OneFamily

LIFETIME MORTGAGES

Assessing Affordability for the Interest Payment Lifetime Mortgage

This is not a consumer advertisement. It is intended for professional advisers only.

This guide has been designed to assist you with our Interest Payment Lifetime Mortgages.

OneFamily is committed to being a responsible lender who acts in the best interests of its customers. This means that we will have a responsibility to ensure that our customers are treated fairly, can afford to make monthly payments (where relevant), our Terms and Conditions are fair and transparent and that we will support a customer if they experience payment difficulties.

If you have any doubts about this policy, or evidencing your clients current and future circumstances please call or email our underwriting team before you submit the application to us.

Affordability

To ensure we lend responsibly, all applicants for our Interest Payment products will have to complete an affordability assessment. We will base affordability on an assessment of your client's net disposable income. The decision on affordability will not impact how much your client can borrow. It will only affect the amount of monthly interest they can pay.

We can assess affordability based on your client's current and future income and we are also happy to take contributors into account.

Should your client be unable to provide suitable affordability evidence or prefer simply to have a facility to make payments of up to 10% of the initial loan balance each year, they may want to consider our **Voluntary Payment Product.**

Income

Your client, or a contributor, must have a regular monthly income to apply for our Interest Payment Lifetime Mortgage.

Expenditure / Commitments

When calculating affordability, we will need you to provide details of your client's debts/loan commitments and whether or not they will be repaid from the proceeds of the advance.

ID / Banking Verification

We collect personal information for a variety of purposes. These include making the responsible lending decision and ensuring that the direct debit for the interest payments are collected from your client's bank account.

Proof of Income and Expenditure

The table below shows the main documentation we require you to provide to enable us to review and validate the applicant(s)/contributor(s) income and expenditure.

Proof of current income	**Proof of future income**
Latest P60 and latest three months payslips Employment reference State or private/employer pension statement If self-employed, an Accountants Certificate or last three years SA 302 Please refer any other forms of income to our underwriters	State or private/employer pension projection statement, issued within the last 12 months.
Proof of current expenditure	**Proof of future expenditure**
Last three months consecutive bank statements from all relevant accounts	Not applicable

If your client is currently employed, we will expect them to confirm their expected retirement date and details of their income post retirement.

If, at the point of their retirement, your client would not be able to afford the selected monthly interest payment they would have the option of limiting the term for which they pay the interest up to their anticipated retirement date or reducing the amount to a figure affordable from their post retirement income.

Please note that if your client selects a variable priced product, and elects to vary their payments in line with the interest rate changes we will carry out a stress test to allow for future rate changes up to the percentage cap that applies to the product. If your client elects to pay a fixed monthly amount on a variable rate product, stress testing will not apply.

Bank Statements

We are able to accept certified paper statements or online statements.

Their online statements must show:

- Bank's name
- Bank account number
- Applicant's name
- Three consecutive full months statements
- No amendments by hand

Contributors

If the applicants cannot evidence affordability in their own right then we will consider a contributor.

If a contributor is to be taken into account, we will undertake an affordability assessment on them as well.

The contributor must be able to evidence their ability to contribute the agreed amount towards the monthly interest payment.

We will assess their income and take into account their commitments. A basic credit search will also be carried out.

Money Laundering

Documents for anti-money laundering requirements, for example, proof of name and address, do not normally have to be sent to us. However, we assume you will retain evidence of these documents in your files. If we do ask you to provide anti-money laundering documents these must be verified as follows:

- Photocopy the document
- Write on the photocopy 'certified copy of the original'
- Sign the photocopy and print underneath your signature:
  Intermediary name/company/firm and the date
- The documentation can also be certified by the solicitor

For queries on any of the above, please contact:

The OneFamily Underwriting Team
Tel: 0800 802 1645
Email: lifetimemortgages@onefamily.com

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