

Equity Release

Lending Policy Guide

This is a guide to the types of property that we'll lend on. Some properties will need to be referred for individual underwriting and all of our decisions are reliant on the property completing an appropriate valuation and our valuer judging the property to be structurally sound and in habitable condition.

Please note:

This is not an exhaustive list so if you have any specific queries then please refer to our full Lending Policy, call **0800 028 8974** or email **ERUnderwriting@LV.com**

Standard Criteria: Applicant

We'll lend to an applicant who:

- is aged between 60 and 95
- is a UK resident with an address history covering 36 months. Has UK or EEA/Swiss citizenship or non EEA /Swiss citizenship with permanent rights of residency
- is able to prove their identity
- has a property valued between £100,000 and £5m (properties valued £1m or over will require individual underwriting)
- is the sole or joint owner of the property if married/civil partnership/co-habiting couple. Please note, standard joint occupancy requires both borrowers to be on the deeds of the property and the lifetime mortgage application
- is low risk on our credit search report.

Standard Criteria: Property

We'll lend on a property that:

- is situated in mainland England, Scotland or Wales. Includes Isle of Wight and Anglesey
- is the main residence of the applicant/s. Second /Holiday homes are not permitted
- is a freehold house or a leasehold house, flat, or maisonette with a minimum remaining lease term of 175 years minus the age of the youngest borrower
- if applicable, has service charges and ground rent within our acceptable maximums. We can accept properties where the annual service charge and ground rent is 2.5% or less of the property value. Ground rent must also not exceed 0.2% of the property value and acceptance is subject to the amount and ongoing terms not being considered onerous. Please note, sheltered accommodation/age restricted properties are not permitted.
- is standard construction e.g. conventional brick, stone, timber frame (if built after 1970)
- has standard utilities (e.g. mains gas, water and electricity connected to the National Electricity Grid).



Cases that need referral

We'll individually underwrite at application stage:

- properties with lodgers. The maximum number of lodgers we are able to consider is two
- cases where there is a Power of Attorney in place
- properties valued £1m or over
- properties with a flat roof. We can generally accept up to 30% for felt flat roofs (as a percentage of total roof area). We may accept properties with up to 50% flat roof if it is not constructed of felt and has a guarantee with a remaining validity period of ten years or more. Purpose built flats can have up to 100% flat roof.
- properties with non-standard utilities
- significant home improvements. Structural work will be assessed based on various parameters. Please see our full Lending Policy for these.
- properties close to or above commercial premises. Please note, we do not accept properties that are on the floor directly above commercial premises
- listed buildings. We are only able to accept grade 2 or category C
- properties located in an area where Japanese Knotweed has been identified
- where one applicant (on a joint life application) resides in permanent long term care. A suitable power of attorney must be in place.

Non-Standard Criteria: Property

Although we try to be flexible with our underwriting, we don't lend on a property that is:

- age restricted or sheltered
- in need of essential repairs, with more than £5,000 of work
- a freehold flat (where the freehold is held by the applicant(s))
- a flat of more than 4 storeys without a lift unless the property is situated on the basement or entrance floor
- a flat of more than 6 storeys
- an ex-local authority flat
- a studio flat
- a flat where we have already lent on 25% of the block/development
- a property with a non-standard tenure
- a property with more than 15 acres
- held in trust or has second charges
- graded anything other than A1, A2, or A3 on a mundic test.

Non-Standard Criteria: Location

We won't be able to accept a property that is located:

- adjacent to commercial premises or within close proximity to a business with unsociable hours, a licensed premises, or where food is prepared or sold. Other exemptions may also apply due to resale
- in a high flood risk area or where the property has flooded in the last 15 years
- in a rural location that is more than 10km from local amenities (petrol station, post offices, shops etc.).

Reason for Loan

- As part of our responsibilities as a product provider we may on occasions require more information in regards to your client(s) reason for loan
- Although this is not an exhaustive list, we have provided some examples below of reasons where we may request some more information about the specific circumstances:
 - giving money to friends or family
 - releasing money to consolidate unsecured debt
 - investment – please note we typically do not lend to invest
 - IHT planning.

You can get this and other documents from us in Braille, large print or on audio by contacting us.

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