

# THE CRITERIA CORNER

## Top tips from the Mortgage Helpdesk



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### Welcome back to The Criteria Corner!

The Criteria Corner is our mini newsletter designed to give you a brief insight into the topics we see frequently on the Mortgage Helpdesk. We aim to provide you with some great hints and tips which will help you with future cases. If you think we may be able to assist with your next case, please don't hesitate to get in touch!

### CASE STUDY



'Anthony' had approached us with an enquiry that involved an interest only mortgage for a director of a family business who was a 25% shareholder and was receiving dividends.

The dividends were substantially higher than what they were entitled to (approximately 42%). The adviser had been declined by a high street Lender and approached us wanting to know if this was going to be the general stance from other Lenders.

The client was receiving an uplifted dividend as the parents of the family business had retired and were taking a

reduced income, allowing their son (the client) to receive a higher share of the profits. The accountant was also able to provide a reference, stating that the business was showing substantial retained profits and continued growth and that the dividends drawn from the client would be sustainable.

After checking this with approximately 30 Lenders that were on our panel, it was established that taking the dividends equal to their shareholding entitlement was what the majority of Lenders would do for this case. However, after speaking with some key contacts and presenting the case to them, we were able to find some Lenders that would take a pragmatic approach to the case.

Continued on next page...

As always, we must advise that criteria does regularly change and therefore it is always prudent to double check with a Lender prior to submitting an application. Lenders provided are based on findings at the time of research, and may not include every option available.

# BUCKINGHAMSHIRE BUILDING SOCIETY



Sustainably Strong | Member Centred | Community Rooted

The Buckinghamshire Building Society is an award winning, mutually owned independent Building Society, first founded in 1907. The Society is based in the beautiful Buckinghamshire village of Chalfont St Giles and offers simple savings accounts to its members, as well as specialist mortgage products to customers, exclusively through you, our intermediaries. We are dedicated to providing excellent customer service and pride ourselves on the work we do to give back to our local community.

## Excellent Customer Service

We are dedicated to providing excellent customer service to our members and support to our brokers. Our brokers and members gave us a 4.54 review on Smart Money People!



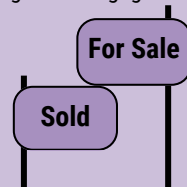
## A Human Approach to Underwriting

Our bespoke underwriting approach enables our underwriters to craft lending solutions for those cases that are not straightforward enabling a positive outcome for customers and brokers.



## An Exceptionally Wide Range of Products

We offer long term value as specialists in a range of mortgage niches – whether you're looking for your first home, forever home, or something in between.



## Mutually Owned

Our members are our shareholders – together we are Buckinghamshire Building Society.



## Available for Properties across England and Wales



## Building Society of the Year 2023 at the MoneyAge Mortgage Awards.



## With You Today and Tomorrow...

We also offer:

- Prime Purchasing and Remortgages
- Product Transfers
- Porting and Further Advances

## Local & Member

We love to be able to support our members and the local community by offering them special rates.

## Deposit Lite

Designed for first time buyers with little or no deposit whose family can assist them with their first house purchase. Up to 100% LTV on applicant's purchase price (overall 80% LTV with collateral charge on parent's/grandparent's property).



## Non-Standard and Impaired Credit

Our open-minded approach to underwriting allows us to evaluate applications on a case by case basis. We go above and beyond to find a solution and a positive outcome for your customers, including those with credit issues.

## Joint Borrower Sole Proprietor (JBSP)

We think outside the box with our JBSP Mortgage products, allowing parents and grandparents to help their children with affordability or the other way round, to ensure people get the support they need for buying a home, when they need it.

## Buy-to-Let (inc. Ex-Pat)

Whether your client has a standard Buy To Let property, are based abroad or a limited company our Buy To Let mortgages allow them to purchase or remortgage a Buy To Let property. Our affordability calculator makes it simple and gives an instant initial decision.

## Holiday Lets

Buckinghamshire Building Society are delighted to offer Holiday Let Mortgage Products. These are available for individuals and limited companies with an SPV. Our flexible underwriting approach and niche market specialisation, will provide a lending option for properties in coastal areas and national park areas



## Later Life Lending

Retirement can be a time of change for many, but with our Later Life Lending products, your clients can sit back and relax. Designed to give people optimum flexibility when they need it most.

The borrower's property may be repossessed if they do not keep up repayments on their mortgage.

T&Cs apply.



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## CASE STUDY CONTINUED...

During the research process, we kept the adviser up to date with the responses we received and had a list of suitable Lenders within 48 hours, saving the adviser time in the long run.

The Lenders found were Skipton BS, Earl Shilton BS and Pepper Money.

## MARCH EVENTS

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

5TH MARCH: MORTGAGE & PROTECTION - EDINBURGH

12TH MARCH: MORTGAGE & PROTECTION - SOUTHAMPTON

13TH MARCH: GETTING YOUR CLIENTS APPLICATION RIGHT FIRST TIME WEBINAR

20TH MARCH: SUPERVISOR COURSE (FOR MORTGAGE AND PROTECTION FIRMS)



## FAQs



Below are some useful frequently asked questions on our helpdesk that relate to this month's case study.

### Which Lenders would treat a 25% shareholder as employed?

Principality BS, Family BS, Melton BS & Hinckley and Rugby BS.

These Lenders may be able to offer more for a limited company director as they consider limited company net profits before corporation tax:

The Mortgage Lender, Metro Bank, Clydesdale Bank, Furness BS & Newcastle BS.

### Which Lenders can consider using a projection from an accountant to assist with affordability?

Harpenden BS, Hinckley & Rugby BS, Kent Reliance & Market Harborough.

**Unsure which Lenders may consider your case?**

**Save time by contacting the Mortgage Helpdesk with your complex cases.**

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