

# Residential Product Guide

May 2020

- ✓ Free valuations introduced across all product tiers
- ✓ Rates starting from 3.15%



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# Highlights of our wide ranging criteria

## Debt Management Plan Range

- Available on Pepper 24, 18 and 12
- Must have been active for a minimum of 12 months
- Rates start from 4.80%

## No Credit Scoring

- We don't credit score to make decisions
- We don't credit score to determine product selection. What you see is what you get
- Manual underwriting by a team of skilled, mandated decision makers

## Capital Raising

- To our maximum LTVs for most legal purposes
- Debt consolidation to maximum LTVs

## Minimum Income £18k

- Can be the combined income of both applicants
- Must be earned income
- 100% of secondary income accepted

## CCJs & Defaults

- Don't need to be satisfied and no value limit
- Can be registered as recently as 6 months ago
- 2 individual utility, communication or mail order account defaults up to and including £150.00 each ignored (applicable to Pepper 24, 18, 12 and 6 products - excluding DMP)
- Fixed Term Credit Agreements Arrears none in 6 months

## Let to Buy

- No additional rules
- All products up to max LTVs
- We'll do the Residential. We'll do the Buy to Let. We'll do both

## Interest Only

- Across the entire range
- Max 60% LTV Residential
- Sale of main residence acceptable repayment with no minimum equity requirement and plausible trading down strategy

## Self-Employed

- Across the entire range
- Only 1 year's finalised accounts required
- Net profit for Sole Traders
- Salary and dividends for Company Directors
- Additional remuneration add back allowed where applicants own 100% of the company

## Day Rate Contractors

- Income assessed based on daily rate whether self-employed, limited company or umbrella company
- Minimum 12 months history and 3 months' bank statements
- Average or current day rate to be minimum of £200 per day

## First Time Buyers

- No restrictions on LTV
- 100% cash gifted deposit acceptable with proof of 12 months rental history or household upkeep

## Strong Approach to Affordability

- 100% of shift allowance
- Flexibility around non-court ordered maintenance and many regular benefits e.g. Working Family Tax Credit, Child Benefit, etc
- 5 year fixed rates calculated at pay rate

## Free Legals and Valuations

- We offer free standard legals across our remortgage range using our nominated solicitors
- For clients wishing to select a firm from our wider panel at their cost, we apply a 0.01% reduction to the initial rate
- One free standard valuation for properties valued up to £499,999



Suitable for clients that haven't had a CCJ or Default in the last 48 months

LMR = 1.50%  
Effective for all new business  
from 21 January 2020

| 2 Year Fixed           |              |          |              |                     | 5 Year Fixed            |          |              |                     |                         |
|------------------------|--------------|----------|--------------|---------------------|-------------------------|----------|--------------|---------------------|-------------------------|
| LTV                    | Initial Rate | Comp Fee | Initial Rate | Comp Fee (Free val) | Initial Rate            | Comp Fee | Initial Rate | Comp Fee (Free val) | Reversion Rates (LMR +) |
| 70%                    | 3.15%        | £995     | 3.90%        | £0                  | 3.55%                   | £995     | 4.15%        | £0                  | 3.75%                   |
| 75%                    | 3.40%        |          | 4.00%        |                     | 3.70%                   |          | 4.35%        |                     | 3.90%                   |
| 80%                    | 3.85%        |          | 4.45%        |                     | 3.85%                   |          | 4.55%        |                     | 4.15%                   |
| ERC: 3%, 2%            |              |          |              |                     | ERC: 4%, 4%, 3%, 3%, 2% |          |              |                     |                         |
| Application fee = £135 |              |          |              |                     |                         |          |              |                     |                         |

### Key Criteria

| Credit Criteria   | Applicant   | Loan Size   | Property Value  |
|---|---|---|---|
| <b>CCJs/Defaults:</b> 0 in 48 months<br><b>Mortgage/Secured Arrears:</b> 0 in 48 months (No arrears balance in last 6 months)<br><b>Bankruptcy/IVA:</b> Discharged > 6 years ago<br><b>Repossessions:</b> None in last 6 years<br><b>Debt Management Plan:</b> Considered if satisfied over 12 months ago | <b>Age:</b> Minimum 21 years; Maximum 75 years (at end of term)<br><b>Min Income:</b> £18,000 per application (no foreign currency income. 100% of secondary income accepted)<br><b>Max Applicants:</b> 2<br><b>Employed:</b> Minimum of 6 months in current job and not in probation. Evidence of employment history is required to cover the last 12 months<br><b>Self-Employed:</b> Must have been in their current business for a minimum of 12 months and able to supply 1 year's trading accounts | <b>Min:</b> £25,001<br><b>Max:</b> £1m up to 75% LTV, and £750,000 up to 80% LTV<br><b>Repayment</b><br>Capital & interest. Interest only to 60% LTV, supported by an acceptable repayment strategy | <b>Min:</b> £70,000<br><b>Term</b><br><b>Min:</b> 5 years<br><b>Max:</b> 35 years |

Suitable for clients that haven't had a CCJ or Default in the last 36 months

LMR = 1.50%  
Effective for all new business  
from 21 January 2020

| 2 Year Fixed           |              |          |              |                     | 5 Year Fixed            |          |              |                     |                         |
|------------------------|--------------|----------|--------------|---------------------|-------------------------|----------|--------------|---------------------|-------------------------|
| LTV                    | Initial Rate | Comp Fee | Initial Rate | Comp Fee (Free val) | Initial Rate            | Comp Fee | Initial Rate | Comp Fee (Free val) | Reversion Rates (LMR +) |
| 70%                    | 3.30%        | £995     | 4.20%        | £0                  | 3.80%                   | £995     | 4.20%        | £0                  | 3.75%                   |
| 75%                    | 3.50%        |          | 4.25%        |                     | 3.90%                   |          | 4.35%        |                     | 3.90%                   |
| 80%                    | 4.05%        |          | 4.65%        |                     | 4.10%                   |          | 4.55%        |                     | 4.15%                   |
| ERC: 3%, 2%            |              |          |              |                     | ERC: 4%, 4%, 3%, 3%, 2% |          |              |                     |                         |
| Application fee = £135 |              |          |              |                     |                         |          |              |                     |                         |

### Key Criteria

| Credit Criteria  | Applicant   | Loan Size   | Property Value  |
|--|---|---|---|
| <b>CCJs:</b> 0<br><b>Defaults:</b> 0 in 24 months<br><b>Mortgage/Secured Arrears:</b> 0 in 36 months (No arrears balance in last 6 months)<br><b>Bankruptcy/IVA:</b> Discharged > 6 years ago<br><b>Repossessions:</b> None in last 6 years<br><b>Debt Management Plan:</b> Considered if satisfied over 12 months ago | <b>Age:</b> Minimum 21 years; Maximum 75 years (at end of term)<br><b>Min Income:</b> £18,000 per application (no foreign currency income. 100% of secondary income accepted)<br><b>Max Applicants:</b> 2<br><b>Employed:</b> Minimum of 6 months in current job and not in probation. Evidence of employment history is required to cover the last 12 months<br><b>Self-Employed:</b> Must have been in their current business for a minimum of 12 months and able to supply 1 year's trading accounts | <b>Min:</b> £25,001<br><b>Max:</b> £1m up to 75% LTV, and £750,000 up to 80% LTV<br><b>Repayment</b><br>Capital & interest. Interest only to 60% LTV, supported by an acceptable repayment strategy | <b>Min:</b> £70,000<br><b>Term</b><br><b>Min:</b> 5 years<br><b>Max:</b> 35 years |

Suitable for clients that haven't had a Default in the last 24 months

LMR = 1.50%  
Effective for all new business  
from 21 January 2020

| 2 Year Fixed           |              |          |              |                     | 5 Year Fixed            |          |              |                     | Reversion Rates (LMR +) |
|------------------------|--------------|----------|--------------|---------------------|-------------------------|----------|--------------|---------------------|-------------------------|
| LTV                    | Initial Rate | Comp Fee | Initial Rate | Comp Fee (Free val) | Initial Rate            | Comp Fee | Initial Rate | Comp Fee (Free val) |                         |
| 70%                    | 3.70%        | £995     | 4.25%        | £0                  | 4.00%                   | £995     | 4.40%        | £0                  | 3.75%                   |
| 75%                    | 3.80%        |          | 4.35%        |                     | 4.05%                   |          | 4.60%        |                     | 3.90%                   |
| ERC: 3%, 2%            |              |          |              |                     | ERC: 4%, 4%, 3%, 3%, 2% |          |              |                     |                         |
| Application fee = £135 |              |          |              |                     |                         |          |              |                     |                         |

## Key Criteria

| Credit Criteria   | Applicant   | Loan Size   | Property Value  |
|---|---|---|---|
| <b>CCJs:</b> 0<br><b>Defaults:</b> 0 in 24 months<br><b>Mortgage/Secured Arrears:</b> 0 in 24 months (No arrears balance in last 6 months)<br><b>Unsecured Arrears:</b> 2 individual utility, communication or mail order account defaults up to and including £150.00 each ignored<br><b>Bankruptcy/IVA:</b> Discharged > 6 years ago<br><b>Repossessions:</b> None in last 6 years<br><b>Debt Management Plan:</b> Considered if satisfied over 12 months ago | <b>Age:</b> Minimum 21 years; Maximum 75 years (at end of term)<br><b>Min Income:</b> £18,000 per application (no foreign currency income. 100% of secondary income accepted)<br><b>Max Applicants:</b> 2<br><b>Employed:</b> Minimum of 6 months in current job and not in probation. Evidence of employment history is required to cover the last 12 months<br><b>Self-Employed:</b> Must have been in their current business for a minimum of 12 months and able to supply 1 year's trading accounts | <b>Min:</b> £25,001<br><b>Max:</b> £1m up to 75% LTV<br><b>Repayment</b><br>Capital & interest. Interest only to 60% LTV, supported by an acceptable repayment strategy | <b>Min:</b> £70,000<br><b>Term</b><br><b>Min:</b> 5 years<br><b>Max:</b> 35 years |

Suitable for clients that haven't had a CCJ or Default in the last 24 months

| 2 Year Fixed           |              |          |              |                     | 5 Year Fixed            |          |              |                     | Reversion Rates (LMR +) |
|------------------------|--------------|----------|--------------|---------------------|-------------------------|----------|--------------|---------------------|-------------------------|
| LTV                    | Initial Rate | Comp Fee | Initial Rate | Comp Fee (Free val) | Initial Rate            | Comp Fee | Initial Rate | Comp Fee (Free val) |                         |
| 70%                    | 4.15%        | £995     | 4.55%        | £0                  | 4.25%                   | £995     | 4.85%        | £0                  | 3.75%                   |
| 75%                    | 4.35%        |          | 4.75%        |                     | 4.45%                   |          | 5.05%        |                     | 3.90%                   |
| ERC: 3%, 2%            |              |          |              |                     | ERC: 4%, 4%, 3%, 3%, 2% |          |              |                     |                         |
| Application fee = £135 |              |          |              |                     |                         |          |              |                     |                         |

### Key Criteria

| Credit Criteria  | Applicant   | Loan Size   | Property Value  |
|--|---|---|---|
| <b>CCJs/Defaults:</b> 0 in 24 months<br><b>Mortgage/Secured Arrears:</b> 0 in 24 months (No arrears balance in last 6 months)<br><b>Unsecured Arrears:</b> 2 individual utility, communication or mail order account defaults up to and including £150.00 each ignored<br><b>Bankruptcy/IVA:</b> Discharged > 6 years ago<br><b>Repossessions:</b> None in last 6 years<br><b>Debt Management Plan:</b> Considered if satisfied over 12 months ago | <b>Age:</b> Minimum 21 years; Maximum 75 years (at end of term)<br><b>Min Income:</b> £18,000 per application (no foreign currency income. 100% of secondary income accepted)<br><b>Max Applicants:</b> 2<br><b>Employed:</b> Minimum of 6 months in current job and not in probation. Evidence of employment history is required to cover the last 12 months<br><b>Self-Employed:</b> Must have been in their current business for a minimum of 12 months and able to supply 1 year's trading accounts | <b>Min:</b> £25,001<br><b>Max:</b> £1m up to 75% LTV<br><b>Repayment</b><br>Capital & interest. Interest only to 60% LTV, supported by an acceptable repayment strategy | <b>Min:</b> £70,000<br><b>Term</b><br><b>Min:</b> 5 years<br><b>Max:</b> 35 years |

Suitable for clients that haven't had a CCJ or Default in the last 18 months

LMR = 1.50%  
Effective for all new business  
from 21 January 2020

| 2 Year Fixed           |              |          |              |                     | 5 Year Fixed            |          |              |                     | Reversion Rates (LMR +) |
|------------------------|--------------|----------|--------------|---------------------|-------------------------|----------|--------------|---------------------|-------------------------|
| LTV                    | Initial Rate | Comp Fee | Initial Rate | Comp Fee (Free val) | Initial Rate            | Comp Fee | Initial Rate | Comp Fee (Free val) |                         |
| 70%                    | 4.65%        | £995     | 5.05%        | £0                  | 4.90%                   | £995     | 5.35%        | £0                  | 4.05%                   |
| 75%                    | 4.85%        |          | 5.25%        |                     | 5.10%                   |          | 5.70%        |                     | 4.20%                   |
| ERC: 3%, 2%            |              |          |              |                     | ERC: 4%, 4%, 3%, 3%, 2% |          |              |                     |                         |
| Application fee = £135 |              |          |              |                     |                         |          |              |                     |                         |

### Key Criteria

| Credit Criteria  | Applicant   | Loan Size   | Property Value  |
|--|---|---|---|
| <b>CCJs/Defaults:</b> 0 in 18 months<br><b>Mortgage/Secured Arrears:</b> 0 in 18 months (No arrears balance in last 6 months)<br><b>Unsecured Arrears:</b> 2 individual utility, communication or mail order account defaults up to and including £150.00 each ignored<br><b>Bankruptcy/IVA:</b> Discharged > 6 years ago<br><b>Repossessions:</b> None in last 6 years<br><b>Debt Management Plan:</b> Considered if satisfied over 12 months ago | <b>Age:</b> Minimum 21 years; Maximum 75 years (at end of term)<br><b>Min Income:</b> £18,000 per application (no foreign currency income. 100% of secondary income accepted)<br><b>Max Applicants:</b> 2<br><b>Employed:</b> Minimum of 6 months in current job and not in probation. Evidence of employment history is required to cover the last 12 months<br><b>Self-Employed:</b> Must have been in their current business for a minimum of 12 months and able to supply 1 year's trading accounts | <b>Min:</b> £25,001<br><b>Max:</b> £1m up to 75% LTV<br><b>Repayment</b><br>Capital & interest. Interest only to 60% LTV, supported by an acceptable repayment strategy | <b>Min:</b> £70,000<br><b>Term</b><br><b>Min:</b> 5 years<br><b>Max:</b> 35 years |

Suitable for clients that haven't had a CCJ or Default in the last 12 months

LMR = 1.50%  
Effective for all new business  
from 21 January 2020

| 2 Year Fixed           |              |          |              |                     | 5 Year Fixed            |          |              |                     | Reversion Rates (LMR +) |
|------------------------|--------------|----------|--------------|---------------------|-------------------------|----------|--------------|---------------------|-------------------------|
| LTV                    | Initial Rate | Comp Fee | Initial Rate | Comp Fee (Free val) | Initial Rate            | Comp Fee | Initial Rate | Comp Fee (Free val) |                         |
| 70%                    | 5.15%        | £995     | 5.55%        | £0                  | 5.25%                   | £995     | 5.85%        | £0                  | 4.35%                   |
| 75%                    | 5.35%        |          | 5.75%        |                     | 5.45%                   |          | 6.05%        |                     | 4.60%                   |
| ERC: 3%, 2%            |              |          |              |                     | ERC: 4%, 4%, 3%, 3%, 2% |          |              |                     |                         |
| Application fee = £135 |              |          |              |                     |                         |          |              |                     |                         |

### Key Criteria

| Credit Criteria  | Applicant   | Loan Size   | Property Value  |
|--|---|---|---|
| <b>CCJs/Defaults:</b> 0 in 12 months<br><b>Mortgage/Secured Arrears:</b> 0 in 12 months (No arrears balance in last 6 months)<br><b>Unsecured Arrears:</b> 2 individual utility, communication or mail order account defaults up to and including £150.00 each ignored<br><b>Bankruptcy/IVA:</b> Discharged > 6 years ago<br><b>Repossessions:</b> None in last 6 years<br><b>Debt Management Plan:</b> Considered if satisfied over 12 months ago | <b>Age:</b> Minimum 21 years; Maximum 75 years (at end of term)<br><b>Min Income:</b> £18,000 per application (no foreign currency income. 100% of secondary income accepted)<br><b>Max Applicants:</b> 2<br><b>Employed:</b> Minimum of 6 months in current job and not in probation. Evidence of employment history is required to cover the last 12 months<br><b>Self-Employed:</b> Must have been in their current business for a minimum of 12 months and able to supply 1 year's trading accounts | <b>Min:</b> £25,001<br><b>Max:</b> £1m up to 75% LTV<br><b>Repayment</b><br>Capital & interest. Interest only to 60% LTV, supported by an acceptable repayment strategy | <b>Min:</b> £70,000<br><b>Term</b><br><b>Min:</b> 5 years<br><b>Max:</b> 35 years |



Suitable for clients that haven't had a CCJ or Default in the last 6 months

LMR = 1.50%  
Effective for all new business  
from 21 January 2020

| LTV                    | 2 Year Fixed |          |              |                     | 5 Year Fixed            |          |              |                     | Reversion Rates (LMR +) |
|------------------------|--------------|----------|--------------|---------------------|-------------------------|----------|--------------|---------------------|-------------------------|
|                        | Initial Rate | Comp Fee | Initial Rate | Comp Fee (Free val) | Initial Rate            | Comp Fee | Initial Rate | Comp Fee (Free val) |                         |
| 70%                    | 5.25%        | £995     | 5.75%        | £0                  | 5.80%                   | £995     | 6.00%        | £0                  | 4.35%                   |
| ERC: 3%, 2%            |              |          |              |                     | ERC: 4%, 4%, 3%, 3%, 2% |          |              |                     |                         |
| Application fee = £135 |              |          |              |                     |                         |          |              |                     |                         |

### Key Criteria

| Credit Criteria   | Applicant   | Loan Size   | Property Value  |
|---|---|---|---|
| <b>CCJs/Defaults:</b> 0 in 6 months (max 2 in months 7 to 12)<br><b>Mortgage/Secured Arrears:</b> 0 in 12 months (No arrears balance in last 6 months)<br><b>Unsecured Arrears:</b> 2 individual utility, communication or mail order account defaults up to and including £150.00 each ignored<br><b>Bankruptcy/IVA:</b> Discharged > 6 years ago<br><b>Repossessions:</b> None in last 6 years<br><b>Debt Management Plan:</b> Considered if satisfied over 12 months ago | <b>Age:</b> Minimum 21 years; Maximum 75 years (at end of term)<br><b>Min Income:</b> £18,000 per application (no foreign currency income. 100% of secondary income accepted)<br><b>Max Applicants:</b> 2<br><b>Employed:</b> Minimum of 6 months in current job and not in probation. Evidence of employment history is required to cover the last 12 months<br><b>Self-Employed:</b> Must have been in their current business for a minimum of 12 months and able to supply 1 year's trading accounts | <b>Min:</b> £25,001<br><b>Max:</b> £1m up to 70% LTV<br><b>Repayment</b><br>Capital & interest. Interest only to 60% LTV, supported by an acceptable repayment strategy | <b>Min:</b> £70,000<br><b>Term</b><br><b>Min:</b> 5 years<br><b>Max:</b> 35 years |

Suitable for clients that are in a Debt Management Plan or have satisfied one in the last 12 months

LMR = 1.50%  
Effective for all new business  
from 21 January 2020

|                        |     | 2 Year Fixed |          | 5 Year Fixed            |          | Reversion Rates | Credit Criteria   |   |
|------------------------|-----|--------------|----------|-------------------------|----------|-----------------|-------------------|---|
|                        | LTV | Initial Rate | Comp Fee | Initial Rate            | Comp Fee | LMR +           | CCJs/<br>Defaults | Mortgage/<br>Secured Arrears                            |
| pepper24<br>DMP        | 70% | 4.80%        | £995     | 4.90%                   | £995     | 3.75%           | 0 in 24 months    | 0 in 24 months<br>(No arrears balance in last 6 months) |
|                        | 75% | 4.90%        |          | 5.00%                   |          | 3.90%           |                   |   |
| pepper18<br>DMP        | 70% | 5.20%        |          | 5.30%                   |          | 4.05%           | 0 in 18 months    | 0 in 18 months<br>(No arrears balance in last 6 months) |
|                        | 75% | 5.30%        |          | 5.40%                   |          | 4.20%           |                   |   |
| pepper12<br>DMP        | 70% | 5.60%        |          | 5.70%                   |          | 4.35%           | 0 in 12 months    | 0 in 12 months<br>(No arrears balance in last 6 months) |
| ERC: 3%, 2%            |     |              |          | ERC: 4%, 4%, 3%, 3%, 2% |          |                 |                   |   |
| Application fee = £135 |     |              |          |                         |          |                 |                   |   |

## Key Criteria

| Credit Criteria   | Applicant  | Loan Size   | Property Value  |
|---|--|---|---|
| <b>Bankruptcy/IVA:</b> Discharged > 6 years ago<br><b>Repossessions:</b> None in last 6 years<br><b>Debt Management Plan:</b> Accepted for active or satisfied in the last 12 months<br>Must have been in the DMP for at least 12 months and able to provide proof of satisfactory payments from DMP provider<br>For remortgages, capital raising can be considered to clear the DMP<br>No more than 1 active DMP per application | <b>Age:</b> Minimum 21 years;<br>Maximum 75 years (at end of term)<br><b>Min Income:</b> £18,000 per application (no foreign currency income. 100% of secondary income accepted)<br><b>Max Applicants:</b> 2<br><b>Employed:</b> Minimum of 6 months in current job and not in probation. Evidence of employment history is required to cover the last 12 months<br><b>Self-Employed:</b> Must have been in their current business for a minimum of 12 months and able to supply 1 year's trading accounts | <b>Min:</b> £25,001<br><b>Max:</b> £1m up to 75% LTV<br><b>Repayment</b><br>Capital & interest. Interest only to 60% LTV, supported by an acceptable repayment strategy | <b>Min:</b> £70,000<br><b>Term</b><br><b>Min:</b> 5 years<br><b>Max:</b> 35 years |