

# The Criteria Corner

## Top tips from the Paradigm Mortgage Helpdesk



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### Welcome back to The Criteria Corner!

The Criteria Corner is our mini newsletter designed to give you a brief insight into the topics we see frequently on the Mortgage Helpdesk. We aim to provide you with some great hints and tips which will help you with future cases. If you think we may be able to assist with your next case, please don't hesitate to get in touch!

In this month's Criteria Corner, we'll cover a topic that resonates with many families: **The Bank of Mum and Dad.**

As housing prices soar and the cost of living continues to rise, more young adults are turning to their parents for financial support. In fact, more than 50% of purchases by under 35 year olds in 2023 were supported by parental contributions – totalling £8.1bn in financial gifts. It is therefore clear that The Bank of Mum and Dad has become a significant player in today's first-time buyer market and we'll be looking at some of the more niche products available and the Lenders criteria.

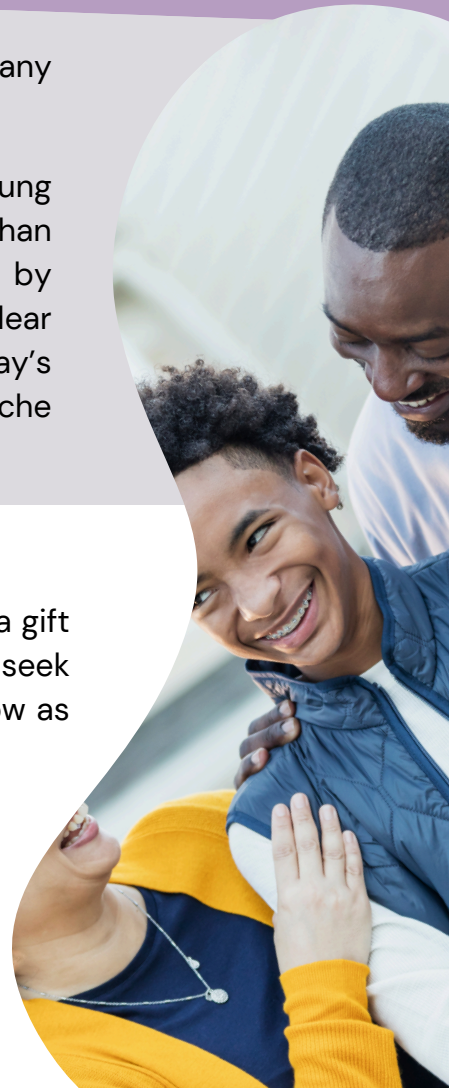
### Did you know?

Whether it's applying jointly for a mortgage with their child, or providing a gift towards their child's purchase, only a small percentage of families seek financial or legal advice before proceeding. According to Family BS, as low as 8% of customers sought financial advice in this scenario.

When those customers decide to speak with you, Family BS have created Bank of Mum and Dad guides to support you with those conversations which can sometimes be sensitive to ensure you are asking the clients the right questions.

**This useful guide can be viewed by clicking here!**

As always, we must advise that criteria does regularly change and therefore it is always prudent to double check with a Lender prior to submitting an application. Lenders provided are based on findings at the time of research, and may not include every option available.






## Joint Borrower Sole Proprietor (JBSP)

Many of you will already be aware of this product, and will know that the term of the mortgage is usually based on the eldest borrower. There are however, a select few Lenders that can either offer a split-term mortgage or even base the term on the younger borrower.

These Lenders include Generation Home, Darlington BS, Hinckley & Rugby BS, Mansfield BS, Tipton & Coseley BS, Buckinghamshire BS and Saffron BS.



### 100% LTV mortgages

For parents who have substantial assets but lack income support, there are some Lenders can ease affordability criteria by securing a charge against the parent's residential property or savings. This charge is removed as the property's equity grows over time.

### Which Lenders can help?

Barclays, Beverley BS, Buckinghamshire BS, Family BS, Mansfield BS, Tipton & Coseley BS and Vernon BS.

We found that Beverley BS may be the only Lender to offer a family assist product while taking a charge over a buy to let property.

### A “non-gifted” deposit?

If parents wish to help their child purchase a home without providing a gift, certain Lenders might consider accepting a deposit from the parents secured against the property as a second charge.

### Which Lenders can help?

NatWest, Nationwide and Generation Home.

### Buy for Uni

Buy for Uni is a product provided by Bath BS and Vernon BS, this 100% LTV mortgage, as the name implies, is designed to assist students in securing accommodation. In this arrangement, parents are jointly included in the mortgage on a JBSP basis to help with mortgage payments.

Moreover, the student has the option to rent out additional rooms in the property, offering the possibility of living rent-free.



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