

# Prime Verified 19 August 2010

FOR PROFESSIONAL INTERMEDIARY USE ONLY

Current LIBOR rate is 0.75% with effect from 13 August 2010

	Prime	Prime One	Buy to let																								
<b>CCJ</b>	None in 24 months	2 in 24 months (satisfied over 6 months). Total max £750.	None in 24 months																								
<b>Arrears</b>	None in 24 months	None in 24 months	None in 24 months																								
<b>Defaults</b>	None in 24 months	2 in 24 months (0 in 6)	None in 24 months																								
<b>Bankruptcy</b>	None	None	None																								
<b>IVA</b>	None	None	None																								
<b>Credit Agency Information</b>	Maximum Credit Report status of 2 on any individual unsecured agreement in the last 12 months. Now up to date.	All non-defaulted agreements must be up to date at the time of application	Maximum credit report status of 2 on any individual unsecured agreement in the last 12 months. Now up to date.																								
	<table border="1"> <thead> <tr> <th></th> <th>75% LTV</th> <th>80% LTV</th> </tr> </thead> <tbody> <tr> <td>2-Year Fixed</td> <td>4.99%</td> <td>5.69%</td> </tr> <tr> <td>3-Year Fixed</td> <td>5.39%</td> <td>6.09%</td> </tr> </tbody> </table>		75% LTV	80% LTV	2-Year Fixed	4.99%	5.69%	3-Year Fixed	5.39%	6.09%	<table border="1"> <thead> <tr> <th></th> <th>70% LTV</th> <th>75% LTV</th> </tr> </thead> <tbody> <tr> <td>2-Year Fixed</td> <td>5.89%</td> <td>6.29%</td> </tr> <tr> <td>3-Year Fixed</td> <td>6.29%</td> <td>6.69%</td> </tr> </tbody> </table>		70% LTV	75% LTV	2-Year Fixed	5.89%	6.29%	3-Year Fixed	6.29%	6.69%	<table border="1"> <thead> <tr> <th></th> <th>75% LTV</th> </tr> </thead> <tbody> <tr> <td>2-Year Fixed</td> <td>5.69%</td> </tr> <tr> <td>3-Year Fixed</td> <td>6.19%</td> </tr> </tbody> </table>		75% LTV	2-Year Fixed	5.69%	3-Year Fixed	6.19%
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<b>Fee</b>	£999	£1,499	2.50%																								
<b>Reversionary Rate</b>	LIBOR plus 4.10%	LIBOR plus 5.10%	LIBOR plus 4.60%																								
<b>Min Loan Amount</b>	£25,001	£25,001	£25,001																								
<b>Max Loan Amount</b>	£500,000 (£250,000 FTB)	£350,000	£350,000																								
<b>Purpose</b>	Purchase and Remortgage	Purchase and Remortgage	Purchase and Remortgage																								
<b>Employment Status</b>	Employed/Self-employed	Employed/Self-employed	Employed/Self-employed																								
<b>Region</b>	England and Wales only	England and Wales only	England and Wales only																								
<b>Applicant Status</b>	First Time Buyers and Subsequent Purchasers	The main applicant (the person with the highest salary) must have a minimum 12 month mortgage history (please refer to Referencing section overleaf).	Applicants must have at least 2 existing buy to let properties																								
<b>Minimum Valuation</b>	£90,000	£90,000	£90,000																								
<b>Maximum LTV</b> (purchase & remortgage)	80% (75% for New Build)	75%	75% (65% for new build)																								
<b>Minimum Income</b>	Sole application minimum income £18,000, Joint application combined minimum income £25,000 *	Sole application minimum income £18,000, Joint application combined minimum income £25,000 *	Applicant one must have an income in excess of £30,000 *																								
<b>Income</b> (purchase & remortgage)	Affordability Assessment	Affordability Assessment	Gross rental income must be 125% of the Pay Rate (plus minimum income)																								
<b>Broker Fee</b>	0.40%	0.40%	0.40%																								

## FEATURES:

- > Decision made on the customer not the credit score
- > Full status lending to self-employed with 12-month verified accounts
- > Allowable buy to let portfolio with Kensington of 10 properties or £2million (whichever is lower). There is no maximum outside of Kensington

Phone 0800 111 020

or [www.kmc.co.uk](http://www.kmc.co.uk)

\* Please refer to Terms & Conditions



# General Terms and Conditions

## General Information

### Applicant Status

Purchasers, existing owners and First Time Buyers (considered First Time Buyer if has not held a mortgage for the last 12 months. No First Time Buyers on buy to let).

### Application Exclusions

There is a maximum of 4 applicants per application. Remortgages within 12 months of a purchase or previous remortgage are not acceptable. Applicant exclusions apply for Disqualified Company Directors, back to back sales (within 6 months of application), foreign nationals with less than 12 months bank records available, those with bankruptcies (including discharged) and Individual Voluntary Arrangements, those who have been subject to a repossession within 3 years and those with criminal convictions.

### Lending Locations

Properties located in England and Wales.

### Maximum LTV

80% for purchase and remortgage.

75% for residential new builds/properties being occupied for the first time (no new build flats).

75% for buy to let.

65% for buy to let new builds.

### Loan Purpose

Most loan purposes, including capital raising. Purpose(s) must be stated, evidence may be required.

### Loan Term

Minimum term is 5 years, maximum term is 30 years.

### Minimum Loan Amount

Minimum loan amount on all products is £25,001.

### Maximum Loan Amount

Maximum loan for Prime is £500,000 (£250,000 for First Time Buyers where applicable).

Maximum loan for Prime One and Buy to Let is £350,000.

### Buy to let

Applicants must have 2 existing mortgages conducted without problem for at least 12 months. Evidence of deposit required. No New Build Flats. Written confirmation of projected rental income from valuer required.. A verified source of income other than the rental income from the property that meets our minimum income requirements is required. Must have been a UK resident (paying UK tax) for at least 3 years. Portfolio maximum within Kensington of £2million or 10 properties (whichever is lower). There is no maximum outside of Kensington.

### Repayment Method

Capital and interest, Interest Only or Part and Part. When all or part of the loan is interest only, the method and full details of repaying the capital must be declared and acceptable to Kensington.

### Minimum - Maximum age at the end of the mortgage term

Minimum 21 years. Maximum 65 yrs or expected retirement age, whichever is earlier.

Minimum 25 years, maximum 75 years on buy to let.

### Early Repayment Charge

5% of amount redeemed during the fixed period, thereafter, interest will be payable until the date of redemption.

### Completion Fee

Completion Fee can be added to the loan above the maximum LTV. For details of Completion Fee please see the product detail overleaf.

### Higher Lending Charge

There is no Higher Lending Charge payable on this product.

Kensington and Kensington Mortgages are trading names of Kensington Mortgage Company Limited (registered in England No. 3049877). Kensington Mortgage Company Limited has its registered address at 2 Gresham Street, London EC2V 7QP. Kensington Mortgage Company Limited is authorised and regulated by the Financial Services Authority (Firm Reference No. 310336).

## Valuations

For LTV purposes, the lower of the purchase price or the valuation is used in all cases (no concessions on family sales or Sitting Tenant Purchases). Please refer to the relevant fee scale (including valuation fee and VAT plus the non-refundable administration fee).

Minimum Property Value is £90,000. All applications require a minimum deposit/personal stake of at least 5% of the lower of purchase price or valuation.

## Portable

No.

## Property Exclusions

No new build flats. Minimum Property Valuation is £90,000. Loans will not be considered on shared ownership properties, Right to Buy within pre-emption, freehold flats and maisonettes, ex-local authority flats and maisonettes, flats above commercial property, most properties of concrete construction\*, properties deemed defective under the Housing Defects Act 1984 and Housing Act 1985, properties containing mundic block materials, properties with Agricultural Restrictions, high rise flats over 4 storeys, studio flats and leasehold properties with less than 35 years remaining at the end of the mortgage term.

\*Please note we will accept Wimpey No Fines and Laing Easiform houses (not flats). Laing Easiform Properties must be dated 1945 onwards.

## Valuation and Administration Fees

### Property Value

Up to £250,000	£300
£250,001 to £500,000	£450
£500,001 to £750,000	£600
£750,001 to £1 million	£750
£1 million and over	by arrangement

Valuation fee is inclusive of VAT and a non-refundable administration charge of £100. Full fee must be provided with the application. If payment card details are given, the fee will be deducted on receipt.

The valuation report will be used solely for Kensington to consider if the Property represents suitable security. It is not a market valuation or structural survey to protect the interests of the borrower and as such they are advised to commission their own independent survey and valuation. If a borrower is shown a copy of the valuation report it is provided to them as a courtesy only and they must not rely on anything it says in connection with the Property for their own purposes.

If we agree to make a loan against the property it does not mean that we or the valuer are making any promises or guarantees about the value of the Property, the reasonableness of the price the borrower is paying for it, its condition or state of repair or its permitted use. The valuer we instruct is an independent contractor and we do not claim that any valuation or report about the Property is correct in any respect. We do not accept any responsibility whatsoever for any valuation of the Property.

## Solicitors

It is a requirement in all cases that the firm of solicitors acting for Kensington are registered with the Law Society and have a minimum of three partners.

## Income and Referencing (Residential mortgages)

### Affordability

All applications are subject to a full affordability assessment. Income is classed as 100% of net profit figure or basic salary and up to 100% of all bonuses, overtime, dividends share of profits, unearned income, director's fees, guaranteed salary allowances (i.e. Car allowance, regional

weighting, housing allowance, mortgage subsidy, shift allowance), private pensions, investment income and other declarable income for tax purposes. As a secondary stream of income only the following are acceptable - Working Family/Child Tax Credits verified by the most recent Inland Revenue Letter of confirmation and bank statements (must not be more than 50% of total income) and Maintenance payments supported by Court Order/CSA documentation and 6 months bank statements to verify receipt. Bank statements may be required.

### Minimum Income

Minimum income is £18,000 single £25,000 combined for joint applicants. In assessing single or joint minimum income(s) no Working Family/Child Tax Credits can be taken into account and income(s) must be from a single source e.g. one employer or one self-employed activity.

### Full Status

Employed applicants must have been in their current job for a minimum of 3 months and must not be on probation. In addition the last 12 month employment history is required if employed; minimum requirement is 3 most recent payslips and a P60. If a P60 is not available, then an employment contract and bank statements are required. Applicants who are sole traders or those holding not less than 25% of a company's share will be treated as self employed. If self employed, ideally a 3 year net profit history is required but a minimum of 1 year's trading history is acceptable. Verification will be required by a qualified accountant/book keeper who will be required to complete an Accountants Certificate of Income and provide latest audited accounts. The applicants proportion of the last years net profit figure or when a Director of a limited company the salaried income will be considered when assessing affordability.

### Referencing

Credit search, proof of identification and proof of income are required. Plus a valuation report from lenders panel obtained by Kensington.

24 months secured lenders history if applicable, confirmed by either a credit bureau report, annual statement(s) or lenders reference proving payments to date.

For Prime One only, 3 months bank statements will be required. We will require full explanation for any credit difficulties. Verification of this may be requested. If the mortgage attributed to the main applicant was repaid over 3 months ago you should contact Kensington on 0800 111 020 with full details of the applicant's recent credit history.

### Lending into Retirement

Not permitted on residential products.

## Income and Referencing (Buy to let)

### Income

The main applicant must have either: an employed or self employed income not related to the BTL of at least £30K or be a full time buy to let landlord with a net profit of at least £30K in the last accounting year.

### Status

Verified. Rental yield will be confirmed by the RICS valuer.

### Referencing

Previous mortgage history (both buy to let and residential) will be verified by reference to Credit Bureau data where possible. Otherwise a mortgage reference / bank statements will be requested. Evidence of income will be via latest P60 and payslip. If self employed, ideally a 3 year net profit history is required by a qualified accountant/book keeper who will be required to complete an Accountants Certificate of Income and provide latest audited accounts. Bank statements may also be requested.

### Lending into Retirement

The maximum age at end of the mortgage term is 75. Lending past state retirement age or selected retirement age will be allowed provided it is clear the buy to let portfolio is fully self funding without additional support being required from the borrower.