

Second charge product and criteria change summary

We are delighted to confirm a series of product and criteria enhancements to support our long-term commitment to the market. We are confident that this will provide you with greater opportunity to place your enquiries during these challenging times. A summary of the changes are as follows:

- Relaunch of Second Charge BTL Products
- New criteria for Self-Employed borrowers up to 75% LTV
- Enhanced AVM Policy for Apex 1 Products
- Restrictions on loan purposes removed

We have produced an updated criteria guide to reflect all of our recent changes made which can be accessed via [this link](#).

Second Charge BTL products are back

West One has always been one of a limited number of second charge lenders supporting Landlords. We are delighted that we are now in a position to reintroduce a range of Second Charge BTL Products to provide property investors with access to a competitively priced product range.

The products are available where the property is being secured on a standard property type and are subject to a full valuation. Further details are provided in the updated product & criteria guide issued alongside this bulletin but a summary of the changes are:

- Loans available up to £100,000 - Max LTV 65% - **NEW**
- Interest Only Available subject to a plausible repayment strategy
- Rates starting from 6.49% - **NEW**
- Full Internal Valuation Required
- Available for Standard Property Types only (HMOs not permitted) – **NEW**
- Cases cannot be currently considered where consent is declined or for Ex-Pat Borrowers - **NEW**
- We will require an explanation from the borrower to confirm how the borrower will cover any rental voids (evidence may be required) – **NEW**
- We will require bank statements to evidence the last 2 months passing rent – **NEW**
- Loan term 3 – 25 years for BTL Second Charges Only – **NEW**
- Mortgage Payment Holiday Declaration to be completed to confirm our borrowers are not in a payment holiday (or intend to apply for a payment holiday).

Self-employed borrowers can now be considered

We are delighted to confirm that we can now consider new loan applications for self-employed borrowers up to 75% LTV on our Apex 1 & 2 plans. We have provided some further guidance on our approach for assessing self-employed cases in our updated criteria guide, but a summary of these changes are as follows:

- o Loans Available up to 75% LTV
- o Minimum time in Self-Employment 3 years (can consider min of 2 years by referral)
- o Require last 3 years' SA302s & last 6 months' business bank statements (refer to the lending policy for more information)
- o Income will be assessed based on latest years SA302 – further explanations required where there is a variation of more than 20% from previous years figures
- o Explanation from the borrowers to confirm how the loan will remain affordable for the next 3-6 months.
- o We cannot accept self-employed landlords or self-employed income derived from property investment.

AVMs & valuation policy

In more good news with immediate effect we have increased our LTV for AVMs for Apex 1 Plans to 65% LTV (Confidence Level 6 for LTV's over 50%). We can continue to accept drive by valuations for gross loans up to £100k at a maximum LTV of 70%. The revised AVM Policy for Apex 1 is as follows:

Max LTV	Up to 50%	Up to 65%
Max Loan Amount	£75,000	£75,000
Max Property Value – London and SE	£750,000	£750,000
Max Property Value – Outside London	£500,000	£500,000
Confidence Level	5	6

Please note AVM policy for Apex 2 remains unchanged

Change to minimum property values

We will be increasing our minimum property values for loans over 65% LTV to £150,000.

Loans up to 65% LTV will continue to be subject to a minimum property value of £100k with the exception of Ex Council Flats which require a minimum property value of £150,000 across all LTVs.

Loan purpose – restrictions removed

In our last update we restricted our loan purpose to Debt Consolidation only with all other loan purposes considered by referral. We are pleased to confirm we are now in a position to revert back to our standard lending policy providing the loan purpose is plausible during lockdown restrictions. Please refer to our updated criteria guide for more information.

Employed borrowers – updated information

We are happy to consider cases for both Key Workers and Non Key Workers. Please see below guidance on criteria for employed applicants.

Key Workers

Up to 100% of bonuses/overtime can be taken into account for Key Workers (as per the government definition):

- Health and Social Care
- Education
- Key Public Sector Services (courts/religious staff/charities etc)
- Local and National government
- Food and other necessary goods
- Public Safety and National Security
- Transport
- Utility and Communications companies and essential financial services

Non Key Workers

We are happy to consider cases for Non Key Workers where we can confirm that their income and occupation has not been adversely affected by the impact of Covid-19. Further guidance is provided below:

- Non Key Workers can be considered subject to a written explanation directly from the borrowers detailing how the loan will remain affordable for the next 3-6 months.
- We cannot use overtime or bonuses for Non Key Workers as part of the affordability assessment

We cannot currently accept applications from employed applicants working in the following sectors:

- o Hospitality
- o Retail
- o Entertainment & Leisure
- o Travel
- o Hairdressers/Beauty Salons/Nail Bars etc.

Payslips (Key Workers and Non Key Workers)

We will now require the last 3 monthly payslips OR last 4 weekly payslips. In all instances we will require February's payslip to show the basic income is consistent with the current payslip.

Furloughed workers & mortgage payment holidays

- We cannot accept applications who are currently furloughed or are on notice of being furloughed. We will need all applicants to confirm this in writing (additional confirmation may be required from their employer).
- We cannot accept applications from borrowers who confirm that they have applied (or intend to apply) for a mortgage payment holiday. All borrowers will be asked to sign a declaration to this effect prior to offer stage.

General criteria changes

- We will not currently accept applications from Non-EEA applicants
- LTVs will be limited to 70% where we are following a specialist lender
- Loans above £250k can be considered by referral for Apex 1
- We can no longer accept applicants on rolling contracts
- Non-standard property types can be considered up to 65% LTV by referral

For more detailed information on all of our changes please refer to our updated lending policy.

We will continue to review our lending policy which reflects the current market conditions. Our broker support team are on hand to provide support and guidance for cases you are looking to place with West One. We can also arrange training sessions by video conferencing to cover off all the changes highlighted in this bulletin which can be arranged by contacting:

OUR BROKER SUPPORT TEAM

- Email: brokersupport@westoneloans.co.uk
- Phone: **020 8736 2297**

This product information is for intermediary use only and its contents should not be distributed to members of the general public

West One Secured Loans Ltd is authorised and regulated by the Financial Conduct Authority.
Firm Reference Number: 776026. Certain types of loans are not regulated, for example loans for business purposes or certain buy-to-lets. West One Secured Loans Ltd is registered in England and Wales. Company Number: 09425230. Registered Office Address as right.

**3RD FLOOR, PREMIERE HOUSE, ELSTREE WAY,
BOREHAMWOOD, HERTFORDSHIRE, WD6 1JH.
WWW.WESTONELOANS.CO.UK**