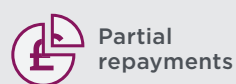




# Pure Heritage

## Lending Criteria

For Financial intermediaries only.  
Not approved for use with customers.



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# Pure Heritage Lending Criteria

## 1. Property

A mortgage will only be granted on a residential property if deemed by the surveyor as acceptable security. Properties which the surveyor deems not readily saleable, in poor repair, needing major essential works or in the process of significant renovation or alteration will not be accepted.

Acceptable	Considered	Not acceptable
Location		
<ul style="list-style-type: none"> <li>▪ England.</li> <li>▪ Wales.</li> <li>▪ Mainland Scotland.</li> </ul>		<ul style="list-style-type: none"> <li>▪ Properties outside of England, Wales and mainland Scotland.</li> <li>▪ Properties built within 75 metres of pylons, over-head power cables or mobile phone masts.</li> </ul>

## Property Value

- **Minimum Value:** £70,000 (£100,000 Special 3 and ex-local authority properties.)
- **Maximum Value:** No maximum limit on property value.

Acceptable	Considered	Not acceptable
Property Tenure		
<ul style="list-style-type: none"> <li>▪ Freehold.</li> <li>▪ Leasehold with a minimum of 120 years remaining on the lease.</li> <li>▪ Possessory title providing title insurance covered.</li> <li>▪ Service charge and ground rent combined must not exceed 1.5% of the property value.</li> <li>▪ Must be the main residency of the applicants. It can be for home office use, and the spouse or civil partners must be party to the mortgage.</li> <li>▪ The property must have been owned for 6 months.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Applicants may be accepted where there are lodgers residing without security of tenure to a maximum of 2 people, either one couple or two individuals.</li> <li>▪ Properties owned less than 6 months but have had the title updated into the applicants name.</li> <li>▪ Service Charge and Ground Rent combined between 1.5% - 2.5% can be referred for individual consideration.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Freehold flats / maisonettes.</li> <li>▪ Commonhold tenure.</li> <li>▪ Leasehold with less than 120 years remaining.</li> <li>▪ Leaseholds are not acceptable on Heritage Specials.</li> <li>▪ Properties subject to a trust.</li> <li>▪ Properties registered as a small holding or having agricultural ties, etc.</li> <li>▪ Business use of the property is not acceptable.</li> <li>▪ Letting to family members is not acceptable.</li> </ul>

Acceptable	Considered	Not acceptable
Property Type		
<ul style="list-style-type: none"> <li>Houses and bungalows.</li> <li>Leasehold flats and maisonettes up to 6 storeys high (over 4 floors must be serviced by a working lift). <b>The loan will be restricted to 85% of the maximum LTV.</b></li> <li>10 acres or less subject to no agricultural restrictions. (the value will be based on 5 acres).</li> <li>Age restricted properties accepted subject to 2/3rds of the LTV.</li> </ul>	<ul style="list-style-type: none"> <li>Barn conversions.</li> <li>Ex-public sector houses and bungalows - minimum property value £100,000.</li> <li>Ex-public sector maisonettes - maximum 2 storeys and minimum property value £100,000. <b>The loan will be restricted to 85% of the maximum LTV.</b></li> <li>Listed buildings – grade 2 in England and Category C in Scotland.</li> <li>Flying freeholds of less than 15% floor area.</li> <li>Blocks over 6 storeys high in a well maintained development serviced lifts and in a 'prestigious' location. <b>The loan will be restricted to 85% of the maximum LTV.</b></li> <li>Properties above or adjacent to commercial properties that do not affect saleability.</li> <li>Properties with more than 10 acres (the value will be based on 5 acres).</li> <li>Properties with minimal commercial use (such as childminder, music teacher). Will require appropriate building and public liability insurance in place.</li> <li>Studio flats that exceed 30sqm and within the M25 (LTV 85% restriction applies as per flats).</li> <li>6 - 7 bedrooms considered.</li> <li>Properties with estate / rent charges.</li> </ul>	<ul style="list-style-type: none"> <li>Studio flats.</li> <li>Ex-public sector flats.</li> <li>Properties where the housing association is still the freeholder.</li> <li>Listed buildings: Grade 1 and 2 star in England, and Category A and B in Scotland.</li> <li>Commercial properties or above / adjacent to commercial properties, or in a predominantly commercial location that affects saleability.</li> <li>Flying freehold greater than 15% of total floor area.</li> <li>Park homes, caravans, house boats, mobile homes or temporary structures.</li> </ul>

# Pure Heritage Lending Criteria

Acceptable	Considered	Not acceptable
<b>New Build Properties</b>		
<ul style="list-style-type: none"> <li>▪ All properties built within the last 10 years must have a suitable certificate to confirm that it does not contravene any building regulations (NHBC certificate or similar).</li> </ul>		<ul style="list-style-type: none"> <li>▪ Any properties built within the last 10 years that do not have a suitable new build certificate (NHBC certificate or similar).</li> </ul>
<b>Wall Construction Types</b>		
<ul style="list-style-type: none"> <li>▪ Standard construction.</li> <li>▪ Modern timber frame (post-1965).</li> <li>▪ Wimpey no fines concrete.</li> <li>▪ Laing easiform concrete (type 2).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Tudor-style timber.</li> <li>▪ Steel framed properties built post 2000 with acceptable warranties.</li> <li>▪ Cob construction.</li> <li>▪ Single skin - for non-habitable rooms where it is single story.</li> <li>▪ Wattle and daub</li> <li>▪ Modern methods of construction with acceptable warranties.</li> <li>▪ Cross wall construction - gable and party walls must be masonry.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Non-standard construction (see the 1984 Housing Act).</li> <li>▪ Older timber frame (pre-1965).</li> <li>▪ Properties where underpinning has taken place within the last 3 years.</li> <li>▪ Asbestos walls.</li> <li>▪ Single skin walls of less than 225mm thickness, or deemed non-traditional or non-standard.</li> <li>▪ Colt construction.</li> <li>▪ Pre-fabricated, or any properties constructed of, or supported by, concrete.</li> <li>▪ Repaired PRC.</li> </ul>
<b>Roof Construction Types</b>		
<ul style="list-style-type: none"> <li>▪ Tile / slate</li> <li>▪ Thatched roofs</li> <li>▪ Between 1 and 50% flat roof (subject to surveyor comments).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Between 50% and 100% flat roof</li> <li>▪ Other types of roof construction as deemed satisfactory by the surveyor.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Asbestos roof</li> </ul>

Acceptable	Considered	Not acceptable
Other Factors		
<ul style="list-style-type: none"> <li>▪ Solar panels must be owned outright or subject to a suitable lease.</li> <li>▪ Shared septic tanks, provided that it is shared between no more than two properties and there is a satisfactory formal agreement in place.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annexes where a carer or relative is residing subject to being on the same title as the property, shared council tax and utilities.</li> <li>▪ Properties in significant risk of flooding areas with active flood mitigation management in place and insurance in place to cover the flood risk.</li> <li>▪ Properties with Japanese Knotweed (RICS category D or C only)</li> <li>▪ Shared septic tanks that are shared between no more than four properties and there is a satisfactory formal agreement in place.</li> <li>▪ Lodgers / air BnB occupiers considered.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Properties which are subject to coastal erosion, significant risk of flooding with no active flood mitigation management in place, or have flooded within the past 5 years.</li> <li>▪ Retentions.</li> <li>▪ Properties that are adjacent to, next to, or above commercial properties.</li> <li>▪ Shared septic tanks shared between more than four properties, or where there isn't a satisfactory formal agreement in place.</li> </ul>

## 2. Occupants

- **Minimum Age:** 55 (dependent on product).
- **Maximum Age:** 85 (dependent on product).

Acceptable	Considered	Not acceptable
Credit History		
<ul style="list-style-type: none"> <li>▪ IVA/DMP up to any level subject to being satisfied on completion using the LTM funds.</li> <li>▪ CCJ's - £10,000 or less, no more than 5 satisfied CCJ's.</li> <li>▪ Unsatisfied CCJ's can be referred to the funder for consideration on a case by case basis.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Any CCJs registered in the last 24 months.</li> <li>▪ Unsatisfied CCJs of less than £10,000 subject to this being repaid on completion.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Any CCJs above £10,000.</li> <li>▪ Undischarged bankrupts.</li> <li>▪ 6 CCJs or more.</li> </ul>
Enduring or Lasting Power of Attorney		
<ul style="list-style-type: none"> <li>▪ Acceptable subject to approval.</li> </ul>		



## 3. Criteria for Heritage Special products, Super Max Plus and Supreme

### Property Type

The following are considered (not acceptable on Special 3):

- Properties with leasehold title
- Age-Restricted properties
- Listed buildings
- Properties above or adjacent to commercial properties

### Wall Construction Types

The following are considered (not acceptable on Special 3):

- Pre-1900 timber frame construction
- Modern methods of construction

### Roof Construction Types

The following are considered (not acceptable on Special 3):

- Thatched roof

### Other Factors

The following are considered (not acceptable on Special 3):

- Properties with lodgers or tenants
- Properties with annexes or self-contained accommodation
- Properties located on Scottish Islands
- Any unsatisfied CCJs
- Any unsatisfied IVAs that exceed £10,000 in total
- Any unsatisfied Debt Management Plan (DMPs) that exceed £10,000 in total
- Combined service charge and ground rent above 1.5%



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