

Acceptable and Unacceptable Security

Version 23.

Acceptable and unacceptable security



	Acceptable	Unacceptable
Value & Saleability	<p>Properties valued between £50,000 and £5,000,000</p> <ul style="list-style-type: none"> Converted freehold properties valuation above £100,000 if located outside of the London or South East Regions or £150,000 if located inside. Ex-Local Authority or HMOs valued above £150,000 if located in the London or South East Regions or £75,000 if located outside. MUFB: Each unit within the MUFB must be saleable in its own right 	<ul style="list-style-type: none"> Properties deemed by the Valuer not to be capable of being readily saleable or to have potential resale difficulties Properties deemed by the Valuer as not suitable security
Usage	<p>Assured Shorthold Tenancies (AST) up to three years.</p> <ul style="list-style-type: none"> Student Lets. Corporate Lets (prior approval required). Local Authority & Housing Association Lets (prior approval required). Standard format of Private Sector Lease as per the UK Finance Mortgage Lenders' Handbook. Multi let properties divided into bedsits with individual kitchen/kitchenette facilities, if an HMO. <p>For further information, please refer to the Lending Criteria.</p>	<ul style="list-style-type: none"> Properties used for any commercial purpose Live/work units Working farms, smallholdings and houses subject to an agricultural occupancy restriction Properties with occupancy restrictions including retirement flats and sheltered accommodation (Overage clauses).
Property Condition	<p>Property that is structurally sound, modernised and with standard amenities, must be habitable and lettable in current conditions.</p> <p>Property that is structurally sound, modernised and with standard amenities, must be habitable and lettable in current conditions.</p>	<ul style="list-style-type: none"> Properties with any dry rot Japanese Knotweed. Valuers are to follow RICS Guidelines in the RICS Information Paper on Japanese Knotweed and Residential Property. Property assessed category A are not considered suitable security. Property assessed as category B will be 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 C or D do not require further investigation.

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Layout, floor space and land	<ul style="list-style-type: none"> Gross internal floor area of greater than 35sqm, with the exception of studio flats which can be 30sqm provided they are located in an urban area Properties up to 6 bedrooms, unless a Multi- Unit Freehold block which can be up to 10 self contained units. Properties with more than one kitchen, if Multi-Unit Freehold Block or HMO Properties with a Granny/Guest Annex, if an HMO MUFB: Each unit within the MUFB must be fully self-contained and have minimum gross internal floor area of 30sqm. 	<ul style="list-style-type: none"> Single leaf brick offshoots/extensions (unless the single skin element relates to a non-habitable room) Greater than 5 acres of land as part of the title Monkey Puzzle style houses. These are mid terraced houses where there are two houses interlocked with approximately 50-60% flying freehold Swimming pools, splash pools or teaching pools, tennis courts or stables that are capable of being used as such
EPC	<ul style="list-style-type: none"> EPC rating of A - E (a valid EPC certificate will be required before the offer, and this must still be valid at completion) 	<ul style="list-style-type: none"> EPC rating of F or below
Properties above or adjacent to commercial properties	<ul style="list-style-type: none"> Fleet Mortgages will consider Properties above or adjacent to commercial premises providing our valuer confirms the property forms a suitable security. Minimum value: £100,000 Maximum LTV: 75% Maximum Loan: £1,500,000 Flats above restaurants, takeaways or pubs are subject to underwriting discretion and a favourable valuer's report. 	
Listed Property	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Grade 1 Listed Buildings
Tenure	<ul style="list-style-type: none"> Freehold or Leasehold. Properties where the unexpired term of the lease is above 75 years on completion with a minimum of 50 years at expiry of the mortgage 	<ul style="list-style-type: none"> Commonhold properties Freehold coach houses, the only exception is a long-term lease that covers the flat and garage related to the flat. Individual freehold flats or freehold maisonettes 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.

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Blocks of Flats	<ul style="list-style-type: none"> Flats in blocks with up to 5 storeys (up to 10 storeys are acceptable within the M25). Blocks of flats with 4 or more storeys with lift access to all floors. <p>The underwriter can use discretion if the security flat is on levels 1-3 and we have received a positive valuation report</p> <ul style="list-style-type: none"> Where construction was completed before 1st of January 2020 and has EWS1 form with a rating of A1, A2 or B1 Where construction was completed from 1st of January 2020 onwards, it is assumed that the building complies with the most up to date Building Regulations and does not require an EWS1 form, unless the valuer is aware of concerns in respect of external cladding or stacked balconies, or the construction was known to have commenced prior to 2019 <p>Our policy relating to EWS1 forms relates to all blocks of flats, regardless of the number of storeys</p>	<ul style="list-style-type: none"> Blocks of flats of 4 storeys or more in height without lift access. The underwriter can use discretion if the security flat is on levels 1-3 and we have received a positive valuation report Where construction was completed before 1st of January 2020 and has an EWS1 form with a rating of A3 or B2 or a PAS 9980 assessment highlighting the need for remedial work If no documentation is available and the property has cladding/balconies that are suspected as needing remedial work <p>Our policy relating to EWS1 forms relates to all blocks of flats, regardless of the number of storeys</p>
Ex Local Authority/MOD Housing Association	<ul style="list-style-type: none"> Up to 70% LTV for Ex-Local Authority/MOD flats. Up to 75% LTV for Ex-Local Authority/MOD houses. The minimum valuation exceeds £150,000 if located in the London or South East Regions. The minimum valuation exceeds £75,000 if located outside of the London or South East Regions. Positive valuer comments regarding location 	<ul style="list-style-type: none"> Unless the valuer deems them as unsuitable security
Properties less than 10 years old		<p>Without one of the following Certificates:</p> <ul style="list-style-type: none"> National House-Building Council Buildmark Scheme (NHBC) Premier Guarantee for Private Housing and Completed Housing Building Life Plans Scheme Buildzone LABC Warranty

Properties less than 10 years old (continued)		<ul style="list-style-type: none">• ICW Warranty Scheme• Q Policy• Checkmate• Global Home Warranties (GHW)• Advantage HCI• Protek• Aedis Warranties/Homeproof• ABC+ Warranty
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Properties less than 10 years old (continued)		<p>Without one of the following Certificates (continued):</p> <ul style="list-style-type: none"> • Ark Group New Residential Warranty Insurance Scheme • Build Assure Architect's Certificate (The Professional Consultants used must have one or more of the qualifications listed in the UK Finance Handbook 6.7.4.) <p>Please be aware Fleet does not accept retrospective warranties.</p> <p>* Please refer to the UK Finance Mortgage Lenders' Handbook for restrictions on the PCC (Professional Consultant Certificate)</p>
New build (built or converted within the last 12 months)	<ul style="list-style-type: none"> • Up to 70% LTV for new build flats • Up to 75% LTV for new build houses 	<ul style="list-style-type: none"> • Stage Payments • Builders Incentives
Structural	<ul style="list-style-type: none"> • Any properties without structural defects will be considered subject to satisfactory valuers report • Properties which have no structural issues or that requires monitoring 	<ul style="list-style-type: none"> • 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 • Tie bars. Providing the Valuer does not make any detrimental comments in respect of the existence of tie bars then these may be acceptable • Properties where power lines or electricity supply apparatus are located directly over and/ or on the site
Construction	<ul style="list-style-type: none"> • Standard Construction, rendered or unrendered • 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 • Pitched roof of slate, tile, stone or thatch or flat roofs of felt, metal, GRP or EPDM. • Cross wall construction is acceptable unless the supporting walls are of PRC construction • 100% flat roof on blocks of flats 	<ul style="list-style-type: none"> • Non-standard construction • Properties with spray foam insulation in roof • Houses built before 2015 with flat roofs of more than 50%.

Construction (continued)	<ul style="list-style-type: none">• Houses built 2015 onwards with flat roofs of more than 50% may be considered, but for semi-detached and terraced houses the party walls must extend up above the flat roof covering between the properties• Houses built before 2015 can have a flat roof as long as it is less than 50% of the total roof area, it is in good condition, and (for semi-detached and terraced houses) the party walls must extend up above the flat roof covering between the properties.	
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Timber and Metal	<ul style="list-style-type: none"> • Timber framed property with outer walls of brick or stone built 1970 or later • Steel and reinforced concrete frame modern (post 1970) blocks of flats 	<ul style="list-style-type: none"> • Timber or metal framed buildings where the cavity between frame and cladding is filled with insulation materials after construction • Pre 1965 softwood timber framed construction lacking special merit on saleability • 100% timber construction unless of high standard and in a location where there is proven, sustainable demand • Scotswood Pine Style • Steel clad properties • Steel framed construction unless modern purpose built flats • Metal framed buildings where the cavity between frame and cladding is filled with insulation materials after construction • Cranwell Construction
Concrete	<ul style="list-style-type: none"> • Laing Easiform from 1945 onwards and No Fines construction • Mowlem Construction 	<ul style="list-style-type: none"> • 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 • Reinforced forms of poured or shuttered concrete construction including Easiform construction • 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) • Buildings containing high alumina content • Mundic construction in Devon and Cornwall built between 1900 and 1960 unless a suitable specialist test of the concrete returns a Grade A classification • Reema construction
Other	<ul style="list-style-type: none"> • Solar Panels unless the Valuer indicates that the saleability of the property would be affected, and subject to confirmation from our conveyancers that any lease agreement meets the UK Finance Lenders Handbook minimum requirements 	<ul style="list-style-type: none"> • Landlocked properties • Uninsurable properties • Assured, protected, statutory, or sitting tenants

Fleet Mortgages

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