

Case Study: Joint Borrower Sole Proprietor with a split repayment term

Joint Borrower Sole Proprietor mortgages are where a mortgage is in joint names but home ownership rights remain with only one of the borrowers. This is particularly useful for enabling close family members to help a loved one onto the property ladder by contributing to mortgage payments without having any ownership rights.

In this case study, we enabled a father to support his daughter to purchase a flat. We were flexible in allowing a split term so that the father could pay off his contribution to the mortgage more quickly than his daughter.

The property itself was a converted flat in a block of 4 storeys with an overall mortgage of £460,000 required. The father was able to take out a mortgage of £280,000 over an 18 year period, taking him to age 85 at the end of the mortgage term. The remaining £180,000 was taken out by the daughter over a 35 year term.

Both father and daughter passed independent affordability assessments based on their incomes and consideration was given to the father's existing mortgage commitments as the non-occupying borrower together with the potential risk of him becoming unable to continue to contribute to his part of the mortgage.

We agreed to the mortgage as the daughter is a trainee solicitor with future earning potential, which was expected to increase after her training period, and that the father's existing residential mortgage will be completed in three years.

Our Joint Borrower Sole Proprietor lending is available across **our standard residential and buy to let mortgage range**, subject to underwriting requirements.

Residential lending is subject to the occupying borrower being on a progressive career path and being able to afford the debt in their own right in the medium term. The non-occupying borrower must seek independent legal advice and we will assess the affordability of their existing mortgage using our own residential affordability calculator.

A common sense approach

If you've got a case on your desk that requires a common sense approach to lending then please pick up the phone to our Broker Support team on 01623 676360 or visit <https://www.mansfieldbs.co.uk/intermediaries/>.