

Versatility Case Study: buying a rental home with a gifted deposit and historic credit blip

Here at Mansfield Building Society, our personal approach to lending and our flexible, common-sense underwriting enables us to find solutions for those with unusual circumstances including historic credit blips!

In this case study, we were pleased to help a young family purchase the home they were renting from their landlord, despite the fact they didn't meet the conventional customer profile sought by many lenders.

Their challenge started when one of the applicants had taken time off work due to ill-health, and despite receiving Statutory Sick Pay (SSP), it led to a significant decrease in household income, causing them to default and miss payments. Their plight was made worse when the main applicant was later made redundant.

Soon after finding a new job the opportunity to buy their rental home arose which the family were keen to pursue, but the main applicant was still in his probationary period and the families historic credit problems loomed in the background.

Recognising the families complex circumstances, their broker initially considered a specialist sub-prime lender but the rate offered meant that the payments were unmanageable.

In steps The Mansfield....

Recognising that the defaults occurred over two years ago and had since been resolved, we were able to offer a 76% LTV mortgage through our Versatility range, subject to the main applicant successfully completing his probationary period before completion.

In this case study we were able to accommodate a range of factors, including a gifted deposit, historic credit defaults and an applicant within a probationary period to provide a cost-effective solution to help a deserving family get to the first rung of the housing ladder.

A flexible, common sense approach

If you have a case that needs a flexible and personal approach to lending, call our Intermediary Sales on 01623 676360 or email brokers@mansfieldbs.co.uk. Lines are open Monday to Friday 9am* to 5pm (*Wednesday from 10am).

Brokers can also request a formal DIP and submit a full mortgage application via our online portal.