

Saffron Building Society does not offer Lifetime Mortgages. The undernoted criteria must therefore be applied when considering client proposals that will extend either into retirement or attaining the age of 75.

This criteria applies primarily to Residential Mortgages. For BTL mortgages, servicing will continue to be measured against rental income as per our BTL policy, but we must also consider the dependence upon personal circumstances and income to cover associated risks e.g. rental voids, repairs and maintenance etc. The maximum term criteria will also apply against BTL mortgages.

The following criteria will apply where any applicant will be beyond their 75th birthday at term end:

- From the point of retirement, or 75th birthday, whichever is due first, only 'retirement' income will be permitted from that day for the purpose of evidencing affordability - no 'working' income will be allowed
- All actual or projected retirement income must be evidenced
- No projected income will be allowed where retirement (or age 75) is still more than 15 years away
- A maximum LTV of 50% will apply to any borrowing on an Interest Only repayment basis
- Sale of the residential property (i.e. downsizing) will not be permitted as a repayment strategy for any Interest Only lending, irrespective of the LTV
- A single asset may not be suitable as a means of both servicing and repaying the mortgage e.g. a SIPP drawdown may be used for servicing, but this would reduce the fund so unsuitable as a repayment vehicle
- The maximum term allowable will be assessed on an individual basis using all appropriate information and data available to us i.e. Interim Life Tables published by the ONS

The following additional criteria will apply where any applicant is beyond their 75th birthday at point of application:

- A maximum LTV of 80% will apply to borrowing on a Capital & Interest repayment basis
- All applicants will be required to receive Independent Legal Advice

Use the [Retirement Affordability Calculator](#) to check affordability passes before submitting your application

1. Acceptable Retirement Income

Source	In Receipt	Projected	Typical Evidence
Pension – with form of guarantee	100%		Latest 3 month advice slips or Latest P60
		100% of projected income after deduction of tax free allowance	Annual statement with projection – no more than 12 months old
Pension – without guarantee	12 month average		Latest 12 month advice slips or Latest P60
		50% of projected income after deduction of tax free allowance	Annual statement with projection – no more than 12 months old
Please note that State Pension will only be permitted where it forms part of a multi income retirement plan. It will not be allowed on its own			
SIPP	5% of current fund value	5% of current fund value	Portfolio detail
Trust Income	Dependant on terms of trust	Dependant on terms of trust	Trust Deed 3 year income evidence

Investment Income	50% of last 3 years average income	None	Portfolio detail
Rental Income	50% of current excess income or net profit	50% of <u>current</u> excess income or net profit	A/L profile Tax Returns Mortgage/Bank statements
For anything else please contact us to determine whether it would be acceptable or not			

2. Acceptable Repayment Vehicles (for Interest Only lending)

Vehicle	Percentage	Evidence
Personal pension – guaranteed fund	100% of actual / projected tax free cash	Latest annual statement confirming value – no more than 12 months old
Personal pension – non guaranteed fund	50% of actual/projected tax free cash (middle projection rates)	Latest annual statement detailing projected values – no more than 12 months old
Endowment Plan	90% of projected value (middle rates)	Latest annual statement – no more than 12 months old
SIPP	50% of current value	Portfolio detail
Trust Fund	Dependant on terms of trust	Trust Deed
Government Securities	90% of current value	Latest statement – no more than 12 months old
Other Investments e.g. ISA/Investment Bonds/ Managed Portfolios	50% of current value	Current portfolio valuation incorporating schedule of investments held
UK Property – excluding main residence (NB Overseas property is not permitted)	50% of current unsecured equity	Asset / Liability profile Latest Mortgage Statement (if applicable)