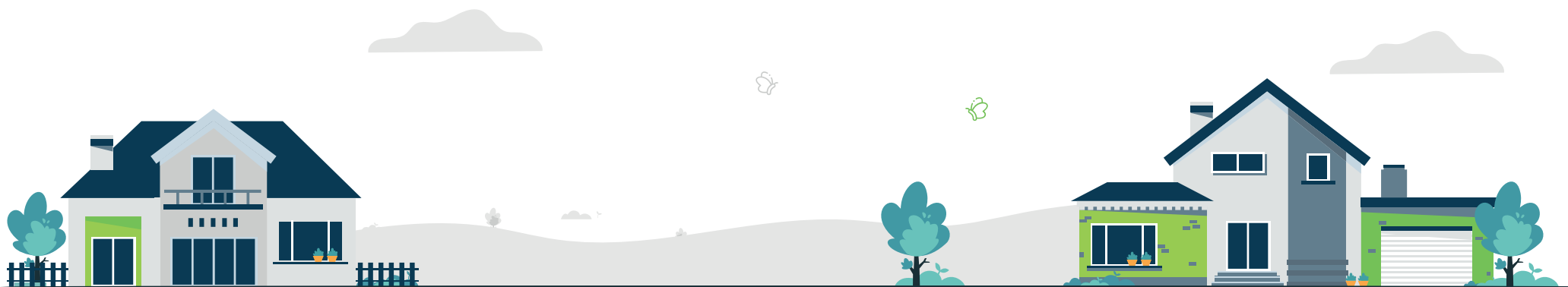


# Residential & Buy to Let Second Charge Product Guide

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Spring Finance Administered Variable Rate (SAVR) is 13.70% as at 7th August 2023



**For Intermediaries Only**

Spring Finance Limited, 3 Theobald Court, Theobald Street, Borehamwood, WD6 4RN

Spring Finance is a trading name of Spring Finance Group Ltd (14088677), Spring Finance Ltd (03709012), SF11 Ltd (07731478), SF13 Ltd (08273729), and Spring Finance M1 Ltd (14111987) all of which are registered in England and whose registered office is 3 Theobald Court, Theobald Street, Borehamwood WD6 4RN.

Spring Finance Ltd is authorised and regulated by the Financial Conduct Authority. Firm reference number 300606.

## Product Guide - Prestige

LTV Bandings	Product	Prestige 1 Max 1 Demerits	Prestige 2 Max 2 Demerits	Maximum Gross Loan
<60%	2 Year Fixed	10.50%	10.90%	£200,000
	5 Year Fixed	11.05%	11.45%	
	Lifetime Tracker*	11.30%	11.70%	
60% - 70%	2 Year Fixed	10.75%	11.15%	
	5 Year Fixed	11.30%	11.70%	
	Lifetime Tracker*	11.55%	11.95%	
70% - 75%	2 Year Fixed	11.00%	11.40%	£150,000
	5 Year Fixed	11.55%	11.95%	
	Lifetime Tracker*	11.80%	12.20%	
75% - 80%	2 Year Fixed	11.45%	11.75%	£75,000
	5 Year Fixed	12.00%	12.30%	
	Lifetime Tracker*	12.25%	12.45%	

\*Lifetime tracker rates follow the Spring Administered Variable Rate +/- a margin.  
Commission - 2.00% of net loan capped at £2,000.

## Demerits

Type	Definition	Eligibility
Mortgage /Secured Loans	• 1 unit per missed payment in last 12 months	<ul style="list-style-type: none"> <li>• 0 in last 3 months</li> <li>• 6 months minimum mortgage history</li> <li>• Security and background properties assessed</li> </ul>
CCJ/Defaults	• 1 unit per CCJ/Default in last 12 months	<ul style="list-style-type: none"> <li>• Ignore accounts under £350</li> <li>• Max CCJ/Default limit £10,000 per item - refer if greater</li> </ul>
Unsecured Credit	• 1 unit per account where worst status is 3 or higher in last 6 months	• Ignore accounts under £350
IVA/DMP	• 1 unit per plan - missed payments in last 12 months treated as an additional demerit	• Must have been in place for a minimum of 12 months
Bankruptcies	-	• Must have been satisfied over 2 years ago
Pay Day Loans (must be settled from loan advance)	-	<ul style="list-style-type: none"> <li>• None in last 6 months</li> <li>- max 2 in last 12</li> </ul>

## Early Repayment Charge

	Year 1	Year 2	Year 3	Year 4	Year 5
2 Year Fixed	2.00%	1.00%	-	-	-
5 Year Fixed	5.00%	4.00%	3.00%	2.00%	1.00%
Lifetime Tracker	1.00%	-	-	-	-

## Lender Fee

Loan Amount	Fee
<=£50,000	£1,195
<=£200,000	£1,495

## Reversion Rate

LTV	Rate
<70%	SAVR -0.10%
>=70%	SAVR +0.90%

## Product Guide - Core

LTV Bandings	Product	Core 1 Max 3 Demerits	Core 2 Max 4 Demerits	Core 3 4+ Demerits	Maximum Gross Loan
<60%	2 Year Fixed	11.40%	12.05%	13.00%	£200,000 (£100,000 max on Core 3)
	5 Year Fixed	11.85%	12.50%	13.45%	
	Lifetime Tracker*	12.10%	12.75%	13.70%	
60% - 70%	2 Year Fixed	11.65%	12.25%	13.25%	£150,000
	5 Year Fixed	12.10%	12.75%	13.70%	
	Lifetime Tracker*	12.35%	13.00%	13.95%	
70% - 75%	2 Year Fixed	11.90%	12.55%	-	£75,000
	5 Year Fixed	12.35%	13.00%	-	
	Lifetime Tracker*	12.60%	13.25%	-	
75% - 80%	2 Year Fixed	12.25%	-	-	£75,000
	5 Year Fixed	12.70%	-	-	
	Lifetime Tracker*	12.95%	-	-	

\*Lifetime tracker rates follow the Spring Administered Variable Rate +/- a margin.  
Commission - 2.00% of net loan capped at £2,000.

## Demerits

Type	Definition	Eligibility
Mortgage /Secured Loans	• 1 unit per missed payment in last 12 months	• 3 months minimum mortgage history • Security property assessed
CCJ/Defaults	• 1 unit per CCJ/Default in last 12 months	• Ignore accounts under £350
Unsecured Credit	• 1 unit per account where worst status is 3 or higher in last 6 months	• Ignore accounts under £350
IVA/DMP	• 1 unit per plan - missed payments in last 12 months treated as an additional demerit	• Must have been in place for a minimum of 6 months
Bankruptcies	-	• Core 3 only - must be annulled from the loan advance
Pay Day Loans (must be settled from loan advance)	-	• Refer if any in last 3 months, and/or 4 or more in the last 12 months

## Early Repayment Charge

	Year 1	Year 2	Year 3	Year 4	Year 5
2 Year Fixed	2.00%	1.00%	-	-	-
5 Year Fixed	5.00%	4.00%	3.00%	2.00%	1.00%
Lifetime Tracker	1.00%	-	-	-	-

## Lender Fee

Loan Amount	Fee
<=£50,000	£1,195
<=£200,000	£1,495

## Reversion Rate

LTV	Rate
<80%	SAVR +1.90%

The Loan		Self Employed Income		The Property	
Minimum Term	• 3 years	Minimum Trading Period	• 1 year	Location	• England, Wales and mainland Scotland only
Maximum Term	• 30 years	Bank Statements	• 3 most recent business bank statements to evidence still trading	Minimum Value	• £100,000
Repayment	• Capital Repayment	Evidence - Sole Trader	• 1 years HMRC tax calculation and supporting overview - 2 years evidence required if trading for 2 years or longer	Tenure	• Freehold or leasehold - subject to 75 years remaining at start of loan and 55 at end of term
Overpayments	• Up to 10% per annum. Overpayments exceeding 10% are subject to the relevant product early repayment charge	Evidence - Limited Company/Partnership	• 1 years HMRC tax calculation and supporting overview AND signed accounts or accountants reference • 2 years evidence required if trading for 2 years or longer	Hometrack	• Maximum gross loan £100,000 • Maximum property value £1,000,000
Loan Purpose	• All legal purposes considered. Loans for business purpose considered on referral • Loans for speculative purposes not accepted	<b>Contractor Income</b>		Hometrack Confidence Level	• Minimum confidence level 4 up to 60% LTV • Minimum confidence level 5 between 60 and 70% LTV
Further Advances	• Considered after 6 months subject to account conduct • Commission will be paid on the new borrowing only	Income Calculation	• Day rate x 5 x 46	Hometrack Property Restrictions	• Not permitted on ex-local authority flats or maisonettes
<b>Employment and Income</b>		Minimum Time Contracting	• 3 months	Driveby Valuations	• Maximum gross loan £100,000 • Maximum property value £1,000,000
Minimum Income	• Minimum gross annual household income of £18,000 - £15,000 must be earned from employment and/or private pensions	Minimum Contract Remaining	• 3 months or evidence of renewal	Driveby LTV	• Maximum LTV 65%
<b>Employed Income</b>		Gaps Allowed	• 4 weeks in the last 12 months	Driveby Property Restrictions	• Not permitted on flats or maisonettes
Time Employed	• 3 months history required. Probation considered subject to evidence of previous employment	Evidence	• Contract and 3 most recent payslips, invoices or bank statements	Internal Valuation	• Required where an application fails Hometrack or Driveby criteria
Evidence	• 3 x payslips monthly, 4 x payslips weekly	<b>Pension Income</b>		<b>Mortgage Information</b>	
Bonus/Commission /Over-time	• 100% if evidenced on all payslips. Annual bonus considered on referral subject to 2 years evidence	State and Private	• 3 most recent remittance slips or bank statements	1st Mortgage Balance	• LTV calculated on balance outstanding where LTV is below 75%. Redemption figure used where LTV is over 75%
Shift/Car/Location Allowance	• 100% if received across all payslips	<b>Benefit Income</b>		Mortgage Reference/ Payment Profile	• Equifax accepted providing no arrangement recorded in the last 12 months, or a succession of 6's
Maternity Pay	• Company and statutory maternity pay considered on referral	Child Tax Credit/Child Benefit	• Accepted for children aged 16 or under at the start of the loan - subject to a plausible explanation for any future changes in income, award letter and 3 most recent bank statements	Consent	• Required in favour of Spring Finance Ltd if applicable. We may consider lending where consent has been declined
		Working Tax Credit	• Accepted subject to award letter and 3 most recent bank statements		

## Product Guide - Buy to Let

LTV Bandings	Product	BTL 0 Max 0 Demerits	BTL 1 Max 1 Demerits	Maximum Gross Loan
<60%	2 Year Fixed	11.10%	11.40%	£150,000
	5 Year Fixed	11.65%	11.95%	
	Lifetime Tracker*	11.90%	12.20%	
60% - 70%	2 Year Fixed	11.35%	11.65%	£100,000
	5 Year Fixed	11.90%	12.20%	
	Lifetime Tracker*	12.15%	12.45%	
70% - 75%	2 Year Fixed	11.70%	-	£75,000
	5 Year Fixed	12.25%	-	
	Lifetime Tracker*	12.50%	-	

LTV Bandings	Product	BTL Core Max 3 Demerits	Maximum Gross Loan
<65%	2 Year Fixed	11.95%	£75,000
	5 Year Fixed	12.50%	
	Lifetime Tracker*	12.75%	

\*Lifetime tracker rates follow the Spring Administered Variable Rate +/- a margin. Commission - 2.00% of net loan capped at £2,000.

## Demerits

Type	Definition	Prestige Eligibility	Core Eligibility
Mortgage /Secured Loans	• 1 unit per missed payment in last 12 months	• 6 months minimum mortgage history • Security property assessed	• 3 months minimum mortgage history • Security property assessed
CCJ/Defaults	• 1 unit per CCJ/Default in last 12 months	• Ignore accounts under £350 • Max CCJ/Default limit £10,000 per item - refer if greater	• Ignore accounts under £350
Unsecured Credit	• 1 unit per account where worst status is 3 or higher in last 6 months	• Ignore accounts under £350	• Not assessed
IVA/DMP	• 1 unit per plan - missed payments in last 12 months treated as an additional demerit	• Must have been in place for a minimum of 12 months	• Must have been in place for a minimum of 6 months
Bankruptcies	-	• Must have been satisfied over 2 years ago	• BTL Core only - must be annulled from the loan advance
Pay Day Loans (must be settled from loan advance)	-	• None in last 6 months - max 2 in last 12	• Refer if any in last 3 months, and/or 4 or more in the last 12 months

## Early Repayment Charge

	Year 1	Year 2	Year 3	Year 4	Year 5
2 Year Fixed	2.00%	1.00%	-	-	-
5 Year Fixed	5.00%	4.00%	3.00%	2.00%	1.00%
Lifetime Tracker	1.00%	-	-	-	-

## Lender Fee

Fee
2.50% of net loan subject to a minimum fee of £1,195

## Reversion Rate

LTV	Rate
<70%	SAVR +0.90%
>=70%	SAVR +1.40%
BTL Core 65%	SAVR +1.40%

# Buy to Let & Consumer Buy To Let | Second Charge Eligibility Criteria

The Loan		Income		Mortgage Information	
Minimum Term	• 3 years	Income	• Evidence of income required on all cases	1st Mortgage Balance	• LTV calculated on balance outstanding where LTV is below 75%
Maximum Term	• 30 years	Employed	• Latest payslip required	Mortgage Reference/ Payment Profile	• Equifax accepted providing no arrangement recorded in the last 12 months, or a succession of 6's
Repayment	• Capital Repayment or Interest Only	Self-Employed	• Latest tax return and overview required	Consent	• Required in favour of Spring Finance Ltd if applicable. We may consider lending where consent has been declined
Overpayments	• Up to 10% per annum. Overpayments exceeding 10% are subject to the relevant product early repayment charge	Pension	• Latest remittance slip or bank statement required		
Loan Purpose	• All legal purposes considered. Loans for business purpose considered on referral • Loans for speculative purposes not accepted	The Property			
Further Advances	• Considered after 6 months subject to account conduct • Commission will be paid on the new borrowing only	Location	• England, Wales and mainland Scotland only		
		Minimum Value	• £100,000		
		Tenure	• Freehold or leasehold - subject to 75 years remaining at start of loan and 55 at end of term		
Employment and Income		Energy Performance Certificate (EPC)	• Minimum EPC rating of E or above - unless the property is exempt from the regulations		
Minimum Income	• Minimum gross annual income £18,000 for the 1st applicant - £15,000 must be earned from employment and/or private pensions	Hometrack	• Maximum gross loan £100,000 • Maximum property value £1,000,000		
Affordability		Hometrack Confidence Level	• Minimum confidence level 4 up to 60% LTV • Minimum confidence level 5 between 60 and 70% LTV • Rental confidence level 5		
Rental Coverage	• Assessed on the lower of the AST or valuers rental assessment	Hometrack Property Restrictions	• Not permitted on ex-local authority flats or maisonettes		
Rental Coverage Requirements	• 125% rental coverage required for low rate tax payers • 145% rental coverage required for high rate tax payers • 155% rental coverage required for additional rate tax payers	Driveby Valuations	• Maximum gross loan £100,000 • Maximum property value £1,000,000 • Rental confidence level 5		
Income Top Up	• Personal income can be used to support rental coverage subject to a minimum ICR of 130% - subject to a full I&E on the applicants residential property	Driveby LTV	• Maximum LTV 65%		
		Driveby Property Restrictions	• Not permitted on flats or maisonettes		
		Internal Valuation	• Required where an application fails • Hometrack or Driveby criteria		