

Top 10 mortgage offer conditions

These are documented in the **'Schedule of Special Conditions'** at the latter end of a mortgage offer.



1. Flood Insurance

What can you and your customers do to help?

If customers live close to an expanse of water e.g. on a flood plain, close to a river, ocean, marina, canal or dock basin etc. then evidence will be required to confirm that the property to be mortgaged is fully insured against flood damage.

Specifically the policy must not be generic regarding flood insurance but will need to state **'that the property is fully insured for flood in line with standard buildings insurance cover and confirm no special terms imposed or increased premium'**.

Advisers should inform customers of this when preparing for appointments so that customers can ensure that they have the necessary insurance in place, or if not they can arrange this before their application completes.

TOP TIP: Ensuring customers arrange the correct flood insurance policy before or as soon as their application is proceeding will mean they have the policy ready to provide to their solicitors when they meet with them. Typically doing this ensures the policy does not have to be arranged late in the process.

What happens if this special condition is included in a mortgage offer?

The customer's solicitors are to provide a copy of the insurance policy confirming that the property is fully insured for flood in line with standard buildings insurance cover and confirm no special terms imposed or increased premium.

Please note the customer's solicitor must identify the relevant sections of the policy which satisfy the special condition. Any policies provided which have not been clearly identified will not satisfy the condition.



2. Identification (ID), Age, Residency

What can you and your customers do to help?

Advisers can read more2life's **'Verifying ID'** helpsheet, available in our Learning Lab, to prepare before they meet with customers. The document details which common documents are acceptable to more2life and how and where to send certified and original documents to them.

The **'Verifying ID'** helpsheet can also be sent to customers by Advisers so that customers can gather their documents ready for appointments.

TOP TIP: Obtaining certified ID at customer appointments, and sending this in with applications or having it available if requested by more2life, could enable more2life to verify ID without the need for these mortgage conditions. Typically doing this may also reduce the time from offer to completion by up to 5 days.

What happens if this special condition is included in a mortgage offer?

The customer's solicitor will need to obtain the relevant documentation and send this to more2life's solicitors before the application can complete and monies are released.

Typically customer's solicitors will ask customers to have this documentation available for appointments between them, so that certified copies can be obtained at that time.

If this is not possible, and customers need to send documentation to their solicitors post appointments this can cause delays to their application completing – so the more advance preparation that can be done the more advantageous this will be.



3. IVA Charges and Restrictions

What can you and your customers do to help?

If customer's have an Individual Voluntary Arrangement (often referred to as an IVA/IVA charge/restriction) then this will need to be removed and the IVA cleared on or prior to completion.

Advisers should make themselves aware of the lending criteria and the outline information above and inform customers of this when preparing for appointments. Customers can then gather/obtain all related documentation as soon as possible in the application process.

TOP TIP: Ensuring customers gather their IVA status information early in the application process will ensure it is available to provide promptly to their solicitors when requested.

What happens if this special condition is included in a mortgage offer?

The customer's solicitor will be required to confirm to more2life's solicitors that all charges and restrictions are removed with regards to the IVA and that the IVA is cleared on completion.



4. Estate Charges

What can you and your customers do to help?

If customers pay estate charges relating to their property, they will need to provide details of the annual charge together with evidence of payments. If customers do not have this information to hand they will need to contact the relevant management company to obtain the information.

TOP TIP: Ensuring customers gather their Estate Charge information early in the application process will ensure it is available to provide promptly to their solicitors when requested. Customer's should also be asked to contact their Managing Agent/Management Company where there is one to request any missing documentation regarding charges and fees or advise them that their solicitors may make contact to do this.

Conditions may vary by product range. Estate Charges are usually seen on Freehold properties.

What happens if this special condition is included in a mortgage offer?

The customer's solicitor must be aware that there may be estate charges related to the customer's property. Confirmation will be required that the estate charges are not subject to any onerous escalation clauses. A deed of variation may be required where the estate charge provision doesn't meet their criteria by certain funders.

Where the estate rent charges are reserved by way of rent charge more2life will require confirmation that the rights of re-entry and rights to demise the property by way of lease have been removed or varied to provide more2life a period of notice to remedy the breach before any action is taken. In addition confirmation must state that the lease will be removed upon payment of any arrears and reasonable legal costs and reasonable costs of collecting the arrears. No premium is permitted for surrendering the lease.

There may be a variance in requirements and notice periods depending on the product range. Please contact more2life for specific details.



5. Redemption of Existing Mortgages/Loans Secured on the Property

What can you and your customers do to help?

If customer's have an existing mortgage or loans secured against their property (often referred to as 'charges') then these need to be repaid, or redeemed, at completion (generally using the equity release monies released).

Advisers should inform customers of this when preparing for appointments. Customers should be asked to provide account numbers and estimated redemption figures to their Adviser – these are obtained from their mortgage or loan companies.

At the same time Advisers can ask customers to contact these companies to authorise them to work with their own and more2life's solicitors in providing 'redemption statements' to them when requested. more2life's solicitors will request these early in the process so that the customer's solicitor can identify shortfalls as soon as possible.

TOP TIP: Provide the account number/s to more2life as part of your application and ensuring customers authorise existing lending companies, early in the application process, to provide redemption statements can typically reduce the time from offer to completion by several days.

What happens if this special condition is included in a mortgage offer?

more2life's solicitor will be required to repay any existing/outstanding secured mortgages/loans against the property on the day that monies are released from more2life's solicitors.

NB: An application cannot complete without the above taking place.



6. Septic Tank & Sewage Treatment Plants

What can you and your customers do to help?

If customer's have a septic tank or sewage treatment plant at the property then the customer's solicitor will need to confirm a number of points to more2life's solicitors prior to completion. Sewage treatment plants are treated the same as a septic tank.

In general the customer's solicitors will need to confirm the drainage arrangements comply with the Septic Tank Regulations 2020. On some products there is a requirement that the septic tank is for the private use of the subject property and for some within the subject curtilage. Please note cesspits do not fall under the general binding rules therefore no documentation is required.

Additionally, in Scotland, confirmation will be required that the private drainage is registered with SEPA (Scottish Environment Protection Agency). In Wales confirmation will be required that the drainage arrangements are registered with Natural Resources Wales.

Advisers should make themselves aware of the lending criteria for septic tanks according to the more2life product being recommended, once they are aware of this facility at the property. Using the outline information above Advisers can discuss with customers the need to gather/obtain all related regulatory, installation and servicing documentation as soon as possible in the application process.

TOP TIP: Obtaining documentation about septic tanks at customer appointments, and sending this in with applications or having it available if requested by more2life, could enable more2life to confirm that the details are acceptable without the need for related mortgage conditions. This may also remove the need for the customer's solicitor to provide this later in the application process.

What happens if this special condition is included in a mortgage offer?

The customer's solicitor will be required to confirm & provide evidence that the private drainage meets criteria as noted in the offer conditions.

Scotland: Customer's solicitors need to confirm that SEPA has given consent for the drainage arrangements.

Wales: Customer's solicitors need to confirm that the drainage arrangements are registered with Natural Resources Wales.



7. Service Charges

What can you and your customers do to help?

If customer's pay Service Charges for their property e.g. fees for maintaining/repairing their property and for communal areas then evidence of the fee, and confirmation of payments made, will be needed.

If there are no Service Charges then customers will need to confirm how costs and maintenance are covered.

Advisers should make themselves aware of the lending criteria and the outline information above and inform customers of this when preparing for appointments. Customers can then gather/obtain all related documentation as soon as possible in the application process.

TOP TIP: Ensuring customers gather their Service Charge information early in the application process will ensure it is available to provide promptly to their solicitors when requested. Customer's should also be asked to contact their Managing Agent/Management Company where there is one to request any missing documentation regarding charges and fees or advise them that their solicitors may make contact to do this.

What happens if this special condition is included in a mortgage offer?

The customer's solicitor will be required to confirm to more2life's solicitors the annual service charges applicable for the maintenance and repairs of the flats, and if this is an equal share across property owners, prior to completion. Should the customers not pay any service charges then the solicitors will need to confirm how any costs for maintenance costs would be covered.

And if customers do not pay a set amount then confirmation of how any costs are split will be required.

The customer's solicitors will also need to confirm the level of ground rent & service charges payable, for more2life's solicitors to review, prior to completion.



8. Six Month's Bank Statements

What can you and your customers do to help?

If customers have lived at their current property for less than 3 months then more2life will require bank statements for consecutive months covering the six months including, and prior to, their application.

Advisers should inform customers of this when preparing for appointments to enable customers to obtain these and have them ready for when they meet.

Bank statements must meet the following criteria:

- Applicants name and address must be on the statement (address can be previous or current)
- Official/genuine postal hard copy versions OR
- Official/genuine downloaded PDF versions obtained from an online bank account (these do not need to be Certified) OR
- Certified or bank branch stamped copies of official/genuine hard copies. NB: each page must be certified

NB: scanned copies or printouts from online bank accounts, or screen prints or screen shots in any format are not acceptable.

A covering note explaining the reason for any unidentified transactions with a value of more than £1,000 must also be supplied.

If it is a joint case, and the customers hold separate current accounts, then we will require bank statements for both.

TOP TIP: Obtaining original or certified bank statements at customer appointments, and sending these in with applications or having them available if requested by more2life, could enable more2lifeto verify without the need for this mortgage condition. Typically doing this may also reduce the time from offer to completion by up to 5 days.

What happens if this special condition is included in a mortgage offer?

You or the customer solicitor will need to obtain the relevant documentation. If you acquire this, this should be sent to more2life and if the customer solicitor acquires, this should be sent via more2life's solicitor. Either way, this needs to be received and any subsequent queries answered before the application can complete and monies released. Queries will be raised for any single transactions of more than £1000 so providing reasons for these upfront will speed up the process.

Typically customer's solicitors will ask customers to have this documentation available for appointments between them, so that certified copies can be obtained at that time.

If this is not possible, and customers need to send documentation to their solicitors post appointments this can cause delays to their application completing – so the more advance preparation that can be done the more advantageous this will be.



9. Solar Panels

What can you and your customers do to help?

If customer's have solar panels then 'ownership' may differ – some will be owned outright and some leased. As part of the application process proof of ownership, however that is, will need to be provided to more2life.

Advisers should make themselves aware of the lending criteria for solar panels, according to the more2life product being recommended, once they are aware of this feature at the property. Using the outline information above, advisers can discuss with customers the need to gather/obtain all related documentation as soon as possible in the application process.

TOP TIP: Obtaining documentation about solar panel ownership at customer appointments, and sending this in with applications or having it available if requested by more2life, could enable more2life to confirm that the ownership is acceptable without the need for related mortgage conditions. This may also remove the need for the customer's solicitor to provide this later in the application process.

What happens if this special condition is included in a mortgage offer?

The customer's solicitor will be required to confirm ownership to more2life's solicitors prior to completion. This may involve proving that an acceptable lease is in place, confirming that the panels are owned outright e.g. via a paid in full invoice or, if purchased using a loan, that this loan is not secured against the property.



10. Building Reinstatement Insurance

What can you and your customers do to help?

Customers must ensure that their property has building re-instatement insurance prior to their application completing.

Advisers must ensure they discuss this with customers.

TOP TIP: Obtaining documentation buildings insurance at customer appointments, and sending this in with applications or having it available if requested by more2life, could enable more2life to confirm that level of insurance is acceptable without the need for related mortgage conditions. This may also remove the need for the customer's solicitor to provide this later in the application process.

What happens if this special condition is included in a mortgage offer?

If no re-instatement figure is provided by the valuer more2life will require a report from a person with the appropriate qualifications to confirm the re-instatement figure (see acceptable qualifications listed further below).

If a re-instatement figure is provided by the valuer then there may be a variance in requirements depending on the product range. Please contact more2life for specific details.

If customers are struggling to obtain specific wording/one liner from insurers more2life can sometimes extract information from the policy and use this to rationale and satisfy their requirements.

Solicitors must be aware that if the property is outside the standard RICS rebuild model then the customer must appoint a person with the appropriate specialist knowledge who should be consulted to provide a buildings insurance reinstatement figure. This is required for review prior to completion.

Please note the buildings insurance requirement figure must be provided by someone with the qualifications as per below:

- FRICS
- MRICS
- MICE
- MIStructE
- CIOB

Apartment/Flats Buildings;

If the property is outside the standard RICS rebuild model, the management company must confirm that they have previously appointed a person with the appropriate specialist knowledge to provide a BCIS Insurance reinstatement figure and that the property is insured based on this figure. This is required for review prior to completion.

For more information

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