



The
Criteria
Corner

Top tips from the Paradigm Mortgage Helpdesk

Welcome back to The Criteria Corner!




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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!

Adverse credit is always a commonly discussed topic on our helpdesk, and we can appreciate the challenges behind trying to place a case with adverse credit, especially when lending criteria is limiting the options available. This month's Criteria Corner will aim to provide guidance on the severe adverse credit related criteria in the market and the Lenders that can help.



It is important to be as transparent as possible regarding adverse credit as clients with such issues can commonly be considered vulnerable, therefore, we recommend consulting your internal policies for vulnerable clients.

We also encourage you to discuss these cases with a Lender in advance, even if the case meets policy. Lenders have a duty to practice responsible lending and underwriters may still decline cases involving repeat offenders or situations where a mortgage could cause further harm.

Individual Voluntary Arrangements (IVAs)

While similarities can be drawn to a bankruptcy, there are a select few Lenders that do not require the client to be discharged for 3-6 years and can consider an IVA even whilst active. More options become available once fully discharged.

With an active IVA, you can consider Lenders such as Melton BS, Mansfield BS and The Loughborough BS.

Once discharged, Metro Bank and Buckinghamshire BS become available.

After 12 months from discharge, Aldermore and Harpenden BS can help too.

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Debt Management Plans (DMPs)

Providing the Debt Management Plan has been maintained well, we have found that more Lenders outside of the specialist options in the market can now consider active DMPs.

Aldermore, Bluestone Mortgages, Cambridge BS, Chorley BS, Foundation Homeloans, Kensington, Kent Reliance, Leeds BS, LendInvest, Mansfield BS, Melton BS, Pepper Money, Precise, Skipton BS, The Mortgage Lender, The Loughborough BS, United Trust Bank, Vida Homeloans and West One.

Recently registered County Court Judgments (CCJs) and Defaults

Providing a CCJ exceeds the £500 threshold that would define somebody as credit impaired (which will rule out most Lenders), there are specialist Lenders and Building Societies that can consider multiple offences within 1 year, providing they can show signs of recovery.

This will often include Lenders such as Aldermore, Bluestone Mortgages, Buckinghamshire BS, Cambridge BS, Pepper Money, Precise, The Mortgage Lender, United Trust Bank, Vida Homeloans and West One.

Adverse Credit & BTL?

Buy to let and adverse credit mix as well as oil and water from a policy perspective and you'll find most of the aforementioned criteria will generally rule out the entire market. However, we've found that Market Financial Solutions are able to consider most cases, subject to committee approval and any adverse being cleared upon completion*

*Market Financial Solutions' funds can be used to clear the adverse.



Unplaceable?

Before deeming a case unplaceable with Lenders, it's always worth considering a packager option, it is common for our packager partners to have access to products with exclusive criteria unavailable anywhere else.

Paradigm's panel has a selection of experienced packagers that are always worth discussing a case with before dismissing it. Paradigm's panel includes Brightstar, Crystal Specialist Finance, Impact Specialist Finance, Positive Lending, The Loans Engine and The Loans Partnership

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.

