

# SUPPORTING *FIRST-TIME* BUYERS

and Embracing Flexibility



Mutual building societies have been helping people to buy a home for many centuries, and at Melton Building Society we strive to continue this well into the future. Here, we'll explore how Melton stands out in supporting different types of applicants and the value we bring to their homeownership journey, starting with first-time buyers.

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In England, the average age of a first-time buyer is 33 years old (\*Money First-time Buyer Statistics and Facts: 2023). At Melton, we are dedicated to helping as many people as possible onto the property ladder. We offer various options, including standard residential mortgages, shared ownership schemes, and even buy-to-let mortgages.

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For residential mortgages, our minimum age requirement is 18, and our current maximum loan-to-value (LTV) is 90%, meaning a 10% deposit is needed. This deposit can be sourced from personal savings or as a gift from a close relative. According to research by the property brand Savills, in 2022 alone, parental gifts and loans to assist children in purchasing a home totalled £8.8bn.

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At Melton, we can consider gifted deposits of up to 50% of the purchase price and even include parents on the mortgage to improve affordability for first-time buyers.

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Shared ownership has become the primary scheme for buyers since the demise of Help to Buy. We fully support shared ownership and can consider up to a 90% share of the property, reducing the required deposit to just 10%. What sets Melton apart is our ability to consider properties with restricted staircasing clauses, allowing for more options and flexibility in homeownership.

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Another challenge for first-time buyers is a low credit score due to limited credit history or minor blips such as missed payments. At Melton, we take an individual approach. Instead of relying upon credit scoring, we assess the applicant's circumstances and carry out a credit search. We can consider up to two unsecured missed payments in the last two years and exercise discretion for communication defaults within the last four years. Our Decision in Principle (DIP) process leaves only a soft footprint, ensuring it doesn't impact their credit score.

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In times of stretched affordability, flexibility is crucial. At Melton, we offer a 40-year term and can consider earned income up to age 80, subject to the feasibility of the applicant's job role. This approach significantly enhances borrowing power, allowing first-time buyers to spread the cost and make repayments more manageable.

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We've recently made small changes to our lending policy to accommodate zero-hours contracts at 50%, provided another applicant has a primary income source to support it. We also consider child benefit and tax credits, up to £50k, if supported by another main income. Additionally, we've long recognised the value of stipend income, considering 100% of it, as well as utilising 50% of regular bonuses, overtime, and commission to enhance affordability.

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While niche criteria play a vital role, mutual building societies truly shine through their manual underwriting approach and common-sense underwriting principles. At Melton, we provide brokers with direct access to our underwriters, ensuring clear and seamless communication.

To explore our comprehensive range of products and criteria, please visit [www.themeltonbrokers.co.uk](http://www.themeltonbrokers.co.uk) or contact the dedicated sales team on **01664 414144** (option 1 for new sales enquiries), [sales@mmbbs.co.uk](mailto:sales@mmbbs.co.uk) or via the live chat on the website.