

Packaging guide

Flexi Payment Term Lifetime Mortgage



Need help on a specific case? Want to find out more about our payment term lifetime mortgages or lifetime mortgage products? Call our broker support team or get in touch with your dedicated Telephone or Field Support.

How does our packaging process work?

It's really important that you have all the information you need to submit your cases as quickly and as efficiently as possible through more2life.

Using this guide in conjunction with our application process will help you submit each case with greater certainty and submit it with confidence.

There are three simple steps to follow, which we will outline in the document with some top tips for packaging your case.

Top tip

Remember that you only need to upload the documents we ask for in support of your customer's application

Remember the 3 P's



Plan

In this guide you are given a list of acceptable income types and the evidence that is required to support them. Double check the income and expenditure you have captured during your fact find and ensure it matches up with the supporting documents to ensure we can provide you with an accurate decision as early as possible – income figures & employment dates are key areas. If the income and expenditure entered is proven to be incorrect once the bank statements and income evidence is reviewed, you could have an affordability pass turn into a fail after review.



Prepare

Have all your supporting documentation scanned and ready to be uploaded when you submit your application. If you can clearly label them and upload them in date order, this will enable the underwriter to work through the application and confirm our lending decision (subject to valuation) quickly after you submit.



Present

Make good use of the portal notes and tell us why this makes sense and provides a good customer outcome. Cases with adverse credit will need an explanation too. Portal notes can be a really efficient and effective way to communicate with your underwriter about the things you need them to know about your case.



Step 1: Applicant information

Application/identity

Electronic identification

We'll perform electronic checks on all customer's and business details you provide, using Electronic Identification to verify your customer's identity. In some circumstances, we may require additional documentation to validate these details and will inform you at the point of DIP if we need to verify the identity of the customers.

If requested, we'll require up to two forms of identification. At least one of them must be from **Table 1**. Please ensure that the documents are certified as a true copy of the original and where applicable, a true likeness of the applicant to avoid any delays.

To certify or not to certify, that is the question?

If bank slips, wage slips and P60 are electronic versions, certification is not required. If they are anything else, they will need certification. We will require 3 full month's bank statements but you can certify the first page as "one" of "X" to save you certifying every page.

Proof of residency

If we cannot verify proof of residency electronically, we'll ask you to provide one of the following:

- Valid photo card driving licence
- Government issued document confirming name and address
- Valid old style full UK driving licence
- Correspondence from Inland Revenue/HMRC
- Proof of registration on the Electoral Roll
- Recent utility bill (dated within 3 months of the date of application)
- Bank/building society/credit card statement (dated within 3 months of the date of application)
- Current council tax statement or demand letter
- Correspondence relating to a Government benefit

Top tip

Remember it's always better to tell us the full application details upfront

Table 1 (Fully satisfies ID requirements)	Table 2 (Valid with ONE other Primary OR Secondary document)
<ul style="list-style-type: none">• Valid passport• Valid photo card driving licence (full or provisional)• National Identity Card (non-UK nationals)• Firearms certificate or shotgun licence• Identity card issued by the Electoral Office for Northern Ireland	<ul style="list-style-type: none">• Valid (old style) full UK driving licence• Recent evidence of entitlement to a state or local authority funded benefit• Instrument of a court appointment (such as liquidator or grant of probate)• Current council tax demand letter or statement• HM Revenue & Customs letter (such as a tax code notice)

Secondary documents

- Current household or domestic utility bill (if document is from the internet, this must be an official downloaded pdf version. A scan of a printout from the internet, a screen print or a screen shot in pdf is not acceptable)
- Confirmation of face-to-face home visit by adviser confirming date & time of visit
- Current bank, building society, debit or credit card statement (if document is from the internet, this must be an official downloaded pdf version. A scan of a printout from the internet, a screen print or a screen shot in pdf is not acceptable)



Expenditure

Bank statements for all applicants

For all applications we'll require the following:

- 3 months bank statements. Bank statements wherever required should include all pages, even if blank and cover the full three months prior to the application being submitted.
- Bank statements are to be reviewed to confirm income & expenditure. Alternative statements may be required if these cannot be evidenced.

This account should be the one into which the customer's income is paid and day to day payments are made. You should review the statements for any irregular transactions – such as large credit payments or transfers (>£1k) – and provide explanations for them.

Mortgage History

This information will normally be obtained during the credit search, if for any reason it's not, we'll need evidence of 36 months' satisfactory mortgage payments for all the customer(s) mortgages and we'll advise you if we require it at the point of the DIP.

If your customer is an existing mortgage holder, you will need to provide evidence of their most recent mortgage payment showing on the latest months bank statement to ensure the credit profile is entirely up to date. Please see our adverse credit policy for more details.

If the customer(s) present as portfolio landlord(s) (defined as having 4 or more buy to lets), the application will be declined. Buy to let mortgage payments will be assessed to ensure they are self-supporting and sustainable. This will be assessed via an Interest Coverage Ratio (ICR) calculation of 125% of 80% of the rental received. If the amount of rent exceeds this calculation, the debt can be ignored.

Top tip

Where possible, bank statements should be added as a single attachment, rather than separate pages

Other

Proof of deposit

We'll need details of the source of deposit for all purchase applications and we will require this to be held in a UK bank or building society, current or savings accounts for a minimum of 3 months unless they are from a recent UK transaction such as a remortgage.

Where the deposit is gifted, the above rules will also apply and we will require a gifted deposit form. A template can be downloaded from our website. This will need to state the amount to be gifted and that...

- the donor will hold no interest in the property
- they will not reside at the property post-completion
- the funds are not repayable

...along with the donor's relationship to the customer.

Right to reside

Applicants who are non-UK citizens will need to provide evidence of indefinite leave to remain in the UK.

For nationals, the customer's passport will be sufficient. For Non-EU nationals, we'll need an appropriately stamped passport, valid residency card or a letter from the Home Office. All applicants must have been resident in the UK for a minimum of 3 years prior to the application being submitted.

Expenditure Guidance

Revolving credit such as credit card or mail order debt should be entered as the full balance.

Actual outgoings (monthly average over the last 3 months) should be entered accurately and will be verified via bank statements. These items include:

- Council Tax, Housing Fuel and Power
- Communications
- Care Costs
- Education
- other regular deductions such as insurance payments and payments made in relation to pension provision

All other household deductions will be assessed via statistics obtained from the Office of National Statistics (ONS) and will be deducted on the basis of declared or ONS, whichever is the higher.



Step 2: Income and employment

Employed customers

Employment history

Customers will need to demonstrate 6 months of continuous employment and a minimum of 3 months in their current role. Any applicable probationary period must have been passed. Where they have had multiple roles in the past 3 months, we will require their last payslip or P45 from their previous employer.

Proof of income

We will require consecutive payslips from the last three months and their latest P60. In addition, we will expect to see salary credits on the bank statements provided. If the customer is paid weekly, we will need their 13 most recent consecutive payslips. If the applicant is paid on any other frequency, please refer for our requirements.

Day rate contractors

We can accept contractors as long as they have been contracting for a minimum of 12 months with either a renewal of their first contract or entrance into a second. We'll need a copy of the contract and then depending on how long is left on the current contract we will ask for:

- 3 months payslips with corresponding bank statements showing salary credits
- If the current contract has less than 3 months left
- A copy of their new contract or an employer's reference confirming the contract is to be renewed and on what basis
- Applicants who have multiple contracts can be considered on a self-employed basis.

Top tip

View our full Criteria Guides on our website for more information

Top tip

Be sure to name all documents correctly and upload them in date order

Other acceptable income

- 50% of overtime, commission and bonus can be accepted with an average of 3 years taken from corresponding P60 or last tax year's payslips.
- 100% of car allowance and London Weighting.
- 50% of a sustainable secondary employment with the same evidence and conditions applying as per the primary employment. Minimum time in this employment to be 6 months.
- 100% of Private and Annuity Pension with annual statements.
- 100% Court Ordered Maintenance with a copy of the court order required.
- 50% of 3 year's average of investment income with proof, this is capped at 10% of total income.

All income to be verified via bank statement credits.

Self-employed customers

Acceptable applicants

Applications are acceptable from sole traders, partnerships*, members of a Limited Liability Partnerships* & Limited Company Directors*.

*Minimum share requirement 25% or application will decline.

Minimum time trading

Self employed applicants are required to have held a minimum of 2 years trading.

Proof of income

For self-employed customers, you'll need to provide two years' SA302s and tax overviews.

Limited Company directors will also be required to supply two years accounts produced by a suitably qualified professional. See our Criteria Guide online for a full list of qualifications.

Increasing/reducing self-employed income

We require explanations for large fluctuations (>25%) – either up or down. We will primarily take the minimum of either the most recent years income or the average of the last two years but the latest year's can be considered with a suitable explanation. If self employed income has increased by 25% in the latest year a 3 year average will be used.

Business bank statements

Where the customer is self-employed, we'll need the latest full three months' consecutive business bank statements and we will use them to verify the running balance can consistently support the contractual mortgage payment.



Step 3: Adverse credit

We credit search, not score

We will perform a soft search at the DIP stage and identify any adverse credit that applies. The outcome of our underwriting decision will be based on known criteria as shown below.

Arrears and Missed Payments

Assessed over a 36 month period, secured and unsecured credit must not have had a status higher than 2 and must have a current status of 0 having brought all payments up to date prior to application.

County Court Judgements (CCJs)

No new CCJs in the last 6 years.

Defaults

No new defaults in the last 3 years. All communications and small utility defaults (>£250) can be ignored.

Short Term Lending

Often referred to as payday loans, any form of short term lending within 24 months is unacceptable.

Previous Bankruptcy, Individual Voluntary Arrangements (IVA), Debt Management Plan (DMP) or Repossession history

Unacceptable on all counts.

Satisfactory Explanations

When submitting an application where the applicants have had credit issues, please provide the "story" on how these came about and how the issues are unlikely to happen again.

Other top tips for getting your application through to offer in the fastest time possible

Grab a copy of the credit file

As the presence of adverse credit is critical to your application success, ask the customer to obtain a copy of their credit file so you know what you are working with. We use Experian for our credit checks. More information can be found at the following link. experian.co.uk/consumer/experian-credit-report.html

Do a land registry search

Checking the address is the correct legal address as shown on the title, that the owners have used their full name as shown and that there are no other restrictions or charges to worry about can help you head off any hiccups along the way.

Do a flood check

This product's funder assesses floodrisk in a highly accurate way which means that even floodzone 3 properties can be considered. Email info@more2life.co.uk and ask for a floodcheck which will be returned within 24 hours.

Give us the evidence we need to approve the mortgage

Upload all required documents at application, this will save the underwriters having to come back to you with additional requests. If you can do so in date order and with clear labels, that will help speed up the process for you and them.

Share your workings out

If you are using variable income such as overtime and bonus, tell us how you worked it out so we can follow the same logic.

Tell us the story

Adverse credit cases will need an explanation as explained but if self-employed income has varied year on year, we'll need to understand that too. If you have asked the borrowers a question, it is likely that the underwriter will need that understanding too.

For more information



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the later life lender

For more information, please speak to a specialist equity release adviser.
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