

Retirement Interest Only Criteria

Correct as of 10 June 2021



marsden
BUILDING SOCIETY

FOR INTERMEDIARY USE ONLY

Applicant Details

Minimum Age	55, for joint applicants both need to be over the age of 55.
Maximum Age	As a repayment of a RIO mortgage is triggered by a life event, unless indicated, the Society will assume a term in line with the guidelines below. In the event that the mortgage term is reached, the Society will arrange for them to be extended.
Maximum Number of Applicants	2
Minimum Income	£17,500 per application (the mortgage needs to be affordable by both applicants).

Maximum Mortgage Term Guidelines

Age*	Term
55	40
56	39
57	38
58	38
59	37
60	36
61	35
62	34
63	33
64	32
65	31
66	30
67	29
68	28
69	28
70	27
71	26
72	25

Age*	Term
73	24
74	24
75	23
76	22
77	21
78	21
79	20
80	19
81	19
82	18
83	17
84	17
85	16
86	16
87	15
88	15
89	15
90	14

Subject to minimum product term and maximum term of 40 years.

*Age of oldest borrower.

Source: Based on 2018 ONS Cohort Life Expectancy Tables based expectation of life, 1981-2064 principal projection, England and Wales.

Guidelines subject to review in December each year based on the age attained in the following year an bi-annual update of Cohort Life Expectancy Tables.

Credit Criteria

CCJ's & Defaults	CCJ's/Defaults within the last 3 years are not acceptable. CCJ's/Defaults => 3 years prior to application are acceptable up to a maximum £2,500, subject to an explanation and being cleared/satisfied 12 months prior to application. No other adverse entries must show on credit file.
Missed/Late Payments	Mortgage, Loan and HP arrears & missed payments => 3 years prior to application, status 1's and 2's are accepted – status 3 or above not accepted. Mortgage, Loan, HP arrears and missed payments within the last 3 years are not acceptable. Credit Card, Mail Order, Utility commitments => 3 years prior to application – Up to and including status 2's are acceptable. Credit Card, Mail Order, Utility <3 years prior to application – Status 2 – ok to proceed subject to the commitment being up to date for a minimum of 12 months prior to application. =< Status 3 are ok subject to commitments totalling less than £500 and being up to date for a minimum of 12 months prior to application.

Residency

Non-UK Citizens	For non-UK nationals we require the applicant(s) to have resided in the UK for a minimum of 2 years. We will also require proof of indefinite leave to remain/residence certificate, or settled or pre-settled status in the UK.
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Deposit Details

Deposit	Applicants' own deposit or gift from an immediate family member (spouse, parent, grandparent, sibling, child or grandchild) is acceptable. Evidence of the source of deposit is required.
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Income

Income	<p>100% State and/or Private Pension income. We will accept 5% of SIPP/pension pot for income assessment as an annual notional figure.</p> <p>Income from property and investments acceptable if evidenced by SA302's and SA100's.</p> <p>100% benefits which are subject to a lifetime award.</p> <p>Please note: Where rental income is needed to support the mortgage, you must submit an Agreement in Principle to the Society. An element of property income can be used but the amount considered is linked to income and the debt outstanding on the investment properties.</p>
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Mortgage Details

Mortgage Size	<p>Minimum £30,000</p> <p>Maximum £750,000</p>
Mortgage Term	<p>With a RIO mortgage, the borrower is required to pay the interest payments each month and the amount which can be borrowed will be based on the borrower's ability to maintain these payments throughout the life of the mortgage.</p> <p>The capital will be repaid through sale of property on the occurrence of the earlier of the following life events:</p> <ul style="list-style-type: none"> • Death • Leaving the property with no reasonable prospect of returning (e.g. moving into residential care, sheltered accommodation or living with family long-term) • Acquiring another property for use as the main residence • Selling the property without transferring the loan to the new property <p>Where there are joint borrowers the life event is triggered by the surviving borrower.</p>
Remortgage Applicants	We will consider remortgage applications where the applicant has been the registered owner for the past 6 months. Refer if less than 6 months.
Interest Only Repayment Vehicle	Sale of property.

Property Criteria

Minimum Property Value	£150,000
Locations	England and Wales.
Acceptable Property	<p>The property must be the main residence of the applicant(s).</p> <p>Properties must be of traditional construction.</p> <p>Timber framed properties may be considered if brick clad.</p> <p>New build houses subject to NHBC/Local Authority Building Control Scheme/Premier/Checkmate (Castle 10)/Buildzone/Zurich/ICW (International Construction Warranties)/AHCI Ltd or Professional Consultants Certificates.</p> <p>Purpose built and converted flats and maisonettes are acceptable (new builds not acceptable). Must be leasehold.</p> <p>Flats/apartments more than 4 storeys – if above 4 storeys, they must be serviced by at least 1 lift. Flats above 6 storeys are not acceptable.</p>
Unacceptable Property	<p>HMOs, self-builds, properties held in Trust, present or former hotels/guest houses/B&B's, commercial properties (even if applicants intend to convert back to residential).</p> <p>Holiday homes.</p> <p>Prefabricated properties.</p> <p>Studio flats and ex-local authority flats.</p> <p>New build flats.</p> <p>Flats above commercial property.</p> <p>Any construction covered by Housing Defect Legislation such as high alumina cement, prefabricate reinforced concrete, large panel system, BISF.</p> <p>Any property where an EWS1 form for wall cladding is required.</p>

Tenure

Freehold	Both freehold and leasehold are acceptable for houses. Freehold flats/maisonettes are not acceptable - leasehold only. Flying freeholds – refer.
Leasehold	For leasehold, there must be a minimum of 85 years unexpired lease at the start of the mortgage and 55 years remaining at the end.

Reasons for Additional Borrowing

Acceptable Reasons	<ul style="list-style-type: none">• Home improvements• Debt consolidation (maximum £30,000)• Gift to family member• Purchase of an investment or second home <p>Please note evidence would need to be submitted to satisfy the above.</p>
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Case outside criteria? We'll always take a look...

Call 01282 440583* to talk to a member of our dedicated Intermediary Support Team

FOR INTERMEDIARY PROFESSIONALS ONLY

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*Calls will be recorded and may be monitored. Lines open 9:00- 5:00 Monday to Friday. FP192136-003