



# Full Criteria Guide

**tandem**

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VERSION 2.1

For intermediaries only

# Full Criteria Guide

## Offer validity

- 6 months from the date of offer for a purchase application
- 3 months from the date of offer for a remortgage application
- On expiry we require a rescore and reunderwrite of the application. Please contact us for confirmation of next steps.

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## New build properties are defined as

- Where construction is complete and/or where property has been first occupied within the previous 2 years
- No more than 10% exposure on one new build site

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## New Build

- Maximum 85% LTV for houses
- Maximum 75% LTV for flats

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## First Time Buyers are defined as

- Someone who has previously never had a mortgage OR
- Someone with no mortgage in last 36 months
- 3 months personal bank statements required for ALL tiers

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## LTV is calculated based on

- The lower of the purchase price or
- The open market value

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## Proof of deposit

- 6 month history required, except where the deposit is being funded by equity in the existing residential property (which is validated by Tandem's solicitors)

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### Acceptable Sources of Deposits are

- Equity from sale of property
- Savings, Investments, Shares, or Inheritance
- Family Gifted Deposit
- Family Gifted Equity
- Assisted deposits such as builder deposit and builder incentive
- Personal Loan (cannot be provided by any Tandem Group product)

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### Gifted deposits from family Members are subject to

- A completed gifted deposit form

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### Purchases undervalue and gifted equity transactions are only permitted where the donor is a family member and are subject to

- Receipt of a gifted equity form
- Declaration of solvency from the vendor – this is required to ensure that the vendor is not bankrupt or approaching bankruptcy
- Vendors must have owned property they are selling for minimum 6 months

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### Where the source of deposit is by a personal loan

- Copy of the credit agreement confirming the amount borrowed and monthly repayments
- The monthly payments factored into the affordability assessment

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### Applicant is married or co-habiting

- The loan must be in joint names unless there is a plausible reason to proceed in sole name, e.g., the existing property is currently owned in sole name

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## Where the property is/or to be registered in a sole name of one applicant, is acceptable subject to

- Both borrowers residing in the property
- ILA for the applicant who is not a registered owner (cannot be obtained via remortgage free legal)

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## Unsecured loans/HP

- Any unsecured loans/HP with 3 months (6 for purchase) left to run can be ignored from the affordability assessment
- Extra care should be taken where HPs are concerned as some car leases will be expected to be renewed/continued
- The time remaining must be calculated by taking the outstanding balance divided by the monthly instalment

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## Debt Consolidation and Purchases

- Debt consolidation is only available on remortgage applications
- However, on purchase applications, Tandem may consider accepting a solicitor's undertaking to evidence that an account will be settled on completion which can therefore be ignored from the affordability calculation
- Tandem may request evidence that the account was settled post completion of the loan
- For accounts where a monthly payment is used for affordability purposes, Tandem allows the account to be part settled but only ignores the remaining balance if it equates to less than 3 months (6 for purchase) payments

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## Legal Representation

- Where Tandem is lending to purchase the property it is a standard legal process
- Where Tandem is lending to remortgage the property, we will provide standard lender only legal and cover the costs of consolidating any credit. If the applicant requires representing in any way, they must be represented by his or her own solicitor, legal executive, or licensed conveyancer

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## The following properties are not accepted

- Properties containing Mundic Block materials (unless classified as class A1, A2 or A3, and there is a valid report completed in accordance with the 2nd edition {or later} of the RICS Guidance Note – The Mundic Problem)
- Steel framed houses built prior to the year 2000.
- Timber framed properties built prior to 1970. (Properties built in 1970 or later are acceptable if they have a masonry outer skin)
- Properties with significant areas of single skin construction, for example half brick thick, less than 225mm or other types of insubstantial material considered to adversely affect saleability, thermal and/or structural performance.
- Large panel construction for flats.
- Timber framed properties with retrospective cavity fill.
- If non standard construction please refer prior to submission.

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## LTV / Consolidation Limits

- ✓ Maximum 90% LTV up to £499,999 for purchase and remortgage
- ✓ Maximum 85% LTV up to £624,999 for purchase and remortgage
- ✓ Maximum 80% LTV up to £750,000 for purchase and remortgage
- ✓ Maximum £60,000 unsecured debt consolidation for remortgages

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## Fair View Credit Assessment

- ✓ We base our credit assessment on 24 months
- ✓ We look at credit conduct per applicant not per application

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## CCJs and Defaults

- ✓ We review the number of CCJs and Defaults not the value
- ✓ CCJs and Defaults do not need to be satisfied
- ✓ CCJs & Defaults for utility and communications providers with a value of <£350 are not used to determine the product tier
- ✓ Provided the applicant meets Tandem's score, and product tier criteria, there is no cascade

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## Secured & Unsecured Arrears / Missed Payments

- ✓ Mortgage and secured loan arrears considered
- ✓ Secured arrears are assessed on missed payments. 1 late payment on one account is allowed before tier cascade
- ✓ Unsecured arrears are assessed on worst status basis. 1 late payment on one account is allowed before tier cascade

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## Income / Affordability

- Up to 100% of consistent monthly or quarterly bonus and commission considered
- Up to 100% of consistent monthly or quarterly overtime, shift and car allowance considered
- CIS contractors considered
- Up to 100% of second income considered (minimum of 6 months in the role)

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## Debt Management Plans / Bankruptcy / IVA

- >36 month discharged bankruptcy considered
- >36 months discharged IVA considered
- Debt management plans must be satisfactorily satisfied > 12 months ago

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## And there's more

- No Application fee
- No valuation fee for remortgages up to £700,000
- Free standard lender-only legal fees for remortgages
- Broker fee of £2,495 or 8% plus Tandem's lender fee can be added to the loan with no interest charged
- Fees can be added above max LTVs (subject to affordability)
- Residential EPC discounts of up to 0.30% for EPC A, & B rated properties
- Further advances considered after 6 months
- Rates reserved for 7 days after accepted DIP & ESIS produced

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	T0 - 90%	T1 - 90%	T2 - 85%	T3 - 80%
CCJs	0 in 24 months	1 in 24 months with 0 in 3 months	2 in 24 months with 0 in 3 months	3 in 24 months with 0 in 3 months
	CCJs for utility and communications providers with a value of <£350 are not used to determine the product tier. CCJs do not have to be satisfied but any balances over £2,000 will need to be referred and explained to an underwriter			
Defaults	0 in 24 months	1 in 24 months with 0 in 3 months	2 in 24 months with 0 in 3 months	3 in 24 months with 0 in 3 months
	Defaults for utility and communications providers with a value of <£350 are not used to determine the product tier. Defaults do not have to be satisfied but any balances over £2,000 will need to be referred and explained to an underwriter			
Unsecured account conduct	Highest Status 0 - 24 months = 0	Highest Status 0 - 6 months = 0 7 - 24 months = 1	Highest Status 0 - 6 months = 1 7 - 24 months = 2 Current status = 1	Highest Status 0 - 6 months = 2 7 - 24 months = 3 Current status = 2
	1 late payment on one account is allowed before tier cascade. Utility and communications providers are not used to determine the product tier			
Mortgage / secured loan conduct	Missed Payments 0 - 24 months = 0	Missed Payments 0 - 6 months = 0 7 - 24 months = 1	Missed Payments 0 - 6 months = 0 7 - 24 months = 2 Current status = 1	Missed Payments 0 - 6 months = 0 7 - 24 months = 3 Current status = 1
	1 late payment on one account is allowed before tier cascade			
Discharged IVA / Bankruptcy / DRO	None ever	None in 6 years	> 36 months discharged on IVA & Bankruptcy	> 36 months discharged on IVA & Bankruptcy
Debt Management Plans	None ever	None ever	None ever	Accepted subject to completed satisfactorily > 12 months ago
Pay Day Loan	None in the last 12 months	Max 3 in last 12 months Max 1 currently active	Max 3 in last 12 months Max 1 currently active	Max 3 in last 12 months Max 1 currently active
Max loan	£624,999 - 85% LTV £499,999 - 90% LTV	£624,999 - 85% LTV £499,999 - 90% LTV	£500,000 - 85% LTV	£500,000 - 80% LTV

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Max Loan Advance / LTV	<b>Tier 0</b> £624,999 - 85% £499,999 - 90%	<b>Tier 1</b> £624,999 - 85% LTV £499,999 - 90% LTV	<b>Tier 2</b> £500,000 <85%	<b>Tier 3</b> £500,000 <80%
Term	Min: 5 Years Max: 35 Years			
Affordability	Our maximum LTI is x5 inclusive of fees added to the loan			
Maximum LTV	90% LTV			
Repayment	Capital and Interest.			
Age	Min age: 21 Max age: 70 (Loan must be repaid before the borrowers 70th birthday)			
Residential status	3 Years address history			
Nationality	UK resident Non-UK residents must have indefinite rights to remain or permanent settlement			
Maximum applicants	2			
Employed	Minimum of 1 month in current job with 12 months continuous employment			
Contract	There must be a minimum of 6 months remaining on the applicants current contract at the time of offer. Where there is less than 6 months remaining, evidence of a renewal or extension that takes it past 6 months must be provided			
Agency	Agency workers who have been with the same agency for 12 months or more			
Self-employed	Minimum of 2 years trading. We use an average of the last two years income for affordability, or the most recent year if this is lower.			
Minimum property value	£75,000			
Locations considered	England and Wales only			
Remortgage AVM	AVM up to 75% LTV subject to: • No Flats • Min confidence level 5 • Property purchased/remortgaged in last 5 years RICS Full valuation up to max LTV			
Purchase valuations	A physical valuation for all purchases is required. Please refer to our valuation fee scale			

## Validity Periods

Decisions in Principle valid for 7 Days.

Decision in Principle to Offer - Documents and Credit Search are valid for 60 Days. After 60 Days a new Credit Search will be required. New Payslips and other documents may also be required.