

Lending Criteria



Before applying for a Post Office® mortgage please refer to this document to ensure that all applicants and the property you'd like a mortgage on meet our requirements.

Please read the General Lending criteria in addition to the product specific criteria.

General

Lending areas: Properties in England, Scotland (including the Scottish islands of Skye, Bute, Lewis & Harris, Mainland Orkney, Mainland Shetland, Arran, Mull, Islay, Whalsay, Yell, South Ronaldsay, West Burra, Tiree and Unst - please contact us to discuss properties located on any other Scottish island), Wales and Northern Ireland (unless otherwise stated)

Property owner: We only accept transactions where the seller is the owner or registered proprietor of the property, and has been for at least 6 months. If you're remortgaging, you must have owned the property for a period of at least 6 months

Nationality: We normally require all applicants to be resident in the UK for the 3 years preceding the mortgage application.

The following applicants can apply up to our maximum LTV:

- Irish Nationals
- EU, EEA and Swiss Nationals with 'settled status'
- Non EU, EEA and Swiss Nationals with 'indefinite leave to remain'
- Applicants who are born outside of the UK but who have received UK naturalisation

The following applicants can apply up to 75% LTV:

- EU, EEA and Swiss Nationals with 'pre-settled status'
- Non EU, EEA and Swiss Nationals with limited rights to work/remain in the UK. Only Innovator, and Global Talent visas (previously Tier 1), Skilled Worker visas (previously Tier 2) and Ancestral Visas are acceptable

The underwriter will need to be satisfied that there is an adequate period of time remaining on the visa to warrant the granting of a long term loan

Early Repayment Charge: If you repay all or part of your loan before the end of the early repayment period, we may charge you an Early Repayment Charge to cover any losses we might otherwise incur. When you repay the whole of the loan you must pay us any mortgage release fee we charge at the time of repayment. If you have deferred payment of the lending fee you must also pay this. For part repayments, an additional administration fee applies

Clean credit history: We will not lend to you if you have ever:

- Been bankrupt
- Been subject to an Individual Voluntary Arrangement (IVA)
- Owned a property which has been taken into possession (including voluntary possession)
- Had a CCJ

We will normally only lend to you, if in the last 3 years you have no:

- Arrears on mortgages, fixed loans or rent
- More than two consecutive missed payments on credit or store cards
- Missed mail order or telecoms payments are normally disregarded

Payday loans: If you have had a payday loan within the last 12 months we won't normally lend.

If you have taken out a payday loan over 12 months ago then your case will need to be looked at individually to assess affordability

Portability: All mortgages are portable when redeeming and completing on a new Bank of Ireland UK product. Conditions apply; please ask for details

Standard legal fees paid by lender

Remortgage Transaction: If stated in the Offer of Loan, Bank of Ireland UK will pay for the legal fees and disbursements (excluding additional work, see below) providing the remortgage transaction is handled via Legal Marketing Services, and is completed. The firm of Solicitors is instructed to act for us only. If applicants wish to arrange their own legal representation they will be responsible for the legal costs and disbursements incurred. Please note: Bank of Ireland UK will not pay for charges relating to additional work outside the scope of a standard remortgage transaction. This includes further valuation reports, related legal services, transfer of equity, deed of postponement, deed of grant, deed of variation, merger of freehold or leasehold title, leasehold supplements, change of name, telegraphic transfer of surplus funds to borrower, local searches for loans over £1,000,000, or if an exceptional amount of work is required to correct a defective title

Purchase Transaction: If stated in the Offer of Loan, Bank of Ireland UK will pay the basic fee for the legal work involved in a standard property purchase. This offer of fees assisted conveyancing does not include any payment for cost that the solicitor must pay to a third party such as a local authority or other search fees, Stamp Duty Land Tax, the cost of taking out defective title indemnity insurance or registration fees payable to the Land Registry. The offer also does not include the charge, plus VAT, payable to the solicitor to deal with the settlement of any Stamp Duty Land Tax and the submission of the Stamp Duty Land Tax form or the cost of any associated sale. The solicitor will provide you with full details of this charge and the third party costs you will have to pay. These fees, along with the legal fee for any additional legal work that the solicitor carries out for you, are payable by you. If the purchase does not go ahead, you will not have to pay for the standard conveyancing work carried out, but you will have to pay any third party costs already paid by the solicitor. For property purchases in Scotland please contact us for details of our nominated Solicitor when obtaining your Approval in Principle. If you choose not to use our nominated Solicitor you will be liable for the legal costs

Product fees: Payments should not be made at application stage. Bank of Ireland UK will deduct the fee from the loan amount upon completion or add it to the loan amount

Overpayments: You can overpay at any time during your mortgage term. If in a promotional period, you can overpay a minimum of £500 and a maximum of 10% of the outstanding mortgage balance (as at 31st March the previous year) without incurring any early repayment or administration charges. After the promotional period the amount you can overpay is unlimited, however if you pay off your mortgage in full charges may apply

Standard

Age: Minimum: 18

Term: Maximum: 35 years or the number of years it will take (the eldest) applicant to reach 75 (whichever is lower). Minimum: 5 years. If term goes beyond anticipated retirement age, the mortgage must be on a repayment basis and we may ask for evidence of means to repay until the end of term

Loan size: Minimum: £25,001, maximum: £1,500,000

Loan tiers for purchases: 95% up to £500,000, 85% up to £750,000, 80% up to £1,000,000, 70% up to £1,500,000. Fees may be added. Conditions apply

Loan tiers for remortgages: 90% up to £500,000, 85% up to £750,000, 80% up to £1,000,000, 70% up to £1,500,000. Fees may be added. Conditions apply

Lending >90%: Applicants cannot hold an interest in another residential owner occupied property at completion

Property: The following property types are not acceptable:

- Properties with a floor area of less than 31 square metres
- Newly built houses where the LTV is greater than 85%
- Newly built flats or conversions (built or converted within the last 12 months) where the LTV is greater than 80%
- Properties less than 10 years old that are not covered by an approved new home warranty scheme or Professional Consultant's Certificate
- Properties outside Mainland UK. Please contact us if your property is located on any Scottish island except Skye, Bute, Lewis & Harris, Mainland Orkney, Mainland Shetland, Arran, Mull, Islay, Whalsay, Yell, South Ronaldsay, West Burra, Tiree and Unst which are acceptable
- Studio flats, freehold flats, flats with unacceptable access arrangements (e.g. rear external staircases) or flats within blocks where our valuer reports inadequate maintenance of communal areas
- Ex-local authority or ex-public sector flats that are greater than 4 storeys high or that have open decking access
- Flats converted from office buildings or refurbished ex-local authority blocks
- Flats that exceed 75% LTV within blocks that have mixed residential and commercial use, unless:
 - a) In a development over 6 storeys and built after the year 2000
 - b) Commercial use is confined to the ground floor and not detrimental to future saleability
- Properties being purchased under a Right to Buy, Shared Ownership, or Shared Equity arrangement
- Properties which include commercial usage within the title
- Properties with occupancy restrictions
- Remortgages where you have owned the property for less than 6 months
- Properties being acquired under an assignable contract
- Purchases where the vendor has owned the property for less than 6 months (except where we have given consent)
- Properties with communal heating, hot water or other services where the property is not individually metered

Please note: Properties with solar panels may be acceptable; please call for more details

Any property with leasehold terms where one or all of the following is identified:

- Leasehold terms of less than 85 years at the start of application
- Leasehold terms of less than 45 years at the end of the term
- The original lease term on new build properties (or second hand properties built post 2000) is less than 125 years
- The maximum ground rent at the start of the lease term exceeds 0.1% of the property value or £500 a year whichever is the higher
- The ground rent must remain reasonable at all times during the lease term, with unreasonable multipliers and increases not allowed

Refinance: You can remortgage up to 75% LTV to raise additional capital and to repay any outstanding debt. Funds cannot be used for business or speculative purposes, payment of tax, gambling debts and overseas property (including timeshare). Your application will also be subject to our General Lending Criteria and individual assessment by our underwriters

Ability to pay: We will review your application to ensure we are satisfied with your ability to pay. This will include a review of your overall circumstances including the amount of debt you have in relation to your income. For repayment mortgages, a minimum household income of £20,000 is required. Any income used to assess affordability must be contracted and paid in GBP

Employment status: Employed and self employed considered. If self employed, you must have been trading for 3 years but only the last 2 years' accounts are required

Contractors: Employed, self-employed and contractors, including those working via an umbrella company, will be considered.

- If self-employed, you must have been trading for 3 years but only the last 2 years' accounts are required
- If you're contracting:
 - a) Directly, through an agency or you employ the services of an umbrella company, you must earn a minimum income of £50,000 and have at least 12 months contracting experience in your current occupation
 - b) 80% of the contract value will be used for affordability purposes unless you employ an umbrella company where the affordability will be based on 80% of earnings **after** deduction of all umbrella costs
 - c) Maximum LTV for contractors is 90% unless you work via an umbrella company and don't meet the above criteria, whereby you'll be assessed under our standard lending criteria for self employed

Valuation and Surveys



When you apply for a mortgage, we'll arrange for a Mortgage Valuation Report to be completed. This is used to check the value of the property and make sure it's suitable to lend against. It will be instructed as part of your application and you may have to pay a fee.

If you want a more detailed survey, you'll need to arrange this yourself with a Surveyor. This will provide information on any specific areas you'd like covered and on the condition of the property. You can find more information on local surveyors and the different types of survey on the Royal Institution of Surveyors (RICS) website at <https://www.rics.org/uk/>

Scottish valuations

In Scotland, it is a legal requirement that the seller provides potential purchasers with a Home Report. This includes a Mortgage Valuation Report and provides buyers with information regarding the condition and value of a property, ahead of committing to the purchase. We may be able to use the Mortgage Valuation included in the Home Report to assess the property as part of your application, meaning you won't have to pay for a separate valuation.

Purchase Price or Valuation	Standard Mortgage Valuation Report only
Up to £150,000	£240
£150,001 - £250,000	£310
£250,001 - £350,000	£360
£350,001 - £500,000	£470
£500,001 - £750,000	£610
£750,001 - £1m	£840
£1,000,001 - £1.5m	£940
£1,500,001 - £2m	£1,090
£2,000,001 - £2.5m	£1,290
£2,500,001 - £3m	£1,490
£3,000,001 - £3.5m	£1,690
£3,500,001 - £4m	£1,890

Please note these valuation fees include an administration fee of £90. Re-inspections incur a minimum charge of £50 per visit (this includes an administration fee of £8.50). All fees are non-refundable once the inspection has taken place.

Documents can be made available in Braille, large print or audio upon request.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.