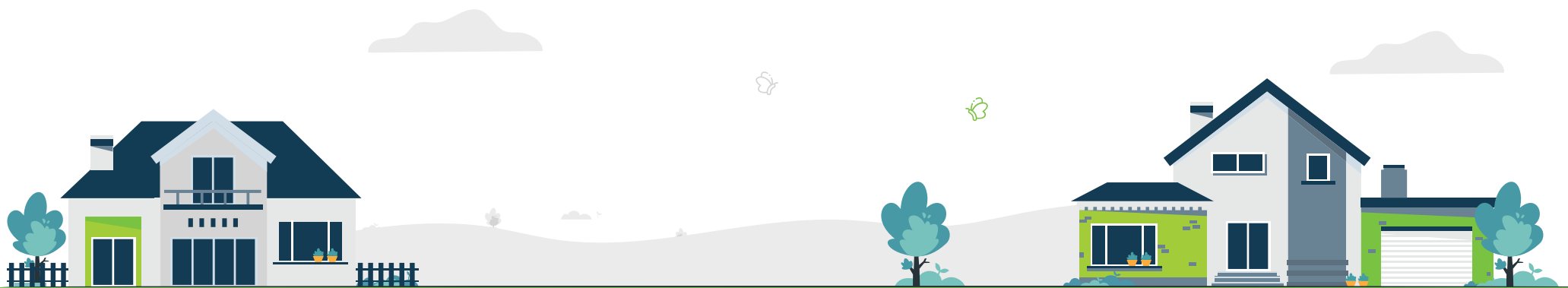


Residential & Buy to Let Product Guide

Released October 2024

Spring Finance Administered Variable Rate (SAVR) is 13.45% as at 5th August 2024



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.

Prestige

LTV Bandings	Product	Prestige 1 Max 1 Demerits	Prestige 2 Max 2 Demerits	Maximum Gross Loan
<65%	2 Year Fixed	10.75%	10.90%	£300k to 50%
	3 Year Fixed	10.35%	10.50%	
	5 Year Fixed	10.05%	10.20%	
	Lifetime Tracker*	11.45%	11.60%	
65% - 70%	2 Year Fixed	10.85%	11.00%	£200k to 65%
	3 Year Fixed	10.45%	10.60%	
	5 Year Fixed	10.20%	10.35%	
	Lifetime Tracker*	11.65%	11.80%	
70% - 75%	2 Year Fixed	10.95%	11.10%	£150k to 70%
	3 Year Fixed	10.55%	10.70%	
	5 Year Fixed	10.35%	10.50%	
	Lifetime Tracker*	11.80%	11.95%	
75% - 80%	2 Year Fixed	11.95%	12.10%	£100,000
	3 Year Fixed	11.55%	11.70%	
	5 Year Fixed	11.35%	11.50%	
	Lifetime Tracker*	12.80%	12.95%	
	2 Year Fixed	11.95%	12.10%	£75,000
	3 Year Fixed	11.55%	11.70%	
	5 Year Fixed	11.35%	11.50%	
	Lifetime Tracker*	12.80%	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	<ul style="list-style-type: none"> • Security and background properties assessed • 0 missed in last 3 months • Minimum of 6 months mortgage history required on 2nd charge applications
CCJ/Defaults	• 1 unit per CCJ/Default in last 12 months	<ul style="list-style-type: none"> • Ignore accounts under £500 • Max CCJ/Default limit £10,000 per item - refer if greater
Unsecured Credit	• 1 unit per account where worst status is 3 or higher in last 6 months	• Ignore accounts under £500
IVA/DMP	• 1 unit per plan per applicant - missed payments in last 12 months treated as an additional demerit	• Must have been in place for a minimum of 12 months
Bankruptcies	-	-
Pay Day Loans (must be settled from loan advance)	-	<ul style="list-style-type: none"> • None in last 6 months • - max 2 in last 12

Early Repayment Charge

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

Lender Fee

Product	Fee
1st Charge	£1,595
2nd Charge <=£50,000	£1,195
2nd Charge <=£300,000	£1,495

Reversion Rate

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

Residential | First and Second Charge Products



Core

LTV Bandings	Product	Core 1 Max 3 Demerits	Core 2 Max 4 Demerits	Core 3 4+ Demerits	Maximum Gross Loan
>65%	2 Year Fixed	11.60%	12.45%	13.40%	£200k to 65%
	3 Year Fixed	11.10%	12.25%	13.20%	
	5 Year Fixed	10.80%	12.00%	12.95%	
	Lifetime Tracker*	12.25%	12.90%	13.85%	
65% - 70%	2 Year Fixed	11.75%	12.60%	13.55%	£150k - 65 to 70%
	3 Year Fixed	11.25%	12.40%	13.35%	
	5 Year Fixed	10.95%	12.15%	13.10%	
	Lifetime Tracker*	12.40%	13.05%	14.00%	
70% - 75%	2 Year Fixed	11.95%	12.80%	-	£100,000
	3 Year Fixed	11.45%	12.60%	-	
	5 Year Fixed	11.15%	12.35%	-	
	Lifetime Tracker*	12.60%	13.25%	-	
75% - 80%	2 Year Fixed	13.05%	-	-	£75,000
	3 Year Fixed	12.55%	-	-	
	5 Year Fixed	12.25%	-	-	
	Lifetime Tracker*	13.70%	-	-	

*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	• Security property assessed • Minimum of 3 months mortgage history required on 2nd charge applications
CCJ/Defaults	• 1 unit per CCJ/Default in last 12 months	• Ignore accounts under £500
Unsecured Credit	• 1 unit per account where worst status is 3 or higher in last 6 months	• Ignore accounts under £500
IVA/DMP	• 1 unit per plan per applicant - 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. Refer to Packaging Guide for further information
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%	-	-	-
3 Year Fixed	3.00%	2.00%	1.00%	-	-
5 Year Fixed	5.00%	4.00%	3.00%	2.00%	1.00%
Lifetime Tracker	1.00%	-	-	-	-

Lender Fee

Product	Fee
1st Charge	£1,595
2nd Charge <=£50,000	£1,195
2nd Charge <=£300,000	£1,495

Reversion Rate

LTV	Rate
<80%	SAVR +1.90%

The Loan		Self Employed Income		The Property	
Minimum Term	• 2 years	Minimum Trading Period	• 1 year	Location	• England, Wales and mainland Scotland only
Maximum Term	• 30 years	Evidence - Sole Trader	• 1 years HMRC tax calculation and supporting overview AND 3 most recent business bank statements to evidence still trading	Minimum Value	• £75,000 on 1st charge, £100,000 on 2nd charge
Repayment	• Capital repayment	Evidence - Limited Company/Partnership	• 1 years HMRC tax calculation and supporting overview AND signed accounts or accountants reference	Tenure	• Freehold or leasehold - subject to 75 years remaining at start of loan and 55 at end of term
Affordability	• An LTI cap of 6x applies to all loans • A DTI cap of 45% applies to all loans These caps are applied automatically in Flow			Hometrack	• Maximum gross loan £75,000 • 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	Contractor Income		Hometrack Confidence Level	• Minimum confidence level 5 up to 65% 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
Employment and Income		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 pensions	Minimum Contract Remaining	• Evidence of renewal required if 1 month or less remaining on current contract	Driveby LTV	• Maximum LTV 65%
Employed Income		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 most recent payslips	Construction Industry Scheme (CIS)		Mortgage Information	
Bonus/Commission /Over-time	• 100% if evidenced on all payslips. Annual bonus considered on referral subject to 2 years evidence	Minimum Time in Role	• 3 months	1st Mortgage Balance	• Where applicable, LTV calculated on balance outstanding where the LTV is below 75%. Redemption figure used where LTV is over 75%
Shift/Car/Location Allowance	• 100% if received across all payslips	Evidence	• 3 most recent remittance slips AND bank statements	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	Pension Income		Consent	• Required in favour of Spring Finance Ltd if applicable. We may consider lending where consent has been declined
		State and Private	• 3 most recent remittance slips or bank statements		
		Benefit Income			
		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 or government gateway statements		
		Other Benefit Income	• Refer to Packaging Guide for further information on acceptable benefit incomes		

Buy to Let & Consumer Buy To Let | First and Second Charge Products

1st/2nd charge products - Buy to Let

LTV Bandings	Product	BTL 0 Max 0 Demerits	BTL 1 Max 1 Demerits	Maximum Gross Loan
<60%	2 Year Fixed	11.60%	11.95%	£150,000
	3 Year Fixed	11.40%	11.70%	
	5 Year Fixed	11.10%	11.40%	
	Lifetime Tracker*	12.15%	12.45%	
60% - 70%	2 Year Fixed	11.90%	12.20%	£100,000
	3 Year Fixed	11.65%	11.95%	
	5 Year Fixed	11.35%	11.65%	
	Lifetime Tracker*	12.40%	12.70%	
70% - 75%	2 Year Fixed	12.25%	-	£75,000
	3 Year Fixed	12.00%	-	
	5 Year Fixed	11.70%	-	
	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	BTLO/BTL1 Eligibility
Mortgage /Secured Loans	• 1 unit per missed payment in last 12 months	• Security property assessed • Minimum of 6 months mortgage history required on 2nd charge applications
CCJ/Defaults	• 1 unit per CCJ/Default in last 12 months	• Ignore accounts under £500 • Max CCJ/Default limit £10,000 per item - refer if greater
Unsecured Credit	• 1 unit per account where worst status is 3 or higher in last 6 months	• Ignore accounts under £500
IVA/DMP	• 1 unit per plan per applicant - missed payments in last 12 months treated as an additional demerit	• Must have been in place for a minimum of 12 months
Bankruptcies	-	-
Pay Day Loans (must be settled from loan advance)	-	• None in last 6 months - max 2 in last 12

Early Repayment Charge

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

Lender Fee

Product	Fee
1st Charge	2.5% of net loan subject to a minimum of £1,595
2nd Charge	2.5% of net loan subject to a minimum of £1,195

Reversion Rate

LTV	Rate
<70%	SAVR +0.90%
>=70%	SAVR +1.40%

The Loan		Income		Mortgage Information	
Minimum Term	<ul style="list-style-type: none"> 2 years 	Income	<ul style="list-style-type: none"> Evidence of income required on all cases 	1st Mortgage Balance	<ul style="list-style-type: none"> Where applicable, LTV calculated on balance outstanding
Maximum Term	<ul style="list-style-type: none"> 30 years 	Employed	<ul style="list-style-type: none"> Latest payslip required 	Mortgage Reference/ Payment Profile	<ul style="list-style-type: none"> Equifax accepted providing no arrangement recorded in the last 12 months, or a succession of 6's
Repayment	<ul style="list-style-type: none"> Capital repayment or interest only 	Self-Employed	<ul style="list-style-type: none"> Latest tax return and overview required 	Consent	<ul style="list-style-type: none"> Required in favour of Spring Finance Ltd if applicable. We may consider lending where consent has been declined
Loan Purpose	<ul style="list-style-type: none"> All legal purposes considered. Loans for business purpose considered on referral Loans for speculative purposes not accepted 	Pension	<ul style="list-style-type: none"> Latest remittance slip or bank statement required 		
Further Advances	<ul style="list-style-type: none"> Considered after 6 months subject to account conduct Commission will be paid on the new borrowing only 	The Property			
Employment and Income		Location	<ul style="list-style-type: none"> England, Wales and mainland Scotland only 		
Minimum Income	<ul style="list-style-type: none"> Minimum gross annual income £18,000 for the 1st applicant - £15,000 must be earned from employment and/or pensions 	Minimum Value	<ul style="list-style-type: none"> £100,000 on 1st and 2nd charge 		
Affordability		Tenure	<ul style="list-style-type: none"> Freehold or leasehold - subject to 75 years remaining at start of loan and 55 at end of term 		
Rental Coverage	<ul style="list-style-type: none"> Assessed on the lower valuer of the AST or valuers rental assessment. We may consider applying a 10% uplift to the valuers assessment where the AST supports the higher figure 	Energy Performance Certificate (EPC)	<ul style="list-style-type: none"> Minimum EPC rating of E or above - unless the property is exempt from the regulations 		
Debt Service Cover Ratio (DSCR)	<ul style="list-style-type: none"> 125% DSCR required for low rate tax payers 145% DSCR required for high rate tax payers 155% DSCR required for additional rate tax payers 145% DSCR required for HMO/AirBNB/Holiday Lets 	Driveby Valuations	<ul style="list-style-type: none"> Maximum gross loan £100,000 Maximum property value £1,000,000 		
Income Top Up	<ul style="list-style-type: none"> Personal income can be used to support debt service cover ratio subject to a minimum DSCR of 130% - subject to a full I&E on the applicants residential property 	Driveby LTV	<ul style="list-style-type: none"> Maximum LTV 65% 		
		Driveby Property Restrictions	<ul style="list-style-type: none"> Not permitted on Flats or maisonettes 		
		Internal Valuation	<ul style="list-style-type: none"> Required where an application fails Driveby criteria 		
		1st Charge Applications	<ul style="list-style-type: none"> Applicants must own their residential property 		