

# Lending Criteria

## Classic Lifetime Mortgages



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



Fixed  
ERCs



Downsizing  
protection



Optional partial  
repayments



10% ERC-free  
repayments



Free EPC  
valuation

### 1. Property

#### Location

##### Acceptable

- Mainland England (including the Isle of Wight).
- Mainland Scotland (Not available on Classic Elite).
- Wales (Not available on Classic Elite).

##### Not acceptable

- Any property located in the Channel Islands, Isle of Man, The Scilly Isles, any Scottish Islands or Northern Ireland.

#### Property value

- Minimum value: £125,000 (£150,000 for ex-local authority properties) Classic Elite – £2,000,001.
- Maximum value: £2 million in England. £1 million in Wales and mainland Scotland. Classic Elite – No maximum.

#### Property tenure

##### Acceptable

- Freehold houses and bungalows.
- Leasehold houses and bungalows.
- Leasehold flats/maisonettes, with blocks up to 4 storeys high. Subject to 85% of the market value. (Please refer if 5 stories or more)
- Absolute ownership houses, bungalows and flats/maisonettes in blocks up to 4 storeys high.
- Flying freehold where the total floor area/ shared alleyway represents 15% or less of the total floor area of the property. Where the property is a modern coach house above garages or vehicular access, flying freehold criteria does not apply.

### Not acceptable

- Local authority or housing association leasehold properties.
- Freehold flats and maisonettes.
- Commonhold tenure.
- Shared ownership (other than between the 2 applicants).
- Flying freehold where the total floor area/ shared alleyway represents more than 15% of the total floor area of the property.
- Possessory title where it covers the property and/or the majority of the plot. Where the possessory title is over a small strip of land, these can be considered on a case-by-case basis provided that it does not impact on the saleability of the property.
- Any leasehold properties that do not meet the additional lease term rules (See additional terms below).

### Additional lease term rules

- Youngest applicant age – Minimum lease term remaining at application.

Age: 55 - 60	125 years remaining	Age: 66 - 70	114 years remaining	Age: 76 - 80	104 years remaining
Age: 61 - 65	119 years remaining	Age: 71 - 75	109 years remaining	Age: 81+	100 years remaining

### Property type

#### Acceptable

- Houses.
- Bungalows.
- Flats and maisonettes are generally acceptable, subject to the criteria in “Flats and Maisonettes” section, below.
- Properties with up to 5 acres of land, providing that there are no agricultural restrictions.
- Barn conversions subject to all relevant permissions gained.
- Grade 2 listed (England).
- Grade C listed (Scotland).
- Ex-council houses and bungalows of traditional construction in areas of predominately private ownership.
- Ex-MOD houses and bungalows of traditional construction in areas of predominately private ownership.
- Minimum value of £150,000 for ex-council/MOD houses and bungalows.

#### Refer

- Greater than 5 acres on the Classic Elite products only. The value will be based on 5 acres but will be charged on the whole title. This is subject to referral.
- Properties that are partly used for small business activity which do not require structural changes to the property or a change of planning use/business rates.
- Properties above commercial premises can be considered on an individual basis provided they are in high value areas and the commercial activity is unlikely to affect the desirability of the property i.e. noise, smell, unsociable hours etc.

### **Not acceptable**

- Retirement properties/age-restricted properties.
- Sheltered housing.
- Any form of shared ownership (housing association).
- Grade 1 and 2 star listed (England).
- Grade A and B listed (Scotland).
- Peverel Housing.
- Commercial properties.
- Attached to commercial premises of any kind.
- Properties without suitable services (such as not benefiting from electricity or water).
- Caravan homes, park homes, log cabins and house boats.
- Back to back (cluster homes).
- Holiday homes.
- Crofted and de-crofted properties.
- Properties where a housing association are the freeholders.
- Ex-council flats.
- Ex-MOD flats.
- Please note that this is not an exhaustive list, if you are unsure then please refer to Pure Retirement.

## **Flats and maisonettes**

### **Acceptable**

- Private sector purpose-built flats of no more than 4 floors.
- Studio flats within the M25 only.
- Coach house flats located over garages (please refer to Pure if unsure).
- Blocks containing cladding which a valuer has noted as a concern must have an ESW1 form that confirms that the building is considered low risk and no remedial works are required. This must be reviewed and confirmed satisfactory by the valuer.

### **Refer**

- Converted flats. These are considered on a case-by-case basis. If unsure, please refer to Pure.
- Flats where the block has 5 storeys or more, if within an “excellent” location. Please refer to Pure.
- Basement flats will be considered on a case by case basis.

### **Not acceptable**

- Ex-council or ex-MOD flats or maisonettes.
- Flats where the block has 5 storeys or more and is not in an “excellent” location.
- Studio flats not located within the M25.
- Living / work units.
- Flats with restricted access, i.e. access is not via main entrance.
- Flats with only external staircase access.

Please note only 85% of the property value will be used.

## New build properties

### Acceptable

- All properties built within the last 10 years must have a suitable certificate to confirm that it does not contravene any building regulations (e.g. NHBC certificate).

### Not acceptable

- Any properties built within the last 10 years that do not have a suitable new build certificate (e.g. NHBC certificate).

This is for properties built within the last 10 years.

## Wall construction types

### Acceptable

- Conventional walls, i.e. 265mm + cavity, or 225mm + solid of brick, stone or flint.
- Wimpey – no fines concrete walls (subject to survey).
- Wattle and daub.
- Lath and plaster inner walls.
- Single skin walls (where single storey, a minor part of the whole property and in non-habitable rooms) that are deemed as non-traditional or non-standard by the valuer.
- If the single skin construction is related to a garage or loft conversion and complies with building regulations, with building control sign-off (evidence required), these areas can be excluded from the single skin calculation.
- Timber framed property with outer walls of brick/reconstituted stone/block, built in 1970 or after.
- Post-2000 steel frame (flats only).
- A1 mundic properties subject to a recent test in line with the RICS guidance.

### Refer

- Period timber-framed properties (generally pre-1900).
- Laing easy form type II post-1940.
- Cross wall construction post-1960 where party walls are masonry.
- Cobb construction.
- Norfolk clay lump.

### Not acceptable

- Airey construction.
- Alumina cement.
- Asbestos walls.
- Bryant wall frame concrete panels.
- Camus construction.
- Canadian Cedar wood frame, with Cedar wood panels and PVC.
- Colt construction.
- Concrete block with cement render.
- Concrete panels.

### **Not acceptable Cont.**

- Concrete slabs/blocks with timber frame.
- Cornish slabs pre-cast concrete.
- Cumber homes.
- Laing easy form construction that is not Type II post-1940.
- Norwegian log.
- Norwegian timber frame.
- Poured concrete.
- Prefabricated homes.
- Shiplap built on brick piers.
- Single skin walls (except those shown as acceptable).
- SSHA (Scottish Specialist Housing Association) no fines concrete.
- Steel/metal-framed, built prior to 2000.
- Steel frame with other cladding.
- Steel/metal-framed unconventionally clad.
- Timber frame with fibreglass and plasterboard insulation.
- Walls constructed entirely of Timber with a build date prior to the 1970 benchmark (excluding period properties).
- Unity build.
- Please note that this is not an exhaustive list. If you are unsure please refer to Pure.
- Any mundic property type except A1.

## **Roof construction types**

### **Acceptable**

- Tile or slate.
- Felt and asphalt.
- Copper and lead.
- Thatched roofs (reed or straw only).
- Flat roofs up to a maximum 50% of the properties area and satisfactory comments by the surveyor.
- Spray foam applied during the construction of the property as part of the design, not applied to the tiles, or felting/battens, provided that it is BBA approved, fully guaranteed and has all the relevant building regulation certificates.

### **Refer**

- Flat roof up to 100%, where the customer's LTV is less than or equal to the LTV given in the table on page 7.

### Not acceptable

- Asbestos roof.
- Flat roofs that are greater than 50% of the property's roof area and do not fit under the specified LTV criteria in the considered section.
- Thatch roof not constructed of reed or straw.
- Spray foam not meeting the criteria mentioned as acceptable.

### Other factors

#### Acceptable

- Solar panels that are owned outright.
- Leased solar panels.
- Smaller overhead lines, such as telephone lines, within 100 metres of a property, that are typical to residential streets, unless the valuer specifically comments that they will negatively impact value and /or saleability.
- Shared septic tanks, provided that it is shared between no more than four properties, there is a formal agreement in place with regards to access and maintenance and it is confirmed that it meets all the required and current regulations.
- Private water supply subject to an acceptable water certificate confirming continuous supply and that it is fit for human consumption.
- Shared water supply where the supply is within the curtilage of the property and shared by no more than four properties (a formal agreement must be in place).
- Japanese knotweed category C - Unlikely to prevent use or restrict access to amenity space. Low impact, no action required.
- Japanese knotweed category D - Visible on adjoining land within 3m of boundary. Limited impact, no action required.
- Estate / rent charges where the management company is owned by the residents.
- Properties subject to material repairs (as defined by the surveyor with costs between £3,500 and £5,000 (including VAT)).

Property Value Maximum capped amount (Inc VAT) Please see table below.

Up to £200,000	£3,500	£350,001-£500,000	£4,500
£200,001-£350,000	£4,000	£500,001+	£5,000

#### Refer

- Properties that pass a bespoke Ambiental flood risk assessment check. Please note that all Classic cases undergo an independent flood search. Contact your local TBDM to obtain a bespoke flood check prior to application [here](#).
- Alternatively you can email: [info@pureretirement.co.uk](mailto:info@pureretirement.co.uk)
- Japanese knotweed category B - Prevent use or restrict access to amenity space. Potentially significant impact, action required. Considered subject to satisfactory report.

### Not acceptable

- Properties with excessive service charge, ground rents or estate charges may be unacceptable.
- Properties subject to material repairs (as defined by the surveyor with costs in excess of £5,000 (including VAT)).
- Properties where the floor area is less than 25 square metres (unless it is a studio or basement flat as stated in acceptable properties).
- Properties subject to coastal erosion.
- Properties that fail the bespoke Ambiental flood risk assessment check.
- Properties influenced by the current HS2 developments (subject to surveyor comments).
- Shared septic tanks not meeting the criteria mentioned as acceptable.
- Properties subject to localised issues, e.g. fracking, new airport runways, landfill sites, telephone masts and wind farms.
- Properties that have high voltage power lines passing directly over the site, or within 100 metres of high voltage equipment.
- Japanese knotweed category A - Causing visible damage to structure. Significant impact, action required.
- Estate / rent charges calculated by a third party management company / agent.

## 2. Loan-to-values (LTVs)

LTVs that lending on 100% flat roof is permitted on.

Classic Maximum LTVs			Classic Maximum LTVs		
Age	Joint Life	Single Life	Age	Joint Life	Single Life
55	10.00%	11.00%	70	28.00%	29.00%
56	11.00%	12.00%	71	29.00%	30.00%
57	12.00%	13.00%	72	30.00%	31.00%
58	13.50%	14.50%	73	30.50%	31.50%
59	14.50%	15.50%	74	31.00%	32.00%
60	16.00%	17.00%	75	32.00%	33.00%
61	17.00%	18.00%	76	32.50%	33.50%
62	18.00%	19.00%	77	33.00%	34.00%
63	19.00%	20.00%	78	34.00%	35.00%
64	20.00%	21.00%	79	35.00%	36.00%
65	21.50%	22.50%	80	36.00%	37.00%
66	23.00%	24.00%	81	36.00%	37.00%
67	24.00%	25.00%	82	36.00%	37.00%
68	25.00%	26.00%	83	36.00%	37.00%
69	26.50%	27.50%	84	36.00%	37.00%

### 3. Occupants

Minimum age	55.
Maximum age	84.

#### Credit history

- Applicants that have been discharged from bankruptcy more than 6 years prior to application are acceptable.
- Where an application has had an IVA this should have been satisfied more than 6 years prior to application.
- CCJs are acceptable under the following rules:
  - Satisfied CCJs - Acceptable
  - Unsatisfied CCJs - No more than 3 unsatisfied CCJs with a combined total of £3,000. The customer must be willing to settle the CCJs by or upon completion of the loan.The financial adviser and lender must be satisfied that the CCJs are not indicative of habitual financial mismanagement and the product is suitable for the customer.
- Debt Management Plans are unacceptable.

#### Enduring or lasting power of attorney

- Acceptable subject to approval.

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