

LV = EQUITY RELEASE LENDING POLICY

This is a summary of our lending policy. If you have any questions or require further details on what's contained in this policy, you can contact our quotes team on 0800 0288 974 selecting option 1, (for textphone dial 1800 first), alternatively you can email us at EquityRelease.Sales@LV.com

We may record and/or monitor your calls for training and audit purposes.

ELIGIBILITY

For your client to be able to take out a lifetime mortgage with us, they'll need to meet our basic requirements.

These are:

- They must be a UK resident.
- They must be aged between 60 and 95. For joint applications we'll use the age of the youngest client.
- They must be the homeowner.
- The Property must be in mainland England, Wales, Scotland or Isle of Wight
- The Property must be owned in either single or joint names.

We've set out below a guide to what type of client and property we'll accept, consider and decline. It's important that you and your clients are completely open and honest on your application form. If we find that there has been a clear case of dishonesty by either you or your client we won't lend.

If you're concerned about whether we'll accept your client on their property, contact our quotes team or email us before you submit an application.

Credit History – Please be aware that we use Experian to carry out credit checks for all lifetime mortgage applications. We use the scoring to determine whether we'll accept an application based on your client's credit history

Acceptable	Considered	Declined
Low or medium risk on Experian report	CCJ as long as no bankruptcy or in bankruptcy proceedings	High risk on Experian report
Discharged from bankruptcy more than three years ago.	Debt consolidation/management	IVA or process of receiving IVA
		Undischarged bankrupt or bankrupt in past 3 years



You can get this and other documents in Braille, large print or audio tape by contacting us

Applicants and Ownership

Acceptable	Considered	Declined
Single applicants that solely own the property	Power of Attorney – where an Enduring Power of Attorney or Lasting Power of Attorney is registered, evidence of mental incapacity will be required	Applicant is under 60 or over 95 (youngest borrower)
Joint applicants that jointly own the property or Tenants in Common (if Tenants in Common then on death property must pass to spouse). For joint applicants who are married or in civil partnership, mortgage must be in joint names, and both applicants must be on title deeds of property	Properties with an existing mortgage – loan to be repaid in full using lifetime mortgage funds.	Power of Attorney – Not valid if the person acting in the interest of the applicant is connected with the property, has any interest in the property or is living in the property. PoA is acceptable where spouse is the attorney, provided that an independent attorney acts at all times for the client
Separated not divorced – if a married couple are separated but not divorced, a Deed of Separation is required		Properties held in Trust
		Shared and multiple ownership properties
		Properties with a second charge
		Applicant has been convicted of an act of dishonesty, and conviction is unspent. If a prosecution is pending we'll defer our decision to lend until after trial

Occupancy and Usage

Acceptable	Considered	Declined
If children over 18, grandparents, aunts, uncles are living in property they must sign an occupancy waiver releasing rights to the property before mortgage completion. Children under 18, or financially dependant adults won't need to sign a waiver, but confirmation needed from applicant's solicitor confirming arrangements if applicant dies or goes into long term care	If Tenants / lodgers living in property we'll consider only if property is highly desirable and likely to be easy to sell. If agreed we'll accept property at pre-enquiry/underwriting then all tenants must sign a six-month assured short-hold tenancy agreement	Properties operating on a commercial basis (for example a property connected with a working farm)
Properties above/below/next to/opposite/near to news agents, hair dressers or other small businesses operating 9am-5pm	Partially commercial properties (for example occasional B&B)	Properties above/below/next to/opposite/near to nightclubs, pubs, food establishments, vacant adjacent premises, workshops

Property Type please also see Flats/Maisonettes

Acceptable	Considered	Declined
Mainland England, Scotland, Wales or Isle of Wight	Holiday homes which are let through agency to holidaymakers, as long as not a long term agreement and lets are 4 weeks or less. Subject to 10bps LTV reduction	Northern Ireland, Channel Islands, Isle of Man, Scilly Isles and Scottish Islands
Houses and bungalows	Flats and maisonettes are acceptable subject to fulfilling other criteria. Please refer to the 'Lending Policy – Flats and Maisonettes' for further information	Mobile homes, temporary structures, timeshare, holiday homes as a commercial enterprise or houseboats
Holiday homes that are for sole use of applicant and their family only. Subject to 10bps LTV reduction		Timeshare Properties
Second homes subject to 10bps LTV reduction		Second homes where other family members live on a permanent basis
		Holiday homes managed by the applicant as a commercial enterprise

Property Tenure

Acceptable	Considered	Declined
Freehold properties	Leasehold properties with less than 80 years remaining on lease – borrower must agree to use loan to extend the lease	Properties where management and service charge together with ground rent exceeds £6000 a year
Sinking funds under 3%		More than 3% sinking fund
Leasehold properties as long as a minimum of 80 years remaining on lease		Flying freehold (or feuhold in Scotland)
		Possessory Title

Property Value

Acceptable	Considered	Declined
Properties valued over £70,000 and under £1.5m	High value properties (valued at £1.5m and over) that are highly desirable and valued as easy to resale. A sliding scale value reduction will apply	Properties valued under £70,000

Retentions – Works recommended by valuer/expert

Acceptable	Considered	Declined
Retention of £5000 or less		Retention over £5000
		Properties currently not habitable

Construction Type – This section contains standard construction definitions used by LV=. In some cases these may be slightly different to those used by other providers. The criteria below are for properties valued under £1.5m; please contact us directly for properties valued at £1.5m and above.

Acceptable	Considered	Declined
Traditional Brick	Border oak	Back to back terrace
Tile (concrete/clay/slate) roof	Pre Form post-1980 with refurbished concrete structure.	COB
Timber frame post-1960	Steel Frame Construction post-1980	Airey PRC (Pre-cast Reinforced Concrete)
Devon and Cornwall concrete properties built after 1965	Thatched	Log Homes
	Property built entirely from timber	Unconventional roof design or flat roof, for example: <ul style="list-style-type: none"> • Composition (asphalt shingles) roof • Metal roof • Hot mopped asphalt with decorative stone roof • Engineered rubber/plastic roof • Eco-roofs • Wood shingles or shakes roof
	Huf Haus Construction	Mobile or Park Homes
	Concrete properties in the Cornwall and Devon area built before 1965 will need further inspection including a Mundic report	Laing Esiform
	Properties with frontage to unadopted roads	No Fines concrete
	Extended properties as long as extension is not more than 30% of total property. Extensions of over 30% will be considered depending on condition and desirability of property	Pre Form pre-1980
	Stone construction	Steel Frame Construction pre-1980
	Properties that used to have an agricultural use but have now been converted	Timber property over 4 storeys
		Timber frame pre-1960
		Woolaway Houses
		Property on an island
		Clay Lump
		Span Construction
		Properties that used to have an industrial use but have now been converted

Land

Acceptable	Considered	Declined
Properties with up to 10 acres	Properties with between 11 to 15 acres	Properties with 16 acres or more

Flats and Maisonettes

Acceptable	Considered	Declined
Private Flats 4 storeys or less	Flats with a lift between 5 to 7 storeys	Flats more than 4 storeys without a lift
	Ex-Local Authority flats	Flats of more than 7 storeys with or without a lift
		Studio Flats
		Flats where we already have lent on 10% of the property in the development

Council Housing/Local Authority

Acceptable	Considered	Declined
	Ex-Local Authority or Housing Association where client is the freeholder and in the opinion of the valuer the majority of properties in the estate are privately owned	Local Authority property
		Ex-Local Authority or Housing Association with minority ownership and/or in the opinion of the valuer only a minority of properties in the estate are privately owned
		Properties that fall under the Derbyshire Clause or Peak Park Clause (within the Peak Park Boundary and North Derbyshire)

Listed Properties

Acceptable	Considered	Declined
	Grade 2 (Grades B & C in Scotland)	Grade 1 & Grade 2* (Grade A in Scotland)

Sheltered Accommodation

Acceptable	Considered	Declined
	Age restricted properties over 55	Age restricted properties over 80

Porting – transferring an existing mortgage to a new property

If a client wishes to transfer an existing LV mortgage to a property not generally acceptable to LV, we'll consider this on a case-by-case basis. Please note – we'll only review properties if the client currently has an existing LV mortgage.

Agricultural & Rural Properties

Acceptable	Considered	Declined
Please see acceptable Property and Construction Types on pages 3-4	Properties with a non-commercial agricultural tie	Properties involved in commercial farming
	Properties in remote locations	Properties viewed as being too remote and therefore affecting resale by being a specialist property (desired by a small % of the population)
		Properties with outbuildings of a non-desirable nature

Commercial Premises

Acceptable	Considered	Declined
Properties above/below/next to/opposite/near to news- agents, hair dressers or other small business operating 9am-5pm apart from food establishments	Partially commercial properties (for example an occasional B&B)	Properties above/below/next to/opposite/near to nightclubs, pubs, food establishment, vacant adjacent premises, workshops
	Properties in close proximity to commercial premises that may be detrimental to resale	Properties involved in commercial agriculture
	Properties that have previously been commercial/industrial sites [inc. ex-commercial farming] where the original industrial buildings may deter potential resale	

Flooding/Mining/Subsidence

	Acceptable	Considered	Declined
Subsidence	Properties that have been underpinned more than 3 years ago, with a 20 year guarantee by a reputed specialist. Full report needed		Properties affected by subsidence that haven't had corrective work carried out
			Properties underpinned or had preventative subsidence work carried out in the last 3 years
			Properties underpinned more than 3 years ago, with no 20 year guarantee, or work not carried out by reputable specialist
Flooding	Properties flooded more than 10 years ago with no/little risk of further flooding		Property that has been flooded in past 10 years
Mining		Property close to mining site that survey has approved	Located close to a mining site where valuer has raised concerns
Radon Gas		Properties on a Radon gas site may need further investigation	
Environment			Japanese Knotweed in property or surrounding property

Utilities

	Acceptable	Considered	Declined
	Mains Gas, Water and Electricity		Properties not connected to the National Electricity Grid
	Portable Gas supply		Alternative sewage system (for example. a septic tank) if not situated within the property boundaries
	Alternative sewage system (for example. a septic tank) – if situated within the property boundaries and is for the sole use of the property owner		

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