

Bankruptcy & IVA
Back in stock!

> Residential and Buy to Let product guide

For Advisers only
July 2017

We're a specialist mortgage lender with a simple ambition – to help more of your customers get an affordable mortgage.

Whats new

- Fixed rates increased
- Bankruptcy/ IVA loading reduced



BLUESTONE.
MORTGAGES

> Adverse Credit Categories for Residential and Buy to Let

Select the profile that best fits your customer's unique situation

We'll need a written explanation of any adverse credit. A core part of our responsible lending philosophy is to understand what caused the problems and make sure the new mortgage payments are affordable.

Credit Category		Clear	AAA	AA	A	BBB
Defaults	Number	1 (Satisfied) in 36 months	1 in 36 months	2 in 36 months	3 in 36 months	4 in 36 months
	Values	< £250 ignored (even if in last 6 months)				
	Recency	0 in last 6 months; > 36 months ignored				
CCJ's Number	Number	0 in 36 months	1 settled in 36 months	1 in 36 months	2 in 36 months	3 in 36 months
	Values	< £250 ignored (even if in last 6 months)				
	Recency	0 in last 6 months; > 36 months ignored				
Mortgage/Rent Arrears Full or some of the parts	Number	0 in 13 - 24 months	1 in 13 - 24 months	2 in 13 - 24 months	3 in 13 - 24 months	4 in 13 - 24 months
	Recency	0 in 12 months				
Bankruptcy/DRO or IVA	Discharge	> 6 years	> 3 years	> 3 years	> 3 years	> 3 years
Unsecured Loan Arrears	Current	Maximum of 1 current arrears <£500 balance				
	Last 6 months	Maximum of 2 in last 6 months				
Debt Management Plans	Conduct	Must be due to a life event and conducted satisfactorily				
	Recency	OK if still in operation and can remain				
Pay Day Loans	Conduct	Must be due to a life event and conducted satisfactorily				
	Recency	0 in last 12 months of date of DIP				

If your customer fits into more than one credit category, then use the highest level of adverse credit category. For example, Defaults put them in "AAA," but CCJ's put them in "A," then use category "A."



We'll make our decisions based on your customer's unique circumstance – we don't credit score.

> Residential and Buy to Let Products

Rate Term	Up to LTV	Clear	AAA	AA	A	BBB	Fee	Reversion Rate
2 Year Fixed	60%	4.09%	4.39%	4.69%	5.39%	5.44%	£1,495	BVR + 4.0%*
	65%	4.19%	4.49%	4.79%	5.54%	5.79%	£1,495	BVR + 4.0%*
	70%	4.29%	4.59%	4.89%	5.69%	6.04%	£1,495	BVR + 4.0%*
	75%	4.49%	4.74%	5.09%	5.84%		£1,495	BVR + 4.0%*
	80%	4.74%	5.09%	5.44%			£1,495	BVR + 4.5%*
	85%	5.14%					£1,495	BVR + 4.5%*
Rate Term	Up to LTV	Clear	AAA	AA	A	BBB	Fee	Reversion Rate
3 Year Fixed	60%	4.23%	4.54%	4.85%	5.56%	5.61%	£1,495	BVR + 4.0%*
	65%	4.32%	4.63%	4.94%	5.70%	5.96%	£1,495	BVR + 4.0%*
	70%	4.41%	4.73%	5.04%	5.86%	6.20%	£1,495	BVR + 4.0%*
	75%	4.61%	4.87%	5.22%	6.05%		£1,495	BVR + 4.0%*
	80%	4.85%	5.21%	5.57%			£1,495	BVR + 4.5%*
	85%	5.25%					£1,495	BVR + 4.5%*
Rate Term	Up to LTV	Clear	AAA	AA	A	BBB	Fee	Reversion Rate
5 Year Fixed	60%	4.50%	4.84%	5.17%	5.92%	5.96%	£1,495	BVR + 4.0%*
	65%	4.58%	4.91%	5.24%	6.05%	6.28%	£1,495	BVR + 4.0%*
	70%	4.66%	5.00%	5.32%	6.17%	6.59%	£1,495	BVR + 4.0%*
	75%	4.86%	5.13%	5.50%	6.29%		£1,495	BVR + 4.0%*
	80%	5.10%	5.47%	5.85%			£1,495	BVR + 4.5%*
	85%	5.50%					£1,495	BVR + 4.5%*
Rate Term	Up to LTV	Clear	AAA	AA	A	BBB	Fee	Reversion Rate
Term Variable Rate	60%	3.79% (2.29% + BVR*)	4.09% (2.59% + BVR*)	4.39% (2.89% + BVR*)	5.09% (3.59% + BVR*)	5.19% (3.69% + BVR*)	£1,495	
	65%	3.89% (2.39% + BVR*)	4.19% (2.69% + BVR*)	4.49% (2.99% + BVR*)	5.24% (3.74% + BVR*)	5.54% (4.04% + BVR*)	£1,495	
	70%	3.99% (2.49% + BVR*)	4.29% (2.79% + BVR*)	4.59% (3.09% + BVR*)	5.39% (3.89% + BVR*)	5.79% (4.29% + BVR*)	£1,495	
	75%	4.19% (2.69% + BVR*)	4.44% (2.94% + BVR*)	4.79% (3.29% + BVR*)	5.54% (4.04% + BVR*)		£1,495	
	80%	4.44% (2.94% + BVR*)	4.79% (3.29% + BVR*)	5.14% (3.64% + BVR*)			£1,495	
	85%	4.84% (3.34% + BVR*)					£1,495	

Buy to Let	Max 80% LTV	For Buy to Let Rates, add 0.25% to any rate in the above tables				2%	Buy to Let
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Bankruptcy/DRO/IVA	A loading of 1% applies to customers that have had an IVA/Debt relief order or been Bankrupt.					Bankruptcy/DRO/IVA
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Bluestone Standard Variable rate "BVR"	1.50%	The rate does not have a direct link to the Bank of England Base Rate (BBR), which is also reviewed monthly. Typically the BVR will move in line with BBR changes, but could also go up or down at any other point in time, as this is a variable rate set by Bluestone Mortgages and reviewed monthly.	ERC	Year 1	Year 2	Year 3	Year 4	Year 5
			2 Year Fixed	3%	2%			
			3 Year Fixed	3%	2.50%	2%		
			5 Year Fixed	3%	2.50%	2%	1%	0.50%
			Term Variable	1.50%	1%	0.50%		

> Residential and Buy to Let Income Criteria



	Criteria	Evidenced by
Employed	<ul style="list-style-type: none"> Permanently employed, in continuous employment for more than 1 year and in current role for more than 3 months 	<ul style="list-style-type: none"> 3 months payslips and P60 Details of last 2 years employment 3 months bank statements
	Bonus <ul style="list-style-type: none"> Up to 75% of the average earned in last 2 years 	Bonus <ul style="list-style-type: none"> 2 years P60 or employment reference
	Commission/Overtime/Shift Pay <ul style="list-style-type: none"> Up to 75% of the average earned in last 3 months 	Commission/Overtime/Shift Pay <ul style="list-style-type: none"> 3 months payslips if regular
	Car allowance/Location allowance <ul style="list-style-type: none"> Up to 100% if guaranteed Nil if not guaranteed 	Car allowance/Location allowance <ul style="list-style-type: none"> 3 months payslips

	Criteria	Evidenced by
Self Employed	<ul style="list-style-type: none"> Minimum 12 months trading history For Sole Traders we'll accept net profit For Partnerships we'll accept their share of net profit Directors Pension/Car Allowance and Home Office Use included 	<ul style="list-style-type: none"> Accountant's certificate, Tax Returns, SA302's, Audited Accounts 6 months business bank statements 6 months personal bank statements

	Criteria	Evidenced by
Contractors	<ul style="list-style-type: none"> Calculated as day rate x 5 x 48 Minimum of 3 months left on contract. Less than 3 months accepted subject to 12 months history in same industry, and written confirmation from employer that contract will be renewed for a further 3 months before completion Gap of up to 6 months accepted If temporary, must have worked in same capacity for at least the last 3 years 	<ul style="list-style-type: none"> Copy of current contract and where applicable previous contract(s) 3 months bank statements

Other Income	Criteria	Evidenced by
Maintenance	Up to 100% if received and evidenced for last 6 months	CSA orders or 6 months bank statements
Casual income	Up to 100% if received and evidenced for last 6 months	6 months payslips and 6 months bank statements
Directors/partners fees	Up to 100%	Tax returns and 6 months bank statements
Investment income	Up to 100% if guaranteed and sustainable	Solicitors/Accountant/Trust administrator verification
Pension income	Up to 100%	<ul style="list-style-type: none"> Pension statement/letter or Tax return 3 months bank statements
Second jobs	Must be permanent and been in role for 6 months	<ul style="list-style-type: none"> 3 months payslips and P60 3 months bank statements
Working Family Tax Credits	Up to 100% if there is a minimum of 3 years left	Latest award letter and 3 months bank statements
Other income we won't take into account	Statutory Sick Pay, Occupational Sick Pay, Self Certified Income	
Lending into retirement	Accepted	Affordability and sustainability of income
Rental income	50% of gross rental income received	6 months rental statements, signed AST or bank statements showing 6 months rental income

> Buy to Let Criteria

	Buy to Let	Criteria
	Max Aggregate Loan within Bluestone	£1,000,000
	Affordability calculation	100% affordability including 50% of Net rent added as income
	BTL type	Regulated, Unregulated, First Time Landlords, First Time buyers
	Company Applications/Limited companies/ Overseas companies/SPV companies	Not accepted
	Maximum tenancy term	12 months
	Minimum tenancy term	6 months
	HMO's	Not accepted
	Maximum number of households	1
	All tenants party to the agreement	Yes
	DSS/Local Authority/ Assured shorthold tenancy	Yes
	Housing Association/Sitting tenant/ Company let/Holiday let	Not accepted
	Students	On Single AST only

> Property Criteria

	Property	
	Value/Purchase Price	Minimum £75,000 Maximum £2,000,000 depending on location
	Location	England and Wales only
	Tenures not accepted	Flying freeholds of more than 10% of floor area, Commonhold, Leaseholds with less than 30 years left at end of term, Freehold flats
	Construction types not accepted	Gypsum plaster, Concrete, High alumina cement, Mundic block, Seco/Prefabricated, Steel framed/clad, Timber framed/clad, Modern methods of construction
	Other issues not accepted	Asbestos, Leased solar panels, Japanese knotweed, Restrictive covenants
	Types not accepted	Ex-local authority flats, Flats with more than 5 floors and no lift, Flats with more than 10 floors, Studio flats, Flats directly above commercial premises (without 1 clear floor separating), Grade 1 Listed (England/Wales), Repossessions, Restrictive covenants, Annexes not for immediate family use, Houseboats, Mobile homes, Conversions, Properties with ongoing structural movement, Defective properties, Properties affected by local planning issues, HMO's, Caravans, Static homes, Repossessed properties, Properties with over 40 acres of land
	Other properties not accepted	Holiday lets, Bed and breakfast, Properties with more than 1 kitchen (2 allowed if 1 in annexe)
	New Build warranties accepted	NHBC, Project Builders structural guarantee certificate, Zurich Municipal, BLP, CRL Management Ltd, LABC New Home Warranty, Castle 10 provided by Checkmate and Build Assure

> Residential and Buy to Let Valuation Fees and Application Criteria



Valuation Fees

Property value	Valuation report only	Valuation report plus Homebuyers Report	Valuation report plus Building Survey
£75,000 - £150,000	£175	£445	£735
£150,001 - £200,000	£200	£500	£830
£200,001 - £250,000	£225	£555	£870
£250,001 - £300,000	£250	£615	£910
£300,001 - £350,000	£275	£660	£960
£350,001 - £400,000	£300	£700	£1,020
£400,001 - £450,000	£325	£745	£1,070
£450,001 - £500,000	£350	£775	£1,125
£500,001 - £600,000	£485	£870	£1,250
£600,001 - £700,000	£585	£965	£1,380
£700,001 - £800,000	£650	£1,085	£1,500
£800,001 - £900,000	£710	£1,210	£1,625
£900,001 - £1,000,000	£825	£1,335	£1,750
£1,000,000 +	Price available on request	Price available on request	Price available on request



Loan

Loan	Criteria
Term	15 - 30 years
Loan Amount	£50,000 - £1,000,000
Repayment Type	Repayment only
Mortgage Schemes not accepted (Not Buy to Let)	Help to Buy/Homebuy/ Key Worker Scheme/Properties held in trust/Right to Buy/ Shared Equity/Shared Ownership/Self Builds
Deposit	From own resources or gifted from close relative
Portability	Not portable
Fees	Fees can be added to the loan up to product LTV



Applicants

Applicants	Criteria	Evidenced by
Maximum per application	4	
Age at application	20 - 65	
Residency	Permanent UK residency rights, resident in UK for at least 1 year	Proof of rights to reside
Applicants not accepted	Guarantors/Expats/Diplomats	

FEE'S ASSISTED RESIDENTIAL REMORTGAGES WITH NO RATE INCREASE

We'll appoint a solicitor and pay basic legal fees and one standard valuation. Customers will need to pay additional charges to upgrade to Homebuyers or Building Surveys. Free basic legal fees not available for unencumbered properties, Transfer of Equity, debt consolidation or where Independent legal advice is needed.



Residential Highlights

- Up to 85% LTV
- Fee's assisted Remortgages with no rate increase
- CCJ's & Defaults less than £250 ignored
> 36 months ignored
- Debt Management Plans accepted
- IVA/Bankruptcy/DRO back in stock



Buy to let Highlights

- Up to 80% LTV
- 100% affordability based
- First time landlords accepted
- First time buyers accepted
- No credit scoring
- Market leading adverse criteria

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