Let’s do this together

Your mortgage manual
Support that lets you shine

We know how tough your job can be today, which is why we work our socks off to help make it easier for you to do what you do. That means our very best products, streamlined underwriting and the dependable service you need.

We’re here to help you stand out.

And we’ve spent the last few years working with our intermediary partners to transform our service, based on your feedback and what matters to you.

We’ll always take the time to understand what you need, how you like to work and how we can help each other. That way, we can help you provide a service your clients will feel good about.

We look forward to working with you.

There are partnerships and there are Virgin Money partnerships.

Your handy how-to guide

Inside is everything you need to know about working with us, from submitting a mortgage application to learning about our lending policy, the benefit of being a Virgin Money intermediary partner, and of course, browsing our product range.

Get to know Virgin Money

A chance to find out a bit more about us. What we stand for, our aims and what we want to achieve – but most importantly, how we work with our partners, like you.

All the essentials

The low-down on our products and lending policy. At a glance you can easily see which mortgage fits which client, all the important facts and figures, and details of our lending policy.

Our support for you

Find out how we can help you. From our dedicated Business Development Managers to our six-step guide on how to work with us, plus details on the documents we need when submitting business to us.

Keep in touch

All the names and numbers to help you on your way. If you want to know who to call for general queries, where to go for Virgin Money Online (VMO) support or the number for your Regional Service Team, take a look here.

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There are partnerships and there are Virgin Money partnerships.
Get to know Virgin Money

› Our commitments
› Ratings and reviews
› Helpful websites
› Great benefits
› A bank with a difference
Our commitments

We are dedicated to you and continue to stand by the commitments we made in 2015.

Our promise:

> Offers for your customers within 10 working days of receiving a fully packaged application, or we’d give your customer £100.*

> To offer you our very best products – we don’t offer better deals through other channels to attract new customers ourselves.

> At least 24 hours’ notice before we increase the rates on our mortgage deals.

> A fair day’s pay for a fair day’s work, with procuration fees that reward you for the work you put in.

> Dedicated service teams and your own BDM, ready to support you with whatever you need.

*Terms and conditions apply.

We love to share

When it comes to feedback, we like to lay it all on the table.

We’re so confident in the service we deliver to our intermediaries, we ask you to rate us after every mortgage completion. Then we publish the results on our website for all to see. No filtering out the bad reviews.

Visit virginmoneyforintermediaries.com to read what our Intermediary Partners have to say about us.

We want to know how you rate us on everything from our communications to our professionalism, from our service to how easy you find doing business with us.

The application process with Virgin Money was very smooth and hassle free.

We were constantly kept informed of what was needed and where the case was in processing. Our BDM was in touch making sure everything went smoothly.

Paul Sherrard
S&S Mortgage Solutions

virginmoneyforintermediaries.com
All you need
in a few clicks

You’ll find answers to all your questions about working with us at virginmoneyforintermediaries.com

Everything from registering as a new partner through to details on our lending policy, together with handy sales aids, business building zones and tools like our Online Affordability Calculator. For full details of our lending policy, visit our website or download our A-Z Lending Policy App and get instant easy access to our policy on the go.

You can also find out lots more about Virgin Money Online (VMO) – our online application system.

For more information just go to virginmoneyforintermediaries.com

Rewards from across the Virgin Group

We believe great partnerships should bring great rewards. So we give you access to a range of discounts and offers. From money off holidays to discounts on entertainment, a fantastic balloon flight to a great case of wine – it’s our way of saying thank you.

Visit virginmoneyforintermediaries.com/offers or talk to your dedicated BDM.
Why bank when you can **Lounge**?

Our Lounges are about more than money and banking – they are designed to be places where our customers can relax and local communities come together.

We have Lounges across the country. To find your nearest Lounge visit [virginmoney.com/lounge](http://virginmoney.com/lounge)

As an intermediary partner you get access to Virgin Money Lounges. They offer unique places to sit and relax and convenient spaces to do a spot of work.

Your dedicated BDM has a pass waiting for you, so you and a guest can enjoy exclusive Lounge access.
Doing some **good** in the community

We’re putting our expertise to good use, helping charities, communities and the environment. Here are some of the ways we’re making banking better.

**Virgin Money Giving**

Inspired by our sponsorship of the Virgin Money London Marathon, we wanted to find ways of helping people raise even more for charity. So we set up our not-for-profit fundraising website, Virgin Money Giving. If you’re ever raising money for a great cause, help your donations go further at:

virginmoneygiving.com

**Make £5 Grow**

With the help of a £5 loan from Virgin Money over 70,000 young people have enjoyed the experience of starting their own small business. To find out more visit:

make-5-grow.co.uk

**Virgin Money Foundation**

The Virgin Money Foundation supports local people with the vision and drive to transform their communities. We provide funding to those who love where they live and want to change it for the better.

virginmoneyfoundation.org.uk
All the essentials

> Mortgage range
> Flexible features
> Products transfers
> Lending policy
Everyday range
Simple, straightforward residential and BTL mortgages designed to fit a range of needs. Fixed rate deals are available with some of our flexible features like overpayments and payment holidays included as standard.

Flexible range*
Residential mortgages ideal for clients looking to secure more flexibility. As their lives change, so too can their mortgage. You can find out more about all our flexible features over the page.

We offer the following incentives
Residential remortgage applications;
> free basic valuation
> free legal work from our panel of approved solicitors
> cashback available on selected products

BTL remortgage applications;
> free basic valuation
> free legal work from our panel of approved solicitors or cashback

We offer cashback on selected residential and BTL purchase applications.

Flat fees and fee savers
Residential and BTL clients can choose between flat fee or fee saver options. Our mortgages without a product fee are called fee savers and could really benefit some of your clients, particularly those with smaller loan sizes. Sourcing by total to pay over the product life will highlight just how good a fee saver option can be.

Wide choice of LTV bandings
Everyone is different with varying amounts to spend on a deposit, which is why we offer a range of LTV options.

New build
Looking to build your new build business? So are we. That’s why we are making it even easier for your customers to buy a brand new property with our residential and BTL deals.

Shared Ownership
We offer Shared Ownership mortgages across England and Wales on non-new build and new build properties. Helping customers to get a foot on the property ladder.

Custom Build
We are working in partnership with BuildLoan to bring you our Custom Build mortgages to help customers who are looking to build their dream home.

Help to Buy Equity Loans
We are proud to be part of the government Equity Loan schemes, available in England, London, Scotland and Wales for customers looking to purchase a new build home with as little as a 5% deposit.
Payment holidays
From parental leave to emergency boiler repairs, payment holidays are a great way for your clients to free up some money when they need it most. Again, they are available on both our residential and BTL mortgages:

> For every nine consecutive full mortgage payments, your client can arrange one payment holiday and up to a maximum of three payment holidays after 27 consecutive full payments.
> Interest will still be charged during the month of the payment holiday, and a payment holiday will increase the outstanding balance on which future interest charges are calculated.
> Payment holidays will be allowed based on your client’s ability to repay the revised total mortgage balance and the new monthly payment based on their circumstances at the time.

Portable products
> All mortgages within our current range are fully portable, allowing clients to transfer their rate to their new property and take their Virgin Money mortgage with them (excluding Custom Build).
> If they need to borrow an additional amount for the new property, they can apply for any new product available at the time that is within the same product family as their main loan, e.g. Everyday or Flexible.
> Clients can also take on a completely new product for the whole loan of their new property. If the new loan completes within three months of redemption they may receive a refund of 50% on an Early Repayment Charge, subject to their original mortgage terms and conditions.

Overpayments
Overpayments are a great way for your clients to reduce the amount they owe, save interest and potentially repay earlier than planned. They are available on both our residential and BTL mortgages:

> Everyday range – overpayments of up to 10% of the outstanding balance per calendar year, with no Early Repayment Charge.
> Flexible range – unlimited, charge-free overpayments can be made regularly or as a lump sum, providing the loan is not redeemed in full.

Underpayments and borrow back
Another useful feature of our Flexible mortgages is the option to make an underpayment, or borrow back previous overpayments:

> If your client has made overpayments, they can apply to make a lower monthly payment or stop their monthly payment until the overpayment is used up.
> They can apply to borrow back some or all of the overpayments they have made (£500 minimum). Any money they borrow back is charged the same rate of interest as their mortgage.

Please note that all flexible features must be applied for and are subject to the terms and conditions of your client’s mortgage and Virgin Money’s agreement.
Refer customers back to us

When it comes to product transfers, you want a process that’s straightforward, simple – and rewarding. Here’s how to do it in five simple steps:

1. Log in to VMO and choose the product transfer option from the main menu.
2. Enter the mortgage account number and surname.
3. Select the new product from the options available. You’ll have the option to make further account changes. Additional borrowing, change of repayment type, or change of term.*
4. Complete the application and click submit.
5. Customer receives Offer and signs and returns the Acceptance Form within the timescales outlined.

Why recommend us?

> Hassle-free for customers and straightforward for you.
> Access to a full range of residential and BTL products.
> Option to apply for renewal 120 days before maturity.
> Flexibility to request additional borrowing, change of repayment type and change of term.*
> We’ll only run a soft credit check (unless you’re requesting additional borrowing).
> Dedicated support on hand for any questions.
> An Offer will be issued to customers within seven working days of receiving the application (unless you’ve requested changes or additional borrowing).

And even better, we pay you a procuration fee on all product transfers.

*A full affordability assessment may be required.
Our lending policy at a glance

Here we have outlined some of the key features that make up our lending criteria.

Residential

Higher borrowing for Limited Company Directors

Because we take their share of net profit and salary averaged over the last two years (if the profits have increased), rather than the dividend used by other lenders, in most situations we can offer a higher borrowing figure.

Family gifted deposits and family gifted equity

We accept these from close family members – parents, grandparents and siblings, along with our Gifted Deposit Form, which is available from virginmoneyforintermediaries.com in the useful downloads; supporting documentation section.

Second property purchases

We offer dependent relative purchases, second home purchases and holiday homes at 75% LTV, and second homes let to a family member at 75% LTV.

Interest only

We offer residential mortgages up to 75% LTV on an interest only basis. Part & Part (combination of both Repayment and Interest Only) up to 85% LTV, with the Interest Only element available up to 85% LTV. There is a minimum income requirement of £75,000 on interest only and part and part mortgages.

Lending into retirement

We’re happy to lend into retirement, even if the customer is within ten years of retirement (or age 67 whichever occurs first). We just need to make sure they can show they’re paying into a pension and we’ll base their affordability on their current income or expected pension income.

If the customer is within ten years of retirement then affordability is based on the pension income not current income. Current income will only be used when there is more than ten years until retirement.

For full details of our lending policy, please visit virginmoneyforintermediaries.com You can also download our handy A-Z Lending Policy app.

Customers must have at least one of the following repayment strategies in place to repay the balance of the loan at the end of the mortgage term;

> Sale of mortgaged property - is an acceptable repayment vehicle for applications up to 65% LTV, where the term of the loan does not extend into retirement, and a minimum equity of £300,000 is available.

> Sale of other property - to cover 110% of the interest only element (maximum 65% LTV on residential)

> Investment plan

> Personal pension plan

> Stocks and shares

Buy-to-Let

The policy below applies to both BTL and Consumer BTL loans.

First time landlords accepted

Your client does not need to already have a BTL mortgage and there are no special products applied to them. Applicants must be an owner occupier, and have had owner occupier status for at least six months on the date of decision (this applies to at least one applicant on joint applications). We may request evidence of this.

Remortgage within six months of ownership

We’ll allow a remortgage to capital raise in less than six months of the landlord purchasing a property (lending will be based upon the original purchase price). In other words, for a property bought at auction for cash a day one refinance is available which may be particularly helpful for clients looking to free up capital to finance other purchases.

We’ll also consider adding the value of any work done to the property.

For affordability, we use the following rental tests:

<table>
<thead>
<tr>
<th>Application type</th>
<th>Rental income</th>
<th>5+ year fixed products</th>
<th>2 and 3 year fixed products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase</td>
<td>145%</td>
<td>4.50%</td>
<td>5.50% product rate +2%, whichever is higher</td>
</tr>
<tr>
<td>Remortgage with additional borrowing</td>
<td>145%</td>
<td>4.50%</td>
<td>5.50% product rate +2%, whichever is higher</td>
</tr>
<tr>
<td>Remortgage straight balance swap</td>
<td>125%</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
</tbody>
</table>

Personal income affordability*:

<table>
<thead>
<tr>
<th>Application type and product</th>
<th>Minimum rental income</th>
<th>Personal income between</th>
<th>Notional stressed rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>All buy-to-let applications and products</td>
<td>100%</td>
<td>100% - 145%</td>
<td>5.50%</td>
</tr>
</tbody>
</table>

We will not take personal income into account to meet rental shortfalls on portfolio landlord applications, LTVs greater than 75%, or where the term extends beyond 75 years of age.

Maximum lending of £3 million with Virgin Money

The maximum number of mortgaged BTL properties with any lender we will accept is 10 (five with Virgin Money). Maximum loan of £1 million per property.

Personal income

If there is a rental shortfall between 100% and 145%, we consider personal income to cover this, helping more of your clients get the loan amount they need. We will not take personal income into account to meet rental shortfalls on portfolio landlord applications, LTVs greater than 75%, or where the term extends beyond 75 years of age.

BTL Portfolio landlords

A portfolio landlord has four or more mortgaged rental properties, including the new transaction. In line with the new regulation, portfolio landlords will be assessed against additional criteria and will need to provide some extra documentation.

*We will not take personal income into account to meet rental shortfalls on portfolio landlord applications, LTVs greater than 75%, or where the term extends beyond 75 years of age.
Our support for you

> Your dedicated mortgage team
> Business Development Managers
> Our six-step mortgage application guide
> Affordability calculators
> Virgin Money Online
> Supporting documents
> Helping you help your clients
> Income assessment criteria
With you every step of the way

Our experienced team is made up of specialist mortgage professionals who are on hand to listen and help you with every stage of the process.

Some of the things you can expect:

> Your own dedicated Business Development Manager.
> Trusted experts just a phone call away.
> A team of knowledgeable and experienced underwriters.
> A Regional Service Team that knows your area well.

By staying true to our five key principles of speed, consistency, quality, accountability and flexibility, we aim to give you the best possible service. From reviewing your application and answering any questions you may have, through to underwriting and making an offer, we’re here to help you and your clients all the way through to completion.

Simon Thompson
Head of Mortgage Operations

As an intermediary partner you are really important to us and we are proud of how we can support you. We have dedicated BDMs covering every postcode in the UK, processing and servicing teams that understand your business and a range of compelling product propositions.

Sarah Green
Director of Intermediary Sales

Developing your business

Virgin Money is all about its people.

We believe the right attitude and approach can make the difference between a good experience and a great one. Which is why our team is made up of knowledgeable Business Development Managers, giving you tailored one-to-one support.

> Meetings face-to-face or over the phone, whichever suits you.
> Close contact with underwriters on your behalf.
> Full support through the application process.
> Understanding of your business and strategy.

Any questions?
Just ask. You can find details of your dedicated BDM on our intermediary website virginmoneyforintermediaries.com
Mortgage applications
in six simple steps

1. 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 website.

2. Use our online residential and buy-to-let calculators
   > Affordability
   Find out how much your client could borrow. 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.

3. Create a Mortgage Illustration
   > 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.

4. 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.

   > Please declare any buy-to-let 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. Alternatively your application may be referred to an underwriter.

   > 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 Regional Service Team.

5. 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 Mortgage Trading Exchange (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
   You can submit all supporting documents to us in one of four ways:
   • You will be prompted within VMO to upload your documents once you have submitted your application.
   • You can upload supporting documents to VMO at any time once your application has been submitted.
   • Use the Secure Document Transfer link which we will email to you following completion of an application. Secure Document Transfer links are unique and case specific and should only be used to upload supporting documents for the case referenced in the email you receive.
   • Use the existing unsecure method by emailing your documents to docs@virginmoney.com for new business and PTdocs@virginmoney.com for product transfer business.

6. Your dedicated Regional 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.

   > Monitor your case
   We’ll send you regular emails when your case moves through each stage of the process or you can use Case Tracking on VMO and MTE.
Our simple online affordability calculators

Our residential and BTL online affordability calculators offer a quick and easy way to work out how much your client is able to borrow based on their circumstances.

It only takes minutes to complete and will give you an accurate and consistent figure. You should use them before submitting a DIP to make sure the figure you get is as accurate as possible.

Remember, the output figure will only be as accurate as the figures you put in.

Checklist

> Base expenditure on the new property.

> For employed applicants please use gross income before any deductions.

> Average out monthly costs such as council tax, car tax/maintenance and private school fees.

> Check the payslips thoroughly for any deductions, like childcare and pensions – and include them within the monthly expenditure.

> Include the running costs of other residential properties, along with any other properties that do not meet our self-funding guidelines.

> Declare all unsecured debt, indicating what will remain outstanding when the mortgage completes.

> Print and save the result for your files.
Virgin Money Online (VMO) is our easy-to-use online tool which allows you to submit applications, keep track of all your cases and gives you access to exactly the same information as our Business Development Managers, so you are always kept in the loop.

Benefits include:
- Easy to install and use.
- Access for administrators.
- Automated decisions.
- Data can be entered offline.
- Access to Mortgage Illustrations, DIPs and Full Applications.
- Archiving and storage facilities to help you stay compliant.
- Email service keeping you up to date on all your cases.

You can also make applications for new business cases through Mortgage Trading Exchange (MTE). As with VMO it has all the essential DIP and Full Application functionality.

Need to register?
If you are not yet registered to submit mortgage business to us, just fill in our registration form on our website and one of the team will be in touch.

Already registered with us?
If you have any questions, please call your dedicated Regional Service Team.

As you have seen from our six step mortgage application guide you can use VMO to submit an application to us. Here is a little more detail on the process:

> Use your print out from the Online Affordability Calculator and put the same information into VMO.
> Declare all credit, telling us what is being paid on or before completion.
> Enter any background mortgages (e.g. BTL) declaring if they are self-supporting.
> Receive an instant response – accepted, declined or referred – as shown on your Case Management screen. We will aim to get back to you as soon as possible for any decisions subject to underwriter review. You can then do a case track to see the new decision.

View and print out your Decision Certificate.
Go ahead with an accepted decision by pre-populating the fields from your DIP into a Full Application Form. This saves time as you only have to enter any further details we need.
Submit your application, then forward all the supporting documents to us.

Any questions?
Just ask. You can find details of your dedicated BDM on our intermediary website virginmoneyforintermediaries.com
Help us to help you

We know you want to get your clients’ cases processed as quickly as possible, which is why we have clearly outlined everything you need to send to us.

From payslips to bank statements to pension details, please read this section carefully to avoid any potential delays.

### Income verification

<table>
<thead>
<tr>
<th>Document(s) needed</th>
<th>Notes to help you</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed applicants</td>
<td>If your client is paid by any other frequency than weekly or monthly – we need payslips to cover the last two months.</td>
</tr>
<tr>
<td>Last two months’ payslips, or last four weekly payslips and Last P60*</td>
<td>In absence of a P60 we will accept any of these: statement of earnings from employer to confirm all information that would be on a P60 (must be on company letter headed paper), HMRC confirmation, P45 from previous job, duplicate P60 from employer, March payslip (showing annual total) or week 52 payslip from previous year.</td>
</tr>
<tr>
<td>Variable income</td>
<td>Must be supported by YTD income on payslip and/or P60.</td>
</tr>
<tr>
<td>As above</td>
<td>May request previous P60 to show two year track record.</td>
</tr>
<tr>
<td>Paid in cash or if payslip or P60 are handwritten</td>
<td>Must show corresponding salary credits. If not, we will only use the salary credits shown in the bank statements as income.</td>
</tr>
</tbody>
</table>

*If the loan is greater than £1 million we need the last two years P60’s as evidence of variable income.

**Note:**

- Employed applicants:
  - Last two months’ payslips, or last four weekly payslips and Last P60* if paid by any other frequency than weekly or monthly.
  - In absence of a P60, we accept statements of earnings from employer, HMRC confirmation, P45 from previous job, duplicate P60 from employer, March payslip (showing annual total) or week 52 payslip from previous year.

- Variable income:
  - Must be supported by YTD income on payslip and/or P60.
  - May request previous P60 to show two year track record.

**Important:**

- For residential applications, two or less BTL in background:
  - Copy of AST and last mortgage statement for each property.
  - If the same tenant is in place and AST out of date, we need the last month’s bank statement to show the recent rent payment.

- For three or more BTL in background:
  - Schedule of BTL portfolio.
  - We do not need a copy of AST or mortgage statement for each, in this case.

- If the loan is greater than £1 million, we need the last two years P60’s as evidence of variable income.

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### The smart way to send documents

Once you know which documents you need, please send either scanned copies or photographs, along with a signed client declaration and Direct Debit form*.

You can submit all supporting documents to us in one of three ways:

- You will be prompted within VMO to upload your documents once you have submitted your application.
- You can upload supporting documents to VMO at any time once your application has been submitted.
- Use the Secure Document Transfer link which we will email to you following completion of an application. Secure Document Transfer links are unique and case specific and should only be used to upload supporting documents for the case referenced in the email you receive.

*Direct Debit form is only required for BTL mortgages.

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### Application detail

<table>
<thead>
<tr>
<th>Document(s) needed</th>
<th>Notes to help you</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proof of deposit</td>
<td>Must show the client’s name, address, account details and amount in the account.</td>
</tr>
<tr>
<td>Gifted deposit / gifted equity (from family member)</td>
<td>Must confirm that gift is non-refundable and that they have no interest in the property.</td>
</tr>
<tr>
<td>Residential applications with BTL in the background – two or less</td>
<td>Copy of AST and last mortgage statement for each property.</td>
</tr>
<tr>
<td>Residential applications - three or more BTL in background*</td>
<td>Schedule of BTL portfolio.</td>
</tr>
<tr>
<td>Existing Residential to be Let (Let to Buy)</td>
<td>ARLA letter confirming rent.</td>
</tr>
<tr>
<td></td>
<td>Copy of CTL from lender or BTL mortgage offer which evidences what the mortgage payment is.</td>
</tr>
<tr>
<td>Dependent relative/ second home/ Regulated BTL</td>
<td>Monthly Essential and Regular Expenditure form for each property.</td>
</tr>
<tr>
<td></td>
<td>Expenditure forms must show all essential outgoings to cover each mortgage/household costs.</td>
</tr>
<tr>
<td>Lending into retirement</td>
<td>Projection of pension at retirement.</td>
</tr>
<tr>
<td></td>
<td>Only required where the customer is within 10 years of their anticipated retirement age, or age 67 (whichever occurs first).</td>
</tr>
<tr>
<td>Affordability</td>
<td>Monthly Essential and Regular Expenditure form.</td>
</tr>
<tr>
<td></td>
<td>Required if the Affordability Calculator shows the monthly outgoings as less than our minimum guideline figures. The decision certificate will outline if this is a requirement.</td>
</tr>
<tr>
<td>Portfolio BTL</td>
<td>Business Plan</td>
</tr>
<tr>
<td></td>
<td>Cashflow</td>
</tr>
<tr>
<td></td>
<td>Property schedule</td>
</tr>
<tr>
<td></td>
<td>Schedule to be uploaded via BTL Hub.</td>
</tr>
</tbody>
</table>

*This evidence is required for residential applications.
Get up to speed on income

Income assessment is a key part of the mortgage application process and makes sure we lend responsibly to your clients.

We have summarised all our income requirements, with a few tips to help you along the way. Find out more about our acceptable income types and how we assess them.
**Income types we’re happy to take**

We’ll continue to accept non-Sterling income for minimum income requirements on BTL applications. If your client is receiving rental income from their CBTL property in a currency other than GBP/£Sterling, this will not be acceptable income for assessing affordability for a mortgage loan. Please note, for all interest-only loans we will not accept repayment strategies denominated in a foreign currency.

**Foreign currency**
For all residential loan applications, the income being used to assess affordability must be paid in GBP/£Sterling. We will require evidence of this income.
Where your client is paid in both Sterling and a foreign currency, we will only consider their Sterling income for the purposes of affordability.

<table>
<thead>
<tr>
<th>Income type from employment</th>
<th>% used</th>
<th>How the income is evidenced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross basic salary</td>
<td>100%</td>
<td>Last two monthly payslips.</td>
</tr>
<tr>
<td>Housing allowance</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Mortgage subsidy</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Large city weighting</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Permanent shift allowance</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Car allowance</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Other contractual allowance</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Agency/Fixed term contract employment</td>
<td>100%</td>
<td>Last two monthly payslips supported by YTD figure and evidence of a two year track record by way of P60s and/or P45s.</td>
</tr>
<tr>
<td>Parental pay</td>
<td>100%</td>
<td>See our website for more details.</td>
</tr>
</tbody>
</table>

**Income from other sources**

<table>
<thead>
<tr>
<th>Income from other sources</th>
<th>% used</th>
<th>How the income is evidenced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability Living Allowance</td>
<td>100%</td>
<td>Letter from DWP confirming benefit (must be based on current tax year).</td>
</tr>
<tr>
<td>Disabled Persons Tax Credit</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>War Disablement Pension</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Employment and Support Allowance</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Pensions</td>
<td>100%</td>
<td>Latest payslip, or;</td>
</tr>
<tr>
<td>Pension Tax Credits</td>
<td>100%</td>
<td>Latest bank / pension slip showing pension credits, or;</td>
</tr>
<tr>
<td>Annuities</td>
<td>100%</td>
<td>Latest statement dated within last 12 months, or;</td>
</tr>
<tr>
<td>Maintenance</td>
<td>100%</td>
<td>A copy of the maintenance agreement received under court order must be in place for the term of the loan, or;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A CSA assessment (subject to confirmation this will be in place for the term of the loan and must have been in place for two years).</td>
</tr>
</tbody>
</table>

**What constitutes variable income?**

We use up to 60% of the following types of variable income when assessing affordability:

> Bonus
> Non-permanent shift allowance
> Overtime
> Performance related pay
> Commission
> Second job

<table>
<thead>
<tr>
<th>Variable income from employment</th>
<th>% used</th>
<th>How the income is evidenced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly bonus</td>
<td>60%</td>
<td>Last two monthly payslips supported by YTD figure.</td>
</tr>
<tr>
<td>Monthly overtime</td>
<td>60%</td>
<td>If the variable income fluctuates on a monthly basis the lower of an average over the previous two monthly payslips or the on-target earnings from the YTD should be used.</td>
</tr>
<tr>
<td>Monthly commission</td>
<td>60%</td>
<td>If the loan is greater than £1 million we need the last two years P60’s as evidence of variable income.</td>
</tr>
<tr>
<td>Non-permanent shift allowance</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Performance related pay</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Quarterly bonus</td>
<td>60%</td>
<td>Latest payslip showing quarterly bonus supported by YTD figure, or previous P60.</td>
</tr>
<tr>
<td>Annual/half-yearly bonus</td>
<td>60%</td>
<td>Evidence of bonus by way of previous P60 or payslip(s) showing the bonus paid. If bonus exceeds 100% of basic salary, two years’ evidence required.</td>
</tr>
<tr>
<td>Second job (including Territorial Army reservist allowance)</td>
<td>50%</td>
<td>Last two monthly payslips supported by YTD figure.</td>
</tr>
</tbody>
</table>

*HMRC SA302’s and corresponding Tax Year Overviews are acceptable if printed from your customers online HMRC Account so long as the Tax Calculation document indicates the tax return is 100% complete for each year evidenced.*
Quick guide to our payslip requirements

The basics
We consider a customer to be self-employed if they have a shareholding of 20% or more in a business or they have a shareholding in a Limited Liability Partnership (LLP).

Check the facts
Check that your client’s business meets each aspect of our general criteria below:

> The business has been in operation for at least two years with two years’ accounts available. Where the loan is greater than £1 million we will require two years full accounts or SA302’s and the company must have been trading for a minimum of three years.
> The business has been profitable in each of the last two years.
> The business is solvent i.e. the capital account must be positive/assets must outweigh the liabilities in each of the last two years. Your client should speak to their accountant if in any doubt.

Rental income
Where rental income is being used for affordability we require the last two years’ SA302 and corresponding Tax Year Overviews* (we use an average if rental has risen year on year, or the most recent figure if the year on year figure has gone down). If this is your client’s primary source of income, we take 100% (apart from the BTL minimum income requirement) or we take 50% if this is their secondary source of income.

For the latest details of our lending criteria for self-employed clients, please visit our website and download our latest sales aid.

*HMRC SA302’s and corresponding Tax Year Overviews are acceptable if printed from your customer’s online HMRC Account so long as the Tax Calculation document indicates the tax return is 100% complete for each year evidenced.

Self-employed income, the low-down

Sample Company Plc

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Period</th>
<th>Date</th>
<th>NI Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian Wilson</td>
<td>4</td>
<td>July</td>
<td>AB 12 34 56 C</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payments</th>
<th>Units</th>
<th>Rate</th>
<th>Amount</th>
<th>Deductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic pay</td>
<td>2,000.00</td>
<td>500.00</td>
<td></td>
<td>Income tax: 500.00</td>
</tr>
<tr>
<td>Bonus</td>
<td></td>
<td></td>
<td>National insurance: 50.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Company pension: 260.00</td>
<td></td>
</tr>
</tbody>
</table>

Totals for this period

| Total payments | 2,500.00 |
| Total deductions | 810.00 |

Totals Year to Date (YTD)

| Taxable gross pay | 15,000.00 |
| Income tax | 2,500.00 |
| National insurance | 500.00 |

NET PAY

| £1,690.00 |

Essential deductions showing on the payslip must be taken into account when assessing affordability, such as pension and student loans. Not just tax and NI.

Must show employer’s name. If not, a bank statement showing the credit with the employer’s name or the latest P60 with the employer’s name included.

Must show pay date/period. This should be dated in line with our payslip document requirements (page 3). An exception would be if it is being used to evidence an acceptable type of other income, e.g. previous year’s annual bonus.

Any additional payments being used in affordability should also be stated.

Must show basic income.

Must show gross pay.

Must show net pay.
Checking income.
The key documents.

<table>
<thead>
<tr>
<th>Income verification</th>
<th>Document(s) needed</th>
<th>Notes to help you</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed, sole trader or partnership</td>
<td>Last two years’ SA302 and corresponding Tax Year Overviews.*</td>
<td>For sole traders and partnerships three months bank statements (personal or business) are required to evidence turnover.</td>
</tr>
<tr>
<td></td>
<td>Loans greater than £1 million the company must have been trading for a minimum of three years.</td>
<td></td>
</tr>
<tr>
<td>Limited company (more than 20% shareholding)</td>
<td>Last full two years’ accounts. We will also request an accountant’s covering letter on your behalf.</td>
<td>Accountant must be qualified to the standards as per our intermediaries website.</td>
</tr>
<tr>
<td></td>
<td>Loans greater than £1 million the company must have been trading for a minimum of three years.</td>
<td>Accounts must be signed by suitably qualified professional.</td>
</tr>
<tr>
<td>Limited Liability Partnership (LLP)</td>
<td>Letter from HR or Finance Director confirming total salary for each of the last two years’ or last two years’ SA302 and corresponding Tax Year Overviews.*</td>
<td>We can also accept compensation statements from an LLP firm for the last two years – these provide a summary of the client’s total salary for that time.</td>
</tr>
</tbody>
</table>

*HMRC SA302’s and corresponding Tax Year Overviews are acceptable if printed from your customer’s online HMRC Account so long as the Tax Calculation document indicates the tax return is 100% complete for each year evidenced.

Example accounts
To make it easier we have included some example accounts which highlight the figures we need to see, showing that the business has been in profit for the last two years.

### SAMPLE COMPANY LTD
Profit and loss account for the year ended 31 March 2016

<table>
<thead>
<tr>
<th></th>
<th>2017 (£)</th>
<th>2016 (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>1,667,925</td>
<td>1,514,782</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(1,264,130)</td>
<td>(1,221,332)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>403,795</td>
<td>293,450</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(69,056)</td>
<td>(71,268)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>334,739</td>
<td>222,182</td>
</tr>
<tr>
<td>Other interest receivable and similar income</td>
<td>130</td>
<td>40</td>
</tr>
<tr>
<td>Profit on ordinary activities before taxation</td>
<td>334,609</td>
<td>222,142</td>
</tr>
<tr>
<td>Tax on profit on ordinary activities</td>
<td>(71,141)</td>
<td>(47,335)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>263,468</td>
<td>172,807</td>
</tr>
</tbody>
</table>

We need to see the figures for the last two years.

We need to see that the business has been profitable for both the last two years. We will take into account profit after tax.

It is also important to note that on the balance sheet, total net assets (liabilities) need to be positive for each of the last 2 years i.e. the assets must be higher than the liabilities.
Our website
Our easy-to-use website with a handy Q&A section is a great first step, whatever stage your application is at. Just visit virginmoneyforintermediaries.com

Regional Service Teams
For any questions relating to applications or for VMO support, please call your dedicated Regional Service Team. They are here from 8.30am to 6pm, Monday to Friday (excluding Bank Holidays).

New Build: 0345 600 1477
North: 0345 600 1706
South: 0345 601 0680
East: 0345 606 0301
West: 0345 605 7025

Calls to 03 numbers cost the same as calls to 01 or 02 numbers and they are included in inclusive minutes and discount schemes in the same way. Calls may be monitored and recorded.

Procuration fee
For any questions about your Procuration Fee, please contact us by emailing procurationfees@virginmoney.com

Email updates
And don’t forget, as an intermediary partner you’ll receive regular emails with information you need to know, including product and policy updates.

VMO case tracking
Get the information you need without having to make a call. Case tracking allows you to see everything available to our BDMs, and with updates through VMO and by email, you will always know what stage your application is at.
Your Regional Service Team
Made up of knowledgeable experts ready to help you with any questions you may have, from when you submit an application to us right through to Offer.
Available from 8.30am to 6pm, Monday to Friday (excluding Bank Holidays).

Your BDM is:

You can call them on:

You can email them at:

Your Business Development Manager
Your dedicated BDM is always available to help. Why not jot their details above so you have them easily to hand. Or use the BDM Finder Tool on our website.