scotland Grade A and Grade B Listed Buildings

Construction

Acceptable

Timber framed properties built post 1960.

Brick and solid stone.

Wimpey no fines or Mundic properties with current A1 category report held.

Standard construction.

Tiled or slate roof building.

Considered

Timber framed properties built pre 1900.

10-15% single skin construction not above ground floor.

Flat roof buildings.

Not Acceptable

Timber framed properties built between 1900-1960.

Steel framed built before 2001 or steel clad properties.

- Other types of concrete; Pre-fabricated reinforced concrete (PRC) and mundic concrete or High Alumina cement properties
- Large panel systems (LPS)

Single skin construction of full building, above ground floor or housing habitable rooms.

Thatched roof buildings.

Land

Acceptable	Considered	Not Acceptable
Any Property that is up to 5 acres.	Any property that is between 5-15 acres.	Any property that is above 15 acres.
		Properties: <ul style="list-style-type: none"> • Near or including contaminated land or waste • Where the access is shared with a family member or a commercial business they also own • 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 • Where there is livestock on the property • Small holdings

Applicant Suitability

Acceptable	Considered	Not Acceptable
Applicants must be a minimum of 55 years and if two applicants, the youngest must be a maximum of 90 years when the loan completes.		Applicants whose ages are less than 55 years or who have reached their 91st birthday prior to completion.
Maximum number of two applicants who must pass our affordability assessment.		More than two applicants.
Applicants must own and reside in the property as their main residence.	Applicants who are married, cohabiting or in a civil partnership must apply in joint names. If the property is owned by one of them, then the spouse or partner who is not on the title deeds will need legal advice to be added to the title deeds and mortgage.	Applicants who have leased the property to any third party.
For remortgages, at application at least one applicant must have owned and lived in the property for at least 6 months.		
Joint tenancy or tenants in common.		Properties held in trust.
Applicants must be UK nationals or EU nationals or have 'indefinite leave to remain in the UK.' We may ask for evidence of this.		Applicants who are not UK or EU nationals and do not have evidence for 'indefinite leave to remain in the UK'.

Applicant Suitability (continued)

Credit and voters roll searches: incorporating a three-year check on the applicant(s) address history will be carried out on all applicants.

Applicants having had more than two CCJs registered, any CCJ's within the last 36 months or a total amount of CCJ's exceeding £500.

Applicants with any arrears currently outstanding on any credit commitments.

Applicants who have missed more than one unsecured loan payment in the last 12 months.

Applicants who have missed payments in the last 12 months for Mortgage, secured loan and/or Tenancy agreements. Maximum number of one missed payment in the last 24 months

Applicants who have more than one Default registered with the last 36 months of which the total cannot exceed £150

Applicants who have a Bankruptcy/ Sequestration unless they have been Discharged for a minimum of 72 months

Applicants with Individual Voluntary Arrangements (IVA) / Trust Deeds / Debt Management Plan unless Satisfied for a minimum of 72 months with no further adverse credit since it was satisfied

Applicants who have had a Re-Possession take place.

Debt Consolidation - up to a maximum of £30,000 can be used for debt consolidation purposes.

A debt consolidation fee is applicable if debts are being consolidated as part of the mortgage. Please refer to the Tariff of Charges for the current fee.

Occupancy

Acceptable	Considered	Not Acceptable
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.	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.	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.		Bed and Breakfast where the property has been modified or has paid employees.

Power of Attorney

Acceptable	Considered	Not Acceptable
Property and Financial LPA submitted with ID and Residency Proof for Attorney. Please refer to sales support for further guidance.		<ul style="list-style-type: none"> 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.

For further information visit www.legalandgeneral.com/adviser/rio or telephone us on **03330 048444** between 8.30am to 5.30pm Monday to Friday. Call charges will vary. Calls may be monitored and recorded.