

Post Credit Crunch Changes

- No self-certification mortgages – all applications on a full-status basis
- No ‘fast-track’ mortgages for self-employed and far fewer for employed
- Very few sub-prime mortgages for adverse credit
- No mortgages with less than a 10% deposit/equity (25% for Buy-to-Let Mortgages)
- Reduced borrowings relative to income
- More checks for applications into retirement
- Far fewer providers, so much reduced choice (e.g. 80% Reduction in ‘Buy-to-let’ Mortgages,)
- Tighter credit controls (i.e. credit scoring, foreign nationals etc)
- Higher profit margins for the providers leading to more expensive products relative to base rate

Abbey Intermediary Affordability Calculator

Basis: £50,000 deposit, £40,000 annual income, Clean Credit

No. applicants	No. Children	Gross annual Income (£)	Gross annual dividend (£)	Monthly Child Benefit (£)	Credit Card Balance (£)	Monthly Loan Payment (£)	Repayment Mortgage Term (years)	Maximum Borrowings (£)		
								Low	Med	High
1	0	40000	0	0	0	0	25	199,903	200,000	200,000
1	0	5000	35000	0	0	0	25	219,444	219,444	219,444
1	0	40000	0	0	0	0	15	157,190	170,637	176,192
1	0	40000	0	0	10,000	0	25	150,000	171,603	182,347
1	0	40000	0	0	10,000	100	25	150,000	160,408	168,389
1	2	40000	0	132.80	0	0	25	160,749	184,534	195,634
2	0	40000	0	0	0	0	25	150,000	171,603	182,347
2	2	40000	0	132.80	0	0	25	148,321	161,942	174,417