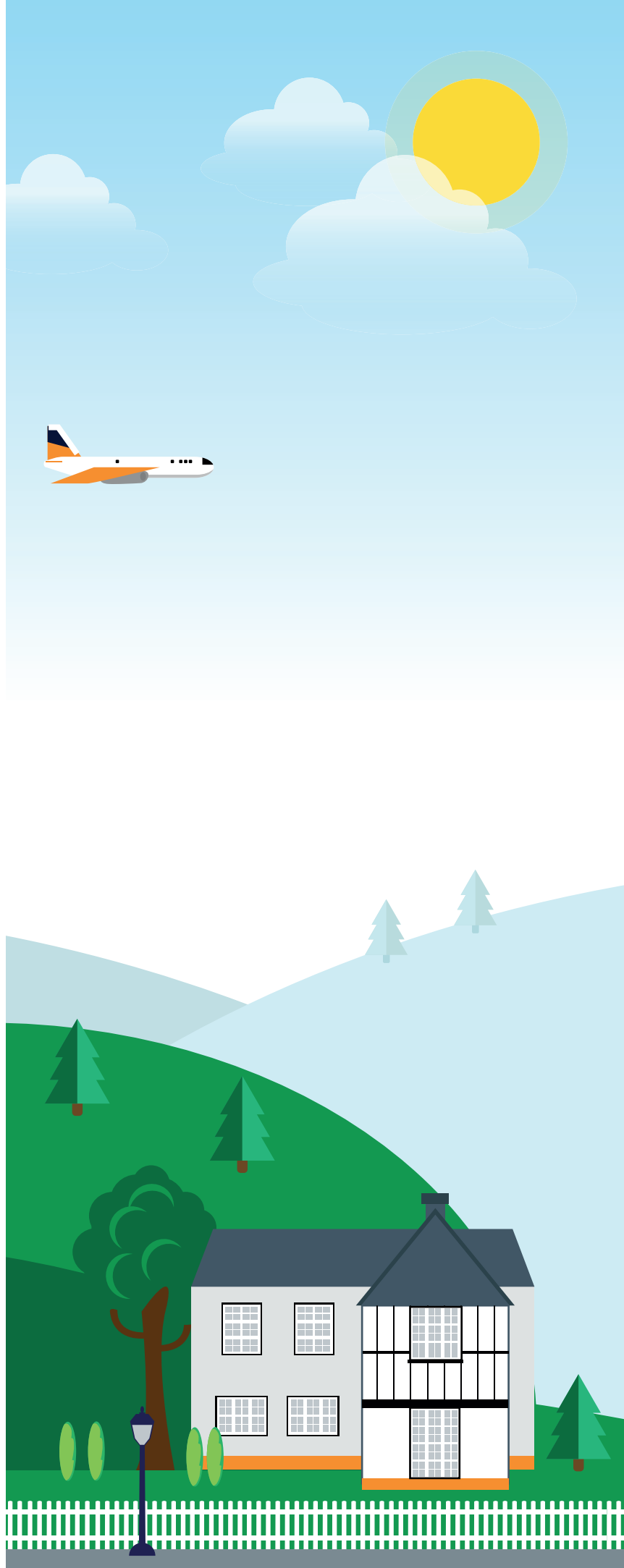




# Acceptable & Unacceptable Security

› Version 9



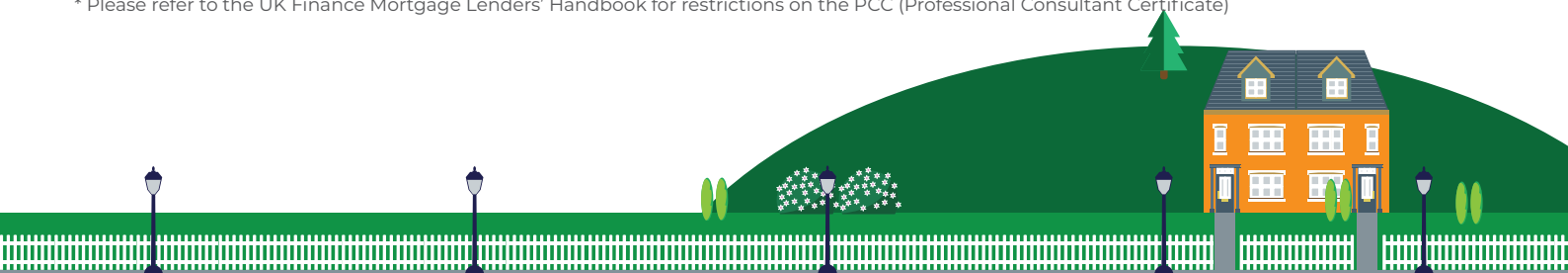
# Acceptable & Unacceptable Security

	Acceptable	Unacceptable
Value & Saleability	<ul style="list-style-type: none"> <li>Properties valued between £50,000 and £5,000,000</li> <li>Converted freehold properties valuation above £100,000 if located <b>outside</b> of the London or South East Regions or £150,000 if located <b>inside</b>.</li> <li>Ex-Local Authority or HMOs valued above £150,000 if located <b>in</b> the London or South East Regions or £75,000 if located <b>outside</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Properties deemed by the Valuer not to be capable of being readily saleable or to have potential resale difficulties</li> <li>Properties deemed by the Valuer as not suitable security</li> </ul>
Usage	<ul style="list-style-type: none"> <li>Assured Shorthold Tenancies (AST) up to three years.</li> <li>Student Lets.</li> <li>Corporate Lets (prior approval required).</li> <li>Local Authority &amp; Housing Association Lets (prior approval required).</li> <li>Standard format of Private Sector Lease as per the UK Finance Mortgage Lenders' Handbook.</li> <li>Multi let properties divided into bedsits with individual kitchen/kitchenette facilities, if an HMO.</li> </ul> <p><b>For further information, please refer to the Lending Criteria.</b></p>	<ul style="list-style-type: none"> <li>Properties used for any commercial purpose</li> <li>Live/work units</li> <li>Working farms, smallholdings and houses subject to an agricultural occupancy restriction</li> <li>Properties with occupancy restrictions including retirement flats and sheltered accommodation (Overage clauses).</li> </ul>
Property Condition	<ul style="list-style-type: none"> <li>Property that is structurally sound, modernised and with standard amenities, must be habitable and lettable in current conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Properties with any dry rot</li> <li>Japanese Knotweed. Valuers are to follow RICS Guidelines in the RICS Information Paper on Japanese Knotweed and Residential Property. Properties assessed category 4 are not considered suitable security. Properties assessed as category 3 or 2 will be considered but subject to full retention and only considered acceptable security once a suitable management plan has been put in place with the benefit of a long term guarantee. The treatment contractor must be a member of the Property Care Association Invasive Weed Control group. Properties assessed as category 1 do not require further investigation.</li> </ul>
Layout, floor space and land	<ul style="list-style-type: none"> <li>Gross external floor area of greater than 35sqm</li> <li>Properties up to 6 bedrooms, including HMO</li> <li>Properties with more than one kitchen, if Multi-Unit Block or HMO</li> <li>Properties with a Granny/Guest Annex, if an HMO</li> </ul>	<ul style="list-style-type: none"> <li>Single leaf brick offshoots/extensions (unless the single skin element relates to a non-habitable room)</li> <li>Greater than 5 acres of land as part of the title</li> <li>Monkey Puzzle style houses. These are mid-terraced houses where there are two houses interlocked with approximately 50-60% flying freehold</li> </ul>
Properties above or adjacent to commercial properties	<ul style="list-style-type: none"> <li>Fleet Mortgages will consider Properties above or adjacent to commercial premises providing our valuer confirms the property forms a suitable security.                             <ul style="list-style-type: none"> <li>✓ Minimum value: £100,000</li> <li>✓ 75% LTV - Maximum Loan: £1,000,000</li> <li>✓ 70% LTV - Maximum Loan: £1,500,000</li> </ul> </li> <li>Flats above restaurants, takeaways or pubs are subject to underwriting discretion and a favourable valuer's report.</li> </ul>	

# Acceptable & Unacceptable Security

	Acceptable	Unacceptable
Listed Property	<ul style="list-style-type: none"> <li>Grade 2 Listed Buildings may be considered on a case by case basis and only if the building is in a good state of repair, no negative comments to be made by the Valuer.</li> </ul>	<ul style="list-style-type: none"> <li>Grade 1 Listed Buildings</li> </ul>
Tenure	<ul style="list-style-type: none"> <li>Freehold or Leasehold.</li> <li>Properties where the unexpired term of the lease is above 75 years on completion</li> </ul>	<ul style="list-style-type: none"> <li>Commonhold properties</li> <li>Freehold coach houses, the only exception is a long-term lease that covers the flat and garage related to the flat.</li> <li>Individual freehold flats or freehold maisonettes</li> <li>Properties with an element of flying freehold are generally not acceptable. A property with an element of less than 10% may be considered by referral.</li> </ul>
Blocks of Flats	<ul style="list-style-type: none"> <li>Flats in blocks with less than five storeys (up to 10 storeys acceptable within the M25) Higher maybe considered on a case by case basis.</li> </ul>	<ul style="list-style-type: none"> <li>EWS1 form (for blocks with panel cladding systems that require fire safety compliance checks). Speak to one of our team for further details</li> </ul>
Ex Local Authority/MOD Housing Association	<ul style="list-style-type: none"> <li>Up to 70% LTV</li> <li>The minimum valuation exceeds £150,000 if located <b>in</b> the London or South East Regions.</li> <li>The minimum valuation exceeds £75,000 if located <b>outside</b> of the London or South East Regions.</li> <li>Positive valuer comments regarding location</li> </ul>	<ul style="list-style-type: none"> <li>Unless the valuer deems them as unsuitable security.</li> </ul>
Properties less than 10 years old		<ul style="list-style-type: none"> <li>Without one of the following Certificates:                             <ul style="list-style-type: none"> <li>✓ National House-Building Council Buildmark Scheme (NHBC)</li> <li>✓ Zurich Municipal Newbuild Scheme</li> <li>✓ Zurich Municipal Rebuild Scheme</li> <li>✓ Premier Guarantee for Private Housing and Completed Housing</li> <li>✓ Building Life Plans Scheme</li> <li>✓ Buildzone</li> <li>✓ LABC Warranty</li> <li>✓ ICW Warranty Scheme</li> <li>✓ Q Policy</li> <li>✓ Checkmate</li> <li>✓ Global Home Warranty (GHW)</li> <li>✓ Advantage HCI</li> <li>✓ Protek</li> <li>✓ Aedis Warranties</li> <li>✓ ABC+ Warranty</li> <li>✓ Ark Group New Residential Warranty Insurance Scheme</li> <li>✓ Professional Consultant Certificate *</li> </ul> </li> </ul>

\* Please refer to the UK Finance Mortgage Lenders' Handbook for restrictions on the PCC (Professional Consultant Certificate)



# Acceptable & Unacceptable Security

	Acceptable	Unacceptable
New build (built or converted within the last 12 months)	<ul style="list-style-type: none"> <li>Up to 70% LTV for new build flats</li> <li>Up to 75% LTV for new build houses</li> </ul>	<ul style="list-style-type: none"> <li>Stage Payments</li> <li>Builders Incentives</li> </ul>
Structural	<ul style="list-style-type: none"> <li>Any properties without structural defects will be considered subject to satisfactory valuers report</li> <li>Properties which have no structural issues or that requires monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>Properties which have ongoing structural issues or have been underpinned within the last 3 years, or require underpinning and properties with continuing structural movement, or movement that requires monitoring</li> <li>Tie bars. Providing the Valuer does not make any detrimental comments in respect of the existence of tie bars then these may be acceptable</li> <li>Properties where power lines or electricity supply apparatus are located directly over and/ or on the site.</li> </ul>
Construction	<ul style="list-style-type: none"> <li>Standard Construction, rendered or un-rendered</li> <li>Fleet Mortgages considers a property to be of standard construction if it is built of stone, concrete block and /or brick with either solid or cavity walls that consist of an inner and outer skin. The outer skin will usually be of stone, brick or block. The roof will be of slate, tile, thatch or felt</li> <li>Fleet Mortgages may consider properties constructed using non- conventional methods but will be entirely guided as to the buildings' suitability as security by the valuers opinion.</li> </ul>	<ul style="list-style-type: none"> <li>Non-standard construction</li> <li>Cross Wall construction</li> <li>EWS1 form (for blocks with panel cladding systems that require fire safety compliance checks). Speak to one of our team for further details</li> </ul>
Timber and Metal	<ul style="list-style-type: none"> <li>Timber framed property with outerwalls of brick or stone built 1970 or later</li> </ul>	<ul style="list-style-type: none"> <li>Timber or metal framed buildings where the cavity between frame and cladding is filled with insulation materials after construction</li> <li>Pre 1965 softwood timber framed construction lacking special merit on saleability</li> <li>100% timber construction unless of high standard and in a location where there is proven, sustainable demand</li> <li>Scotswood Pine Style</li> <li>Steel clad properties</li> <li>Steel framed construction unless modern purpose built flats</li> <li>Metal framed buildings where the cavity between frame and cladding is filled with insulation materials after construction</li> <li>Cranwell Construction</li> </ul>



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	Acceptable	Unacceptable
Concrete	<ul style="list-style-type: none"> <li>• Laing Easiform from 1945 onwards and No Fines construction</li> <li>• Mowlem Construction</li> </ul>	<ul style="list-style-type: none"> <li>• Properties listed under the Housing Defects Act unless repaired under the PRC Homes Ltd guarantee scheme including the subject property and all adjoining properties in the structural block</li> <li>• Reinforced forms of poured or shuttered concrete construction including Easiform construction</li> <li>• Large Panel System (LPS) built concrete construction flats and maisonettes (houses and maisonettes of not more than 2 storeys in height are acceptable subject to a satisfactory report from a structural engineer)</li> <li>• Buildings containing high alumina content</li> <li>• Mundic construction in Devon and Cornwall built between 1900 and 1960 unless a suitable specialist test of the concrete returns a Grade A classification</li> <li>• Reema construction</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Solar Panels unless the Valuer commented that the saleability of the property would be unaffected.</li> </ul>	<ul style="list-style-type: none"> <li>• Landlocked properties</li> <li>• Uninsurable properties</li> </ul>

