

## Summary policy variations for adverse applications

Policy variations	
Maximum LTV	Depends on underwriter assessment.
Minimum eligible property value	£200,000 (London and South East) £100,000 (all other England and Wales postcodes)
Minimum advance	£60,000. Portfolios at underwriter's discretion.
Maximum loan size (per property)	£750,000 (London and South East) £500,000 (all other England and Wales postcodes) Larger advances by exception
Maximum loan size (portfolios)	£2,500,000. Larger advances by exception.
Valuation basis	RICS 180 day sales period or purchase price (if within 12 months) whichever is the lesser.
Debt service	All available rental income (per stress test) to be used to service mortgage interest. In excess of this serviced layer, roll-up is permissible at underwriter's discretion.
Lien	First and second charge considered. Second charge lending would typically be limited to customers with lighter levels of adverse other than by exception. Second charge rate to be first charge rate plus circa 200 basis points. Where we agree to go second the relevant mortgage account must have been: <ol style="list-style-type: none"> <li>1. With the same lender for at least 12 months</li> <li>2. Arrears free for 12 months.</li> </ol>
Portfolio landlords	Yes - portfolio landlords are eligible and will be considered on a case by case basis.
Personal guarantees	Where a loan is to a company and one or more of the shareholders / directors has adverse credit experience, all eligible individuals must provide joint and several guarantees.
Nationality	British only
Residence	UK only
Product	Fixed rate only (other than SVR at maturity) with a term not to exceed three years unless by exception.
Rental income coverage test	Individual (basic rate taxpayer) or Limited Company application: 115% of payrate. Individual (higher rate taxpayer): 115% of payrate or 7.98%, whichever is higher. We take a flexible and pragmatic approach to assessing a client's income and / or financial resources which can be used to supplement rental income to maximise potential borrowing.
Loan purpose	With the exception of customers with lighter levels of adverse, we expect applicants to be using Castle Trust Bank loans to refinance, reschedule or rationalise existing borrowing rather than increasing net borrowings / leverage. We will require a clear statement of the use of funds and may require the solicitor at completion to redeem specified borrowing with the proceeds of our loan.