



Lifetime Mortgage Process and Criteria Changes

April 2020

This is not a consumer advertisement. It is intended for professional advisers only.

Introduction

We are pleased to confirm the changes outlined below that will allow you to take forward mortgage applications given the Coronavirus restrictions.

Customer Signatures

We do not require customer signatures for applications to proceed during the "Stay-at-Home" period. After receiving the application, we will call customers to obtain consent to proceed within 48 hours.

Once you have taken your customer through the declaration and gained the identification needed, please sign the forms yourself and upload them to our online portal. Please do not use previous versions of the application form as they may not contain the required information.

Solicitor Appointments

OneFamily has accepted the Equity Release Council's proposals for non-face-to-face solicitor appointments during the "Stay at Home" period. Details of the new process and supporting documents can be found on the Equity Release Council's website.

Valuations

OneFamily will rely on desktop valuations for all products until further notice. These valuations will be conducted by our independent surveying partner.

A proportion of the desktop valuation will be used for calculating the maximum initial funds OneFamily is able to release immediately and further funds may be released later, up to the maximum lending stated in the offer. However, this will be subject to an onsite valuation confirming the value of the property.

The onsite valuation will take place after the "Stay at Home" restrictions are lifted, and our surveying partner has resumed this service. A period of market adjustment will be allowed for.

It's important, particularly in an uncertain market, you explain to your customers that if this onsite valuation does not confirm the value of desk based valuation, we may not release the retained amount or we may reduce it.

LTV Scale	% of max lending initially available (portion of current eligible LTV)
Lite	90%
Standard	85%
Super	85%

Illustration of maximum lending available for a 70 year old with a £100k property:

LTV Scale	Property Val for illustration	% of max lending initially available	Max lending for a single 70 year old	Initial max funds released	Max Funds released after onsite val	Max LTV for a single 70 year old
Lite	£100k	90%	£31,000	£27,900	£3,100	31%
Standard	£100k	85%	£36,000	£30,600	£5,400	36%
Super	£100k	85%	£45,000	£38,250	£6,750	45%

Property Restrictions

Desktop valuations are not appropriate for all properties. The following are some examples of criteria that are often acceptable by OneFamily but are not suitable for desktop valuations:

- No online visibility of the property or property attributes
- New build property (built within last 24 months)
- Age restricted properties
- Properties above or adjacent to commercial premises
- Properties valued at over £1m outside the M25 and over £1.5m inside the M25

For further information about the desktop criteria please contact our Underwriting team on 0800 802 1645*.

Valuation Costs

OneFamily are offering free desktop valuations (property restrictions apply) on all products until further notice. The follow-up onsite valuations will also be free on the products that are subject to these.

Additional Borrowing

A desktop valuation will be used for existing customers applying for additional borrowing until further notice. The full desktop valuation will be used for calculating the maximum loan amount and all funds will be released up front. There will be no fee for this and no follow up onsite valuation will be required for additional borrowing on the products that are subject to these arrangements.

Pipeline Cases

If you have a pre-valuation application outstanding, you will be contacted by one of our team. If your client is happy to proceed and the case meets criteria a desktop valuation will be carried out and the new restrictions on lending will be used in underwriting and processing the case.

Cases that were past valuation at the time the Stay at Home restrictions were introduced are now proceeding in line with the Equity Release Council's guidance for solicitors and utilising the onsite valuation that has been carried out. Onsite valuations are valid for up to 180 days.

Cases Outside New Criteria

If you submit a case that does not meet the criteria for a desktop valuation but meets our criteria when onsite valuations are used, we will inform you, decline and log the case and re-contact you when onsite valuations are re-introduced.

*Open 9am - 5.30pm, Monday to Friday. All calls may be recorded for security and training purposes. Calls are free from UK landlines only.

Automated Emails

Our systems send automated emails at various points in the application process. Following the submission of an application, an automated email is sent, stating that we will be instructing a valuation on the property. This does not apply to desktop valuations.

At this stage our Underwriting team will be making an initial assessment and will inform you whether the case meets our criteria for a desktop valuation to be instructed.

Spouse as Occupier

Where a property is owned by one member of a married, co-habiting or civil partnership couple, we have allowed a lifetime mortgage to be taken out by the individual if the spouse signs an occupier waiver. From 30 April 2020, all applications from married, co-habiting or civil partnership couples will need to be in joint names.

These changes do not affect existing customers looking to move their mortgage to a new home or borrow additional funds.