



Lending our **support** to new-build



How we can help with
your new-build business

Supporting the new-build sector

We work hard to deliver the personal service you expect and we're here to give you all the support you need to make buying a new-build as smooth as possible for your clients.

What is a new-build property?

We class new-build as a property where construction is completed or the property was first occupied in the last 24 calendar months.

Our new-build lending policy

We want to make our new-build policy as straightforward as possible. All applications must meet the following criteria:

- > New-build houses up to a maximum of 95%* LTV for residential and 80% LTV for BTL.
- > New build flats up to a maximum of 80% LTV for residential and 75% LTV for BTL.
- > Confirmation from the acting solicitor that the property has been satisfactorily completed and a New-Build Warranty acceptable to us is in place.

New-build mortgage Offers

Our original Offer is valid for seven months (30 weeks) from the date of issue for new-build applications.

Offer extensions

We will be able to provide an Offer extension for seven months if needed, subject to the following:

- > A new credit score.
- > Re-confirmation of affordability and proof of income.
- > Re-confirmation of property valuation.
- > A new product being selected from the range available at the time.

Please note when assessing a new-build Offer extension, your client does not need to pay another valuation fee.

Our Greener Mortgages

To reward customers who choose a more energy efficient new-build home we are offering products with a lower rate.

Please note, we will ask you to submit evidence of the EPC (Energy Performance Certificate) rating or PEA (Predicted Energy Assessment) rating when applying for one of our Greener Mortgages.

We've partnered up with Carbon Neutral Britain and for every Greener Mortgage that completes, we will fund environmental projects, such as the development of wind, solar and hydro renewable energy. The funding will offset the equivalent of the average UK household's carbon emissions for an entire year**.

Together, we're also aiming to plant 100,000 trees from the sale of our Greener Mortgages.



* Up to 95% LTV on new-build houses is only available for Shared Ownership, otherwise the maximum LTV is 90%.

** The average UK household's carbon emissions derived from heating and lighting the home are five tonnes of CO₂ per annum.

New-build incentives

Clients buying a new-build property may receive an incentive to purchase the property. This must be declared at the time of application, or later if the incentive changes.

Cash incentives

Houses & flats up to 90% LTV

Cash incentives of up to and including 5% of the purchase price are acceptable up to 90%

LTV without affecting the loan amount. For LTVs up to 90% where the value of the cash incentive is greater than 5%, the balance of the incentive above 5% must be deducted from the purchase price when calculating the maximum loan amount.

Houses above 90% LTV*

Where the LTV is greater than 90%, cash incentives must be deducted from the purchase price when calculating the maximum loan amount.

Acceptable cash incentives	Houses & flats up to 90% LTV	Houses over 90% LTV*
Cashback deals	✓	✗
Stamp Duty (Land and Buildings Transaction Tax in Scotland) paid	✓	✗
Payment of fees to professionals, such as solicitors and valuers	✓	✗
Guaranteed rental payments for a period after completion	✓	✗
Gifted deposit from the builder or developer (please note, family gifted deposits are acceptable in line with standard policy and do not need to be deducted from the purchase price)	✓	✗

Non-cash incentives

The following incentives are acceptable to Virgin Money without impacting the purchase price:

- > White goods (where not included as standard specification).
- > Carpets and curtains.
- > Payment of fees to professionals, such as solicitors and valuers.
- > Kitchen upgrade (including tiling and worktops).
- > Bathroom upgrade.
- > All electric upgrades (i.e. additional sockets, TV points, etc).
- > Turf and landscaping.

Part-exchange transactions

Where the builder or developer is purchasing the customer's existing residential property, part-exchange transactions are acceptable. We will accept this in addition to cash and non-cash incentives.

*Up to 95% LTV on new build houses is only available for Shared Ownership, otherwise the maximum LTV is 90%.

Six Step Mortgage Application Guide

As you know, there are lots of things to consider when making a new business mortgage application, which is why we have put together a guide outlining what you need to do and when. Simply follow these steps and you and your client could be six steps closer to completion.

01

Research our products

- > Sourcing systems – start by finding a suitable product for your client on your preferred sourcing system.
- > Lending policy – check your client meets our lending criteria by visiting the lending policy section on our intermediary website.
- > Business Development Manager – speak to your dedicated BDM to discuss the best way to go ahead.

02

Use our online affordability calculator

- > Affordability – check your client's income, loan commitments and outgoings with this handy tool, using as accurate figures as possible.
- > Print – our affordability documents are all printer friendly to help your record keeping.

03

Create a Key Facts Illustration (KFI)

- > Choose a system – use either Virgin Money Online (VMO) or sourcing systems to create a Mortgage Illustration.
- > Keep it safe – print and save a copy as a PDF.



04

Turn the Mortgage Illustration into a DIP (Decision in Principle)

- > DIP application – complete the application for an immediate DIP using either VMO or MTE.
- > Unsecured and recently cleared credit – make sure that you detail all unsecured credit and highlight anything that will be repaid before or when the mortgage completes.
- > Buy-to-let – please declare any buy-to-let loans and indicate if they are self supporting.
- > Decision Certificate – if the application passes we will send you a Decision Certificate straightaway, telling you how much we will lend and what documents you need to send us. If it is referred to an underwriter, you should hear within 48 hours.
- > Keep it safe – our certificate is easy to print and keep for your records.
- > Documentation – source all the documents we need, which we will confirm to you.
- > Monitor decision – if you need to make any changes to a decision, please call your dedicated Service Team. They are here from 9:00am to 5:00pm Monday to Friday, excluding Wednesdays when they are open 9.30am to 5:00pm and Bank Holidays.

05

Turn the DIP into a full application

- > Full application form – complete this form, making sure all the facts and figures match those on the calculator, Mortgage Illustration and DIP.
- > Submit – send us the completed form through VMO or MTE.
- > Payment – make sure you have the client's payment details.
- > Save and print – keep copies of the Declaration, Direct Debit and Application Summary details.
- > Documentation – send all the requested documents securely via the document upload option on VMO. We will accept scanned copies or photographs. Sending additional documents may cause delays.
- > Monitor your case – use Case Tracking on VMO and MTE to see how your case is progressing.

06

Your dedicated Service Team

- > One dedicated team – made up of our multi-skilled mortgage experts and an in-team underwriter.
- > Contact – get in touch with the team for all queries through to offer.
- > Faster service – a single point of contact so we can process your cases quickly and more efficiently.
- > Enjoy – a dedicated phone number and personalised service.

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