



**HSBC UK**

Opening up a world of opportunity

## Good news – we enhanced our residential lending policy

From **Monday 1<sup>st</sup> September**, we made the following changes to our residential lending policy.

### Introduced Loan to Income (LTI) multiples for First Time Buyers (FTB)

To support FTBs we introduced new LTI multiples to help them take their first steps into home ownership.

A higher income multiple is now available subject to meeting the following criteria:

- Applicant(s) must be a FTB
- Sole applicant – a minimum income of £35,000
- Joint applicants – a combined minimum income of £55,000

### Changes to non-FTB LTIs

We increased the maximum LTI for non-FTB customers with an income of £45,000 up to (but not inc.) £100,000 from 4.75 to 5.00 x income, where LTV is less than or equal to 85%.

Please see the below table for further details on our LTI changes:

Applicant	LTV	Income	Max. income multiples
FTB	90% or less	Sole applicant £35,000 and above Joint applicant (combined) £55,000 and above	5.50
All other applicants (inc. FTBs who do not meet the income criteria) above)	85% or less	Less than £45,000	4.49
		£45,000 up to (but not inc.) £100,000	5.00
		£100,000 and above	5.50
	Over 85% up to (and inc.) 90%	Less than £75,000	4.49
		£75,000 up to (but not inc.) £100,000	5.00
		£100,000 and above	5.50
All applicants	Over 90% up to 95%	All incomes	4.49

## Changes to our Interest Only lending policy

We changed how we assess Interest Only applications to help more customers with their mortgage needs:

- **Increased** the maximum term for Part & Part applications - the Capital Repayment element can now be taken up to a maximum of **40 years**. Please note, the Interest Only part will still be limited to a maximum of 25 years.
- **Increased** the maximum age for Part & Part applications – the Capital Repayment element can now be taken up to the applicant's **80<sup>th</sup> birthday**.
- Any element of the application on Interest Only must not exceed the oldest applicants 70th birthday or anticipated retirement age if sooner.
- **All** Interest Only applications will now be assessed for affordability on a Capital Repayment basis

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