

FREQUENTLY ASKED QUESTIONS



Kensington

You recently launched a Hero Mortgage Range, tell us a little more about this?

The Hero Mortgage is designed for essential public sector workers in society - Armed Forces, Firefighters, Police Officers, NHS Clinicians (including Nurses & Paramedics) & Teachers in the Public Sector. These professions tend to have greater job security, along with reliable and published incomes, so we want to help these customers when it comes to buying or remortgaging their home, this includes offering up to 90% LTV, and a more fitting affordability assessment of up to 5 x income.

How else can you help customers maximise their borrowing potential?

For employed applicants, with a 2 year track record with the same employer, we can consider up to 100% of their 'flexible' income. This is great for those who receive shift allowances, bonuses, commission or regular overtime so long as there's evidence as detailed below. We also don't have a basic/variable split requirement, which is ideal for those who rely on their non-basic pay.

Residential applications - The latest P60 and the last 3 months payslips are required.

Buy to Let applications - The latest P60 and most recent payslip are acceptable.

What about self-employed customers, how can you help them?

Self-employed customers are a big part of our business. We're able to lend up to 85% LTV to those customers who only have 1 year's full accounts behind them, and for those with 2 full years, we can consider up to 95% LTV. We will also look to use the most recent year's accounts if the most recent year's income is sustainable, and furthermore, we will use net profit (after tax) plus salary when assessing a directors incomes (50% or more shareholding), allowing customers to maximise their borrowing without having to necessarily draw from the business. To verify the income, we can use the following;

For Residential applications, most recent finalised and agreed accounts (for tax assessment) attached to the accountant's headed paper or SA302 supported by the latest tax year overview. If over 85% LTV, a minimum of 2 years trading will be required including proof of income.

For BTL applications, a copy the applicant's most recent finalised and agreed accounts (for tax assessment) attached to their headed paper or SA302.

You've talked about maximising borrowing capability for customers, what are your lending limits?

Depending on the client's circumstances, there are a number of options available. For clients looking to borrow up to £500,000 we can lend up to 95% LTV (subject to the credit profile of the clients). If customers wish to borrow above this, we can certainly help. Loans up to £1,000,000 are available up to 90% LTV, £1,500,000 up to 85% LTV, and £2,000,000 up to 80% LTV. For first time buyers, we are able to offer a maximum of £1,000,000 up to 90% LTV. We've specific products designed for these larger loans providing flexibility for your customers, and with a combined income of £100,000 or more, we can consider lending up to 6 x income (subject to affordability) as well, further helping your customer with their borrowing needs.

You've mentioned credit profiles, what support can Kensington provide those with imperfect credit profiles?

We're very flexible with clients who don't meet the desired credit profiles of other lenders. First of all, we do not use credit scores to make lending decisions instead publishing clear credit criteria. This is ideal for those who may have good credit conduct, but a low score due to recently taking out credit, or those with a limited credit history. Also we only use a soft footprint at DIP stage.

What about those with not so good credit history?

We have 3 different product ranges depending on your client's circumstances. For those with no key adverse in the last 36 months, they can benefit from our 'Select' range - this offers our lowest rates and is available to those with no new Defaults or CCJ's registered, and no missed mortgage / rent payments in this time frame. This is our most flexible range, and is where we will consider loans up to 95%, and loans over £500,000. Our 'Residential' range applies the same criteria, however only a 24 month credit profile clear of issues is required, and loans are available to £500,000 and up to 90%. Both the 'Select' and 'Residential' ranges allow for a maximum status 2 on unsecured credit in the last 12 months. We also have an 'Options' range, and this is to help those customers who may have had a 'blip' more recently. This range is available to 85% LTV and allows us to consider clients who have had a default (up to £1500), a CCJ (up to £1000), a missed mortgage/rent payment, and higher levels of unsecured credit arrears, within the last 2 years. The options range is not available for first time buyers.

A growing area of the market continues to be New Build, do Kensington have a New Build proposition, and if so, can you tell us more about it?

We have a very strong New Build proposition offering Help to Buy (Equity Loan) on New Build properties in England, Wales and all of mainland Scotland, on either 2, 3 or 5 year fixed term basis. We've also recently launched Help to Buy Remortgage, and this comes with the ability to 'Partial Staircase' - as well as borrowing for home improvements or transfer of Equity. We can also help those customers buying New Build property without the support of Help to Buy. We can lend up to 90% LTV on houses and flats (subject to affordability), and we will also consider cases where clients have elements of a gifted deposit, whether that be from Family members, or up to 5% in the form of a Builder Incentive.