

**HSBC UK**

Opening up a world of opportunity

Good news – we enhanced our residential lending policy

From **Monday 1st 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 **80th 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

HSBC UK

For Intermediary use only.