

Important Information - Online Decision in Principle



The following information indicates factors that you should consider before entering into the online Decision in Principle (DIP) process. This information is meant as a guide to help you decide if our services are likely to meet with your mortgage requirements. Meeting the conditions set out in this document do not however, necessarily mean that we will lend to you, as all applications are subject to our full mortgage underwriting process, at which point further information may be considered or required.

If you are interested in either **family purchase; right to buy; LIFT Scheme (Scotland Only)**, or if there is a **roof lease** registered against your property, please do not proceed with this DIP, but instead contact Skipton Direct**.

If you are in any doubt as to whether **your circumstances meet our lending requirements**, or you would like any of this information clarifying further, please contact Skipton Direct** before proceeding with the DIP. Please note that for **remortgage purposes** we require any prior charges on the property to be redeemed if possible. If you don't think this will be the case, you should not proceed with this DIP process, but instead contact Skipton Direct**.

Purpose of loan (Residential and Buy to Let - BTL)

The following are **not currently acceptable in all cases**:

- Any property with restrictions on occupation
- A Loan to Value (LTV) in excess of 60% for interest only loans*
- Any individual loan amount greater than £500,000 for interest only loans†
- Any individual loan amount greater than £300,000 for first time buyers or any first time buyer who has spent less than 12 months in continuous employment‡
- A mortgage term in excess of 35 years for less than five years
- Shared ownership leases
- Capital raising for business purposes
- Properties bought off plan, i.e. build not in progress at time of any subsequent mortgage application
- New build flats or conversions in excess of 75% LTV
- High rise blocks of flats over 5 storeys or above 48 units; studio flats; and flats above shops or properties in mixed development areas
- Leasehold properties with an unexpired term of less than 40 years after the mortgage term ends

Purpose of loan (Specific to Buy to Let - BTL)

In addition to the above, the following are **not currently acceptable**:

- A gross minimum income of less than £20,000. (For applications in joint names, the main earner must have a gross minimum income of £20,000).
- The maximum total loan exposure must not exceed £1,000,000 BTL mortgages with Skipton Building Society and/or its lending subsidiaries
- More than 5 properties held with Skipton Building Society either jointly or in sole names.
- More than 10 BTL portfolio properties (including any BTL mortgages with Skipton Building Society)
- Number of tenants must not exceed 4 and must be for sole occupancy/single family unit
- Student, family lets, or DSS tenants
- Trustee applications
- **First time buyers**
- Inner city developments and ex-local authority blocks of flats
- High landlord portfolio exposure within a given area.

Repayment methods available

We offer the following repayment methods as standard:

- Repayment of capital and interest
- Part repayment and part interest only (**not available to first time buyers**)
- Interest only (**not available to first time buyers**) and subject to the following:

Interest only

The Society will require proof that there is an acceptable repayment vehicle in place to repay the loan. The following repayment vehicles can be considered:

- Investment holding (i.e. endowment policy that has a projected value sufficient to repay the loan)
- Other assets (i.e. stocks and shares portfolio, investment property portfolios that have a projected value sufficient to repay the loan)
- Equity in another property in the UK

The value of the above vehicles must be existing policies etc, and must show that they have sufficient funds within them to repay the loan, or the ability to increase in value sufficiently over the term of the mortgage, in order to repay the loan at the end of the term. Affordability will be calculated on a repayment basis. If you are in any doubt as to the suitability of this option for your circumstances, please contact us.

Information on loan to value

If your loan is for capital raising or debt consolidation purposes, the maximum LTV ratio based on the loan amount is 75%. For interest only* loans this is reduced to 60%.

The maximum LTVs are shown below and are subject to product maximums and the maximum level of application score.

	New Residential Business Maximum LTV available	Buy to Let Maximum LTV available [^]
Up to £300,000	95%	75%
£300,001 - £500,000	90%	75%
£500,001 - £750,000	80%	-
Above £750,000	75%	-

YOUR HOME MAY BE REPOSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

* For LTV's above this threshold the first 60% can be taken on an interest only basis, with the remainder on a full repayment basis. Please also see the above section on interest only.

† For loans above this threshold the first £500,000 can be taken on an interest only basis, with the remainder on a full repayment basis. Please also see the above section on interest only.

A first time buyer is defined as someone who has never owned a property. If you intend to purchase a property jointly, you must all be first time buyers to qualify under this definition.

^ Criteria dependent on a BTL product being available and product restrictions.

** Contact us on 0345 850 1755, 8am to 8pm Monday to Thursday; 8am to 5:30pm Friday, or 9am to 12pm Saturday.

Skipton Building Society is a member of the Building Societies Association and Financial Ombudsman Service. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority under registration number 153706 for accepting deposits, advising on and arranging mortgages and insurance. Principal Office, The Bailey, Skipton, North Yorkshire BD23 1DN. *To help maintain service and quality, some telephone calls may be recorded and monitored. Stock Code: 303473NL_10/07/14

 Visit your branch

 0345 850 1755*

 [skipton.co.uk](https://www.skipton.co.uk)

