

Implementing some pivotal changes to our lending criteria.

We are implementing a series of pivotal changes to our lending criteria, effective from February 1, 2024. These strategic adjustments are poised to provide a more nuanced and flexible approach to mortgage lending.

In a bid to enhance the self-employed income assessment process, we will now consider the last two years of accounts or tax returns, as opposed to the previous three-year period. This forward-looking modification reflects our commitment to aligning our practices with the evolving financial landscape.

Investors seeking Limited Company borrowing will now find increased flexibility with a raised maximum Loan to Value (LTV) from 70% to 75% for applicable products. This move is set to empower more borrowers by widening the scope of available financing options.

In response to the evolving property market dynamics, we have revised our standard maximum loan amounts for non-regulated loans. For example, Buy-to-Let (BTL) mortgage products, the maximum loan amount has been elevated from £300k to £500k, and a case-by-case assessment will be conducted for higher amounts.

As part of our expanded support for diverse housing needs, the maximum loan amount for self-build loans has been significantly increased from £500k to £1.5m. This adjustment is designed to accommodate individuals embarking on the journey of creating their dream homes.

Recognising the dynamics of joint borrowers, we have revised our loan to income multiples for this category. The multiples for joint borrowers have been increased from 3.5 joint income to 4.5 joint income, with the flexibility to consider higher multiples on a case-by-case basis. Sole income multiples remain at 4.5, again with the ability to consider higher on a case by case basis.

In a specialised move, joint borrowers eligible for the Medical Professional product will see their loan to income multiples rise from 4.5 joint income to 5.5 joint income, the same level as for sole incomes. This tailored adjustment aims to cater to the unique financial considerations of medical professionals, with the option for higher multiples on a case-by-case basis.

These changes follow a series of enhancements introduced in January, including the launch of our new Regulated Bridging Mortgage product, a Green BTL mortgage product, and a shift in product fee charges on regulated products to a flat £1249 Product fee.

Alun Williams, our Chief Executive, said:

"Our commitment to meeting the wide ranging and diverse needs of our customers is unwavering. These changes to our lending criteria signify our dedication to providing increased flexibility and tailored solutions, ultimately supporting our customers on their unique financial journeys."