

# Later Life Mortgages

## Suitability Criteria

Legal & General are a specialist mortgage lender in the later life mortgage market. Loans will only be advanced when Legal & General have completed full and thorough investigations to ensure validity of the applicant and suitability of security. **For the Legal & General Retirement Interest Only (RIO) or Payment Term Lifetime mortgage there will be a requirement to assess affordability.**

Compliance with these criteria does not imply a guarantee of a mortgage and Legal & General reserve the right at our absolute discretion to add or change these criteria at any time.

Property Types		
Criteria	Physical Valuations	Desktop Valuations
Houses and Bungalows that are acceptable as mortgage security to a bank or building society	✓	✓
Second homes that aren't the main residence	✗	✗
Properties in England and Wales and mainland Scotland	✓	✓
Properties in the Isle of Wight	Considered	Considered
Other Isles; Northern Ireland, Scilly Isles, Isle of Man and the Channel Isles	✗	✗
Minimum Property Value – Houses and Bungalows	£70,000	£100,000
Minimum Property Value – Flat, Studios, Maisonettes and ex-local authority, ex-housing association and ex-MoD	£100,000	£100,000
Maximum Property Value	£2,000,000 (£1,000,000 for studio flats) Refer cases above this	£2,000,000 (£1,000,000 for studio flats)
<ul style="list-style-type: none"> <li>Flats, Studios and Maisonettes</li> <li>Studio flats must have a minimum internal measurement of 30m<sup>2</sup> with their own bathroom and kitchen (which can be in the same room)</li> </ul>	✓	✗
All Bed-sits and Studios under 30m <sup>2</sup>	✗	✗
Flats above or below commercial properties, or properties adjacent to commercial properties: For information on classification of commercial properties see <a href="https://legalandgeneral.com/adviser/further-details">legalandgeneral.com/adviser/further-details</a>	Considered	✗

## Property Types continued

Criteria	Physical Valuations	Desktop Valuations
<ul style="list-style-type: none"> <li>Flats: Up to 5 storeys with no lift, flat must be located on floor 3 and below.</li> <li>Flats: Located up to and including the 10th floor with a lift. Flats in blocks over 10 storeys can be considered.</li> </ul>	✓	✗
Freehold flats	✗	✗
Flats/maisonettes with no block building insurance	✗	✗
External Wall Systems (cladding) <ul style="list-style-type: none"> <li>Rating A1 or A2</li> </ul>	✓	✓
External Wall Systems (cladding) <ul style="list-style-type: none"> <li>Rating B1, B2 or A3</li> </ul>	✗	✗
Age restricted properties	✓	✗
Sheltered housing	Considered	✗
Re-sale fee exceeds 3% of the property value	✗	✗
Service charge and Ground Rent combined exceed 2.5% of the property value	✗	✗
New build properties are defined as properties up to two years old or being occupied for the first time with NHBC Certificate, Building Warranty, or acceptable Professional Consultant Certificate  Details of acceptable New Build Warranties can be found at <a href="https://legalandgeneral.com/adviser/further-details">legalandgeneral.com/adviser/further-details</a>	✓	✗
Properties between two–ten years old with NHBC Certificate, Building Warranty or acceptable Professional Consultant Certificate  Details of acceptable New Build Warranties can be found at <a href="https://legalandgeneral.com/adviser/further-details">legalandgeneral.com/adviser/further-details</a>	✓	✓
Properties in poor state of repair or in need of full refurbishment; or properties deemed unacceptable by a valuer due to major restrictions on saleability	✗	✗
Certain properties upon agreement that repair works will be carried out upon completion or receipt of the monies	Considered	✗
Properties without mains water, or have water supplied from a Bore Hole or private water source	Considered	✗
Annexes:		
<ul style="list-style-type: none"> <li>Sharing or on separate council tax banding. No separate services. Annexe is either empty at completion or occupied by a maximum of 2 family members (more than 2 to be referred) or a contracted live-in carer, each of whom signs a Deed of Consent. Annexe to be less than 50% of the main property footprint.</li> <li>With separate council tax banding can be considered but must be part of the main legal title and have no separate services</li> </ul>	✓	✗

## Property Types continued

Criteria	Physical Valuations	Desktop Valuations
Properties defective under the 1984 housing act	×	×
Properties with Buildings Insurance with onerous terms or excesses	×	×
Properties: <ul style="list-style-type: none"> <li>• With onerous restrictive covenants (i.e. agricultural ties)</li> <li>• Where spray foam insulation has been applied in the loft space</li> <li>• Which have flooded in the last five years, or where our flood risk data indicates a higher risk of flooding</li> <li>• Subject to Equity share schemes</li> <li>• Structural movement underpinned in the last five years</li> <li>• Progressive structural movement</li> </ul>	×	×
Japanese Knotweed: <ul style="list-style-type: none"> <li>• Within 7 metres of boundary but more than 7 metres away from habitable spaces, conservatory and/or garage of the property</li> </ul>	✓	×
Solar Panels – owned	✓	×
Solar Panels – Air space lease: The lease needs to meet our requirements. The requirements have taken a broader approach to those implied by UK Finance	✓	×
Properties that have been extended by more than 50% of the original floor area	✓	×
Caravans or Park Homes	×	×

## Property Tenure

Criteria	Physical Valuations	Desktop Valuations
Freehold or Leasehold. Absolute ownership in Scotland. For leasehold, age of the youngest applicant at completion, plus remaining lease term, must be at least 175 years	✓	✓
Properties with up to 15% flying freehold	✓	✓
England and Wales Grade 2; Scotland Grade C Listed Buildings	✓	×
England and Wales Grade 2* Scotland Grade B Listed Buildings	Considered	×
England and Wales Grade I and Scotland Grade A Listed Buildings	×	×

## Construction

Criteria	Physical Valuations	Desktop Valuations
Timber framed properties built after 1960	Considered	✓
Timber framed properties built before 1900	Considered	✗
Timber framed properties built between 1900–1960	✗	✗
Brick and solid stone	✓	✓
Steel framed built before 2001 or steel-clad properties	✗	✗
Wimpey no fines or Mundic properties with current A1 category report held	✓	✓
<ul style="list-style-type: none"> <li>Other types of concrete; Prefabricated reinforced concrete (PRC) and non A1 Mundic concrete or High Alumina cement properties</li> <li>Large panel systems (LPS)</li> </ul>	✗	✗
Standard Construction	✓	✓
Single Skin Construction in single storey walls up to 20% maximum of exterior wall area. Older properties may contain elements within a wall of single skin construction such as herringbone brick or wattle and daub in-fill of oak timber framing. Such properties should be considered on their merits, depending on the comments made by the Valuer.	✓	✗
Single skin construction of the full building, above ground floor or housing habitable rooms	✗	✗
Tiled or Slate roof building	✓	✓
<ul style="list-style-type: none"> <li>Property originally built with a flat roof</li> <li>Property with a flat roof where 50% or more of the roof forms part of an extension</li> </ul>	Considered	✗
Thatched roof buildings	✗	✗

## Land

Criteria	Physical Valuations	Desktop Valuations
Any property that is up to 10 acres	✓	✓
Any property that is above 10 acres	Considered	✗
Properties: <ul style="list-style-type: none"> <li>Near or including contaminated land or waste</li> <li>Where the access is shared with a family member or a commercial business, they also own</li> <li>Where any part of the property is used for farming (arable or pastoral), providing any form of commercial income including renting of land to other parties</li> <li>Where livestock are being kept for commercial purposes</li> <li>Small holdings</li> </ul>	✗	✗
<ul style="list-style-type: none"> <li>Any property where livestock are kept for non-commercial gain</li> </ul>	Considered	✗

## Occupancy

Criteria	Physical Valuations	Desktop Valuations
Up to two lodgers may reside in the property. A lodger is a person who pays rent in return for accommodation which includes sharing a kitchen, bathroom, and other communal areas	✓	✓
If family or friends live in the property with the applicants, they will need legal advice and must sign a deed of consent	Considered	Considered
Where a tenancy agreement exists, or a lodger has independent facilities	✗	✗
If applicants share ownership of the property with a third party (for example, the developer) they must have the third party's interest discharged before completion	✓	✓
Pre-emption for current market value	Considered	Considered
Buy-back clause or pre-emption relating to the property being sold	✗	✗
Bed and Breakfast where the property has not been modified and has no paid employees	Considered	✗
Commercial use at the property: <ul style="list-style-type: none"> <li>The property must be occupied and used exclusively by the applicant for their own business purpose</li> <li>The surveyor must be able to value the property on a residential basis ignoring any business use</li> <li>The property must be capable of being sold as a standard residence without extensive modification and expense</li> <li>The surveyor must be aware of the full usage of the property at the time of instruction</li> <li>The property must be wholly or predominantly classified as residential under planning legislation</li> </ul>	✓	✗

## Power of Attorney

Criteria	Physical Valuations	Desktop Valuations
Property and Financial LPA submitted with ID and Residency Proof for Attorney. Please refer to sales support for further guidance	✓	✓
<ul style="list-style-type: none"> <li>Health and Welfare Lasting Power of Attorney or Scottish equivalent</li> <li>Spousal LPA</li> <li>Same attorney acting for both applicants</li> </ul>	✗	✗

**It is not possible to list all applicant and property types. We may consider or decline applicants or properties not listed here. PLEASE NOTE: Our underwriter's decision is final.**

## Applicant Suitability

Criteria	OPLM & IRLM Mortgages	PTLM and RIO Mortgages
Affordability assessed	N/A	Please see product Lending Policies: <a href="#">PTLM</a> <a href="#">RIO</a>
Consider applicant suitability for valuation selection based on Government Covid-19 Guidelines	Refer to Property Valuation Guide	Refer to Property Valuation Guide
Applicants must be a minimum of 55 (50 for PTLM) years and if two applicants, the youngest must be a maximum of 90 (74 for PTLM) years at the time of application and complete within 6 months of the youngest borrower turning 91. (For PTLM this must be a minimum payment term of 1 yr).	✓	✓
Maximum number of two applicants	✓	✓
Applicants must own and reside in the property as their main residence	✓	✓
Applicants who are married or in a civil partnership must apply in joint names. If the property is owned by one of them, then the spouse or civil partner who is not on the title deeds will need legal advice to be added to the title deeds and mortgage	Unmarried cohabiting partners are acceptable with independent legal advice and a Deed of Consent	Unmarried cohabiting partners need to be added to the title deeds and mortgage
Applicants who have leased the property to any third party	✗	✗
For re-mortgages, at application at least one applicant must have owned and lived in the property for at least 6 months	N/A	✓
Joint tenancy or tenants in common	✓	✓
Properties held in trust	✗	✗
Applicants must be UK nationals or Foreign nationals must have indefinite leave to remain in the UK. We may ask for evidence of this.	✓	✓
Credit and voters roll searches: incorporating a three-year check on the applicant(s) address history will be carried out on all applicants	✓	✓
Missed Payments:	N/A	<ul style="list-style-type: none"> <li>currently up to date with credit commitments</li> </ul>
<ul style="list-style-type: none"> <li>secured loans and/or rental payments</li> </ul>	N/A	<ul style="list-style-type: none"> <li>no missed payments in last 12 months</li> </ul>
	N/A	<ul style="list-style-type: none"> <li>no more than one missed payment in last 24 months</li> </ul>
<ul style="list-style-type: none"> <li>unsecured loans</li> </ul>	N/A	<ul style="list-style-type: none"> <li>max one missed payment in last 12 months</li> </ul>

**Applicant Suitability** continued

Criteria	OPLM & IRLM Mortgages	PTLM and RIO Mortgages
County Court Judgements	Up to 4 CCJ's (no unsatisfied charging orders)	<ul style="list-style-type: none"> <li>• Maximum 2</li> <li>• Total amount &lt;£500</li> <li>• Registered more than 36 months ago</li> <li>• Satisfied within 6 months of registration</li> </ul>
Defaults	N/A	Maximum one (registered within last 36 months) total amount not exceeding £150
Bankruptcy/IVA/Sequestration	Discharged/satisfied before application	<ul style="list-style-type: none"> <li>• Discharged/satisfied for a minimum of 72 months</li> <li>• No further adverse credit since IVA</li> </ul>
Applicants with any arrears currently outstanding on any credit commitments	✓	✗
Applicants who have missed more than one unsecured loan payment in the last 12 months	✓	✗
Debt Management Plan	✓	If satisfied for at least 72 months
Applicants who have had a Re-Possession take place	✗	✗
Debt Consolidation	✓	Up to £30,000
Applicants who have taken out a Payday Loan or Home Credit Loan	✓	✗

## For more information

Visit [legalandgeneral.com/adviser/over-50s-mortgages/](https://legalandgeneral.com/adviser/over-50s-mortgages/)

Call us on **03330 048 444**

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