



# Mortgages and Second Charge Loans

CRITERIA GUIDES



**United Trust Bank offers an enhanced range of specialist mortgage products, designed to accommodate those underserved customers who have more complex circumstances or just do not “fit the box” of conventional high street lenders.**

Combining technology with our specialist underwriters we can individually assess each application on its merits, aiming to fulfil the needs of customers wishing to purchase their home or to raise capital for a variety of purposes.

**Pre-submission enquiries**

Call: 020 7031 1551

Email: [mortgage.enquiries@utbank.co.uk](mailto:mortgage.enquiries@utbank.co.uk)

**For post-submission enquiries call:**

020 7031 1552 to speak to your underwriter



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# Mortgages and Second Charge Loans

## Property

### Mortgage History

12-month minimum mortgage history required.

### Location

England, Wales and Mainland Scotland.

### Exclusions

Properties under £90K. Commercial, RTB within 4 years of purchase or Agricultural.

### Buildings Insurance

No evidence required.

### Borrower Legal Representation

Remortgage and unencumbered secured loans not required.

### Borrower Legal Representation Purchase

Minimum 2 solicitors in practice.

## Purchase Deposits

- Equity from existing property.
- Savings (must show build up over time).
- ISA held in customer name.
- Gifted deposit by blood relative or step relatives.
- Gifted equity with SDL Tax paid at full OMV.

## Valuation – First Charge Products

### Purchase - Valuation Required

Full Valuation

### Remortgage - Valuation Required

Hometrack AVM –Up to 75% LTV and £250k Gross Loan.

Minimum 5.0 Confidence Score and Maximum £1M Property Value.

Drive-By Val –Up to 75% LTV and £500k Gross Loan.

Internal Mortgage Val – Up to maximum LTV and Gross Loan.

Specialist reports required if not purchased or remortgaged in the last 5 years.

### Unencumbered - Valuation Required

Hometrack AVM –Up to 30% LTV and £50k Gross Loan. Minimum 5.0 Confidence Score and Maximum £1m Property Value.

Drive-By Val –Up to 75% LTV and £100k Gross Loan.

Internal Mortgage Val – Up to maximum LTV and Gross Loan.

## Solicitor Details

- Customer can choose own solicitor for purchase but must have a minimum of two partners.
- Indemnity insurance required on gifted equity.

## Valuation – Second Charge Products

Hometrack - Up to 80% LTV and £25k Gross Loan confidence score 6.0.

Up to 75% LTV and £100K Gross Loan confidence score 5.0.

Up to 70% LTV and £250K Gross Loan confidence score 5.0.

Drive-By - Up to 65% LTV and £100k Gross Loan and up to 75% and £50k Gross Loan.

Internal Mortgage Valuation - Up to maximum LTV and Gross Loan.

Where loan is greater than £250k, the maximum property valuation is £2.5m.

Specialist reports required if not purchased or remortgaged in the last 5 years.

## ID and Residence

- Documentary Proof of ID is required for all applications, usually obtained digitally through UTB Chat Hub.
- If ID cannot be provided digitally, then applicants will be required to take Independent Legal Advice from a firm with at least 2 partners which has been preapproved by UTB.

## Mortgages and Second Charge Loans

### Interest Only Specific Criteria – First Charge Purchase and Remortgage Only

All Standard criteria, fees, commission etc. apply unless detailed below:

#### Loan Purpose

Purchase or Remortgage. Not available to FTBs. Capital raise can generally be for any legal purpose, excluding avoidance of bankruptcy. Debt consolidation is limited to £25,000 and for home improvements completed in the last 6 months.

#### Applicant Profile

- Aged 25 to 85 (at end of term)
- £50,000 Minimum Application Income
- Minimum £100,000 security property value
- Affordability will be assessed on the Interest Only monthly repayment
- An Interest Only Declaration Form, signed by the applicant(s) and confirming the specific repayment vehicle(s), is required for all applications
- London post codes can be found in packaging guide

#### Maximum LTV

- 70% LTV Downsize
- 75% all other repayment vehicles

#### Repayment Vehicles

Multiple repayment vehicles are allowed from the following:

- Downsize, providing minimum security property equity of £250,000 in London and £150,000 nationally
- Sale of investment property (85% of net equity)
- Cash savings (90% of current value)
- UK ISA (90% of current value)
- Pension (100% of tax free PCLS amount)
- Endowment (75% of projected lump sum)
- Unit Trusts, OEICs or Investment bonds (75% of current portfolio value)

# Mortgages and Second Charge Loans

## Income & Affordability

### Source Of Income

Employed – 6 months in current role or 3 months in current role if 12 months continuous and no probation. 100% of all guaranteed income including Basic Pay, Car Allowance and Shift Allowance. 50% of monthly regular income, such as bonus, overtime and commission. This must be evidenced by the last 2 payslips subject to 18 month history. Applies to all industries UTB currently lend to.

Self-Employed –Sole Traders: 100% of Net Profit. Partnerships/Limited Companies: 100% of all sustainable drawings or dividends in addition to any salary. Retained Profits and Directors Loans are not accepted.

Pension – 100% of all regular income.

Working Family Tax Credit, Child Benefit and Child Tax Credit –100% providing a minimum of £25,000 total income.

Unacceptable Income–All other Benefits, Trusts, Income received not in £ sterling.

### Affordability Criteria

	1st Charge	Unencumbered	2nd Charge
Debt to Income Ratio (DTI)	50%	40%	45%
Loan to Income (LTI)			
All Plans	4.5x*	4x	6x

5X LTI 60% 4X LTI 85%

### Proof of Income

Employed – Last 2 computerised payslips, or last 2 non-standard payslips and a P60 or Bank Statement to show credit.

Self-Employed – Sole Trader/ Partnership – Last 2 years self-assessment forms, including SA302s or HMRC Tax Calculation Summary supported by a Tax Year Statement. Limited Company Director – Accountants Certificate detailing last 2 years figures, SA302s and Tax Year Statement or Last 2 years accounts, SA302s and Tax Year Statement. 1 months bank statements required.

Pension – Last Pension Statement showing monthly or annual income and latest Bank Statement to show credit.

Maintenance, Working Family Tax Credit, Child Benefit and Child Tax Credit – Last Court Order, CSA documentation or Entitlement letter showing income with the latest Bank Statement showing credit to match.

### Affordability Assessment

Affordability must be assessed on the portal, plausible sustainable and evidenced for the entire term. Debt consolidation for Prime and Near Prime must be no more than 1.5x total gross income.

### Term

1st Charge 5-40 years  
2nd Charge 3-30 years

### Age

Minimum age                      18 or 25 for interest only  
Max age at end of term      85

## Mortgages and Second Charge Loans

# Status Definitions – First & Second Charge Products

Status Definitions – First and Second Charge Products				
Eligibility	Unsecured Credit	Secured Loan and Mortgages	CCJ's	Defaults
Definition	Assess active credit which is not up to date. Ignore if Mail Order or Comms.	Assess mortgage arrears in the last 12m or still outstanding.	Assess number within 24 months (satisfied or not) Ignore if under £300, Mail Order or Comms.	Assess number within 24 months (satisfied or not) Ignore if under £300, Mail Order or Comms.
Prime Plus	All accounts currently up to date. Previous conduct may impact credit score.	<ul style="list-style-type: none"> <li>• 0 in 3m, 0 in 12</li> <li>• 0 Outstanding</li> </ul>	<ul style="list-style-type: none"> <li>• 0 in 24m</li> <li>• Ignore if under £300</li> </ul>	<ul style="list-style-type: none"> <li>• 0 in 24m</li> <li>• Ignore if under £300</li> </ul>
Prime	All accounts currently up to date. Previous conduct may impact credit score.	<ul style="list-style-type: none"> <li>• 0 in 3m, 0 in 12</li> <li>• 0 Outstanding</li> </ul>	<ul style="list-style-type: none"> <li>• 0 in 24m</li> <li>• Ignore if under £300</li> </ul>	<ul style="list-style-type: none"> <li>• 0 in 24m</li> <li>• Ignore if under £300</li> </ul>
Near Prime	Unsecured credit profile ignored if being consolidated. Previous conduct may impact credit score.	<ul style="list-style-type: none"> <li>• 0 in 3m, 1 in 12m</li> <li>• Max 1 Outstanding</li> </ul>	<ul style="list-style-type: none"> <li>• Max 1 in 24m</li> <li>• Ignore if under £300</li> </ul>	<ul style="list-style-type: none"> <li>• Max 1 in 24m</li> <li>• Ignore if under £300</li> </ul>

## Contact Us

# Our Team, always on hand to help

### Residential, buy to let or second charge



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## Contact Us

# Useful Contacts

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Email: **mortgage.enquiries@utbank.co.uk**

Website: **utbank.co.uk**

Division	Contact	Email
Mortgage Enquires Team (Pre submission)	0207 031 1551	Mortgage.enquiries@utbank.co.uk
Residential Underwriting (Post submission)	0207 031 1552	
BTL Underwriting (Post submission)	0203 862 1298	btlmortgages@utbank.co.uk

For Registration, procuration fee and sourcing queries please contact Intermediary Support - on 0207 031 1551 Email: mortgage.enquiries@utbank.co.uk

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