

Effective from
4th August 2008

Prime Residential and Buy-to-Let Product Range and Lending Criteria

What's new Residential?

- All pay rates increased
- Reversionary rates increased
- 85% LTV band removed
- End dates extended to 31st October

What's new Buy-to-Let?

- End dates extended to 31st October
- 1.5% fee products withdrawn

salt
saltfinance.com
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The information contained in this leaflet is correct as at 04.08.08.
Please contact us or refer to www.saltfinance.com for current information.
This information is for intermediary use only and must not be passed to customers.

Contact Information

If you'd like to get in touch, we'd love to hear from you. Here's all the information you'll need.

Sales & product queries:

0845 601 5050

Offer & post-offer queries:

0870 197 6322

email us at:

gotaquery@saltfinance.co.uk

For more information about what we do, who we are and what we can do for you, visit our website at

saltfinance.com

Send your applications to:

Salt Packaging Team

The Launchpad,
Outram's Wharf,
Little Eaton,
Derby,
DE21 5EL

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Prime Status: A quick product overview

	Interest Rate	Early Repayment Charges	Application Fee (can be added to loan)	Product Code	Max LTV
'2 Year' fixed rate (end date 31.10.10)	7.29%	5% until 31.10.10	£999	FS0165	80%
"5 Year" fixed rate (end date 31.10.13)	7.29%	5% until 31.10.13	£999	FS0166	80%

Prime Status: Product Detail

Reversionary Rate

2.50% above BR

Arrears on Secured Lending

No more than 2 months arrears in the last 2 years (none in the last 3 months)

By 'Arrears' we mean the highest aggregate level of outstanding missed payments which are overdue as a result of missing one or more scheduled or agreed payments at any time

Arrears on Unsecured Lending

No more than 2 months in arrears on any unsecured agreement in the last 2 years

CCJs

1 CCJ Maximum £500 in the last 3 years (satisfied or not)

Bankruptcy

Discharged 3 years

IVA

Satisfied 3 years

**Prime Status:
Product Detail
continued**

Right-to-buy

Available on all products. LTV will be limited to 75% LTV or 100% of the Discounted Purchase Price, whichever is higher

Default

None in the last 2 years

By 'Default' we mean a failure to fulfil an agreed-upon financial obligation, such as making a loan payment which leads to the recording of a 'default' on a credit reference search. As practice varies between lenders, this does not always result in legal action or a CCJ. Some credit providers are prompt in recording a default - e.g. mobile 'phone service providers whilst others (e.g. some credit card providers) may tolerate anything up to 6 months missed payments before recording a default

We disregard defaults registered by mail order and communication suppliers

Bank Rate (BR)

BR means the Bank of England 'repo rate' which is variable. The current Bank Rate (BR) is available at www.bankofengland.co.uk

Special Offers

From time to time we may have special products available. Please contact us for details or visit our website at www.saltfinance.co.uk

Buy-to-Let: A quick product overview

Tracker

	Interest Rates	Early Repayment Charges	Application Fee (can be added to loan)	Product Code	Max LTV
Lifetime Tracker	BR + 2.50%	N/A	2.5% of the loan	TSB 058	80%

Fixed

	Interest Rates	Early Repayment Charges	Application Fee (can be added to loan)	Product Code	Max LTV
'2 Year' fixed rate (end date 31.10.10)	7.25%	5% until 31.10.10	2.5% of the loan	FSB 171	75%
'2 Year' fixed rate (end date 31.10.10)	7.50%	5% until 31.10.10	2.5% of the loan	FSB 172	80%
'3 Year' fixed rate (end date 31.10.11)	7.25%	5% until 31.10.11	2.5% of the loan	FSB 173	75%
'3 Year' fixed rate (end date 31.10.11)	7.50%	5% until 31.10.11	2.5% of the loan	FSB 174	80%

Reversionary Rate

2.50% above BR

**Rental Cover
(% of initial Pay Rate)**

Up to 75% LTV - minimum 110% rental
Up to 80% LTV - minimum 115% rental
(Please see www.saltfinance.com for policy on new build properties)

**Minimum Income
Requirement**

£20,000 (joint applicants: this applies to at least one applicant)
Buy-to-Let is underwritten on a status basis.
Additional income considered for rental shortfall.
Last payslip and P60 or employer's/accountant's reference required
(Please see www.saltfinance.co.uk for full information)

Minimum Age

21

Portability

All products are portable until the end date. The Lifetime Tracker is portable until 31.10.11

**Maximum exposure /
borrower**

£2 million (by referral only). For portfolio applications, please refer to us before submitting a DIP to ensure that these cases are underwritten together as a portfolio application. Any DIP application that takes the applicant's combined total existing and new exposure above £1m may require additional information

Our core range procurement fees

	Total combined packager fee	Fee for selected clubs/networks	Direct to broker fee
Prime Status	0.75%	0.40%	0.30%
Buy-to-Let	0.50%	0.50%	0.30%

- Although there is no minimum procurement fee, the minimum loan advance is £50,000.
- If you have a question regarding an outstanding procurement fee, please speak to us or your packager/network/club as appropriate.
- Please include the packager/network/club gross fee as appropriate within the KFI.
- Consult your packager/network/club for the net fee payable to you.

For further details of our procurement fees, please visit the 'Broker Support' section of our website at www.saltfinance.com.

The following criteria apply to ALL products

Maximum LTV

As shown in product tables
Max LTV for new build houses is 65%
We do not lend on new build flats

Minimum / Maximum Advance (per property)

Minimum advance: £50k
Maximum advance: £500k up to 75% LTV and £300k above 75% LTV

Capital Repayments Early Repayment Charge

10% capital repayments permitted each mortgage accounting year without the application of early repayment charges

Early Repayment Charge

5% on the amount repaid during the initial fixed rate period above the 10% capital repayment allowed

Mortgage Application Fee

Depends on the product. See product table for details

Insurance

No compulsory Salt insurance (your customer must insure their property for the reinstatement value recommended by the valuer)

Valuation / Packager Fee

Your customer may have to pay a valuation fee and/or other fees
Valuations are valid for four months

Higher Lending Charge

There is **NO** higher lending charge on any of our products

A summary of our lending policy guidelines

Minimum/Maximum Age

Minimum Age - 18 years (21 for BTL)

Maximum Age - None

Please see our website for our responsible lending approach to loans into retirement.

Max Number of applicants

4

Income Multiples

Prime Status (enhanced multiples):

LTV%	Single Applicant	Joint Applicant
80%	4.25 x income	4.5+ 1.5 or 4 x joint

Prime Status (standard multiples):

LTV%	Single Applicant	Joint Applicant
80%	4 x income	4+ 1 or 3.5 x joint

(See page 11 for additional income considered)

Debt to income ratio

Within the Salt on-line DIP/scorecard, there are two Debt to Income calculations carried out:

- % of income utilised on funding unsecured credit commitments
- % of income utilised on funding secured **AND** unsecured credit commitments

Assessment is not solely based on income multiples, but will take into account Debt to Income calculations to assess affordability. **Enhanced income multiples may be available for applicants with a low Debt to Income ratio.**

Residency Status

We'll consider foreign nationals who have:

- Permanent Residence in the UK for a minimum of 12 months
- Indefinite leave to remain/right of entry
- Registered to pay UK Income Tax
- Salary paid into UK bank account

**A summary of our
lending policy guidelines
continued**

Customers

We'll consider customers who are:

- Paid on a commission only basis
- Contract workers (3 months continuous employment)
- Employed in a family business
- Retired
- On maternity / paternity leave

Identification

We'll need certified copies of both identity and address identification to be sent in with the mortgage application

Loan Purpose

We'll consider applications for

- Main homes
- Second homes
- Holiday homes
- Buying a house for a near relative
- Right to Buy
- Remortgage

Further Advances

We currently do not offer Further Advances

Minimum/Maximum Term

Minimum - 5 years / Maximum - 30 years

Repayment Types

Repayment, Interest Only, Combination of both
Please see our website for our responsible lending approach to 'interest only' loans.

CCJs

All CCJs registered in the last 3 years are taken into account.

Builder's/Vendor's Deposit

Up to 5% on residential mortgages

Employment Status

Employed – 3 months permanent employment
Self-employed – minimum trading period 6 months

Additional Income

100% of the following will be considered:
Mortgage subsidy, large town allowance, car allowance, investment income, rental allowance, trust income and second permanent employment

50% of the following will be considered:
Overtime, commission / bonus and shift allowance

Income from a state pension will be considered subject to underwriter discretion

Maintenance payments - 100%, private pension and Working Family Tax Credit - 50%

Guarantors

Must be able to afford their own liabilities as well as the new loan

Unacceptable Property

Properties outside England, Wales and Northern Ireland, freehold flats/maisonettes, new build flats, ex local authority high rise flats (over 4 storeys), all local authority flats >75% LTV, ex-housing association high rise flats (over four storeys), prefabricated buildings and PRC properties (not subject to an accredited repair scheme), unexpired lease of 30 yrs remaining at the end of the mortgage term, agricultural restrictions, properties termed as 'defective' under the Housing Defects Act 1984, properties under 10 yrs old without an approved

New Build Warranty or architect's certificate, shared ownership, houses in multiple occupation

Property exceptions we'll consider

- BISF steel framed properties (non recognised construction types)
- Ex-Ministry of Defence houses and flats
- Properties with business uses
- Flats in blocks of over 4 storeys
- Flats over commercial premises

Portability

All our mortgages are portable

Our aim is to always provide you with clear and accurate product information. If at any time you do not understand our products or communications and require further information, please email us at gotaquery@saltfinance.com

This information is for intermediary use only and must not be passed to customers. Other persons must not rely on the information contained in it.

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Salt is a trading name of Derbyshire Home Loans Limited which is authorised and regulated by the Financial Services Authority (www.fsa.gov.uk/register - Registration Number 302586) for certain activities concerning regulated mortgage contracts, general insurance and pure protection contracts. Contact us for more details or visit saltfinance.com

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