



Mortgages and Second Charge Loans

CRITERIA GUIDES



Best Second Charge Lender
Mortgage Strategy Awards 2025

Short-Term Lender of the Year
Financial Reporter Awards 2025

Best Second Mortgage Lender What
Mortgage Awards 2025

Mortgages and Second Charge Loans

Property

Mortgage History

12-month minimum mortgage history required.

Location

England, Wales and Mainland Scotland.

Main Property Exclusions

Properties under £90K = < 85% LTV
Properties under £125k > 85% LTV (1st charge)
Properties under £275k > 85% LTV (2nd charge)
Commercial, RTB within 4 years of purchase or
Agricultural.

Buildings Insurance

No evidence required.

Borrower Legal Representation

Remortgage and unencumbered secured loans not required.

Borrower Legal Representation Purchase

Minimum 2 solicitors in practice.

Purchase Deposits

- Equity from existing property.
- Savings (must show build up over time).
- ISA held in customer name.
- Gifted deposit by blood relative or step relatives.
- Gifted equity with SDL Tax paid at full OMV.

Valuation – First Charge Products

Full Valuation Required for

All applications over 85% LTV
Up to max LTV and gross loan
All purchase applications

Hometrack Valuation

£250k max gross loan:
Up to 85% LTV, minimum confidence score of 6.5
Up to 80% LTV, minimum confidence score of 6
Up to 75% LTV, minimum confidence score of 5
Up to 60% LTV, minimum confidence score of 4
Up to 40% LTV, minimum confidence score of 3

Drive-By Valuation

Remortgage: up to 75% LTV and £500k gross loan
Unencumbered: up to 70% LTV and
£100k gross loan

Solicitor Details

- Customer can choose own solicitor for purchase but must have a minimum of two partners.
- Indemnity insurance required on gifted equity.
- For standard remortgage cases, the client does not require separate legal representation, as legal services are provided by the Bank (Free Legals).
Exception: Where the transaction includes a Transfer of Equity, the client will be required to appoint their own independent legal representative

Valuation – Second Charge Products

Hometrack*

£150k max gross loan:
Up to 85% LTV, minimum confidence score of 5
Up to 60% LTV, minimum confidence score of 4
Up to 40% LTV, minimum confidence score of 3

£250k max gross loan:
Up to 75% LTV, minimum confidence score of 5

**Maximum property value £1m.
Properties over £1m accepted up to 75% LTV, max gross loan £150k and minimum confidence score of 6.*

Drive-By Valuation

Up to 75% LTV and £50k gross loan
Up to 65% LTV and £100k gross loan

Internal Mortgage Valuation

Up to max LTV and max gross loan
Specialist reports not required if property purchased or remortgaged in the last 5 years.

ID and Residence

- Documentary Proof of ID is required for all applications, usually obtained digitally through UTB Chat Hub.
- If ID cannot be provided digitally, then applicants will be required to take Independent Legal Advice from a firm with at least 2 partners which has been preapproved by UTB.

Mortgages and Second Charge Loans

Interest Only Specific Criteria – First Charge Purchase and Remortgage Only

All Standard criteria, fees, commission etc. apply unless detailed below:

Loan Purpose

Purchase or Remortgage. Not available to FTBs. Capital raise can generally be for any legal purpose, excluding avoidance of bankruptcy. Debt consolidation is limited to £25,000 and for home improvements completed in the last 6 months.

Applicant Profile

- Aged 25 to 85 (at end of term)
- £50,000 Minimum Application Income
- Minimum £100,000 security property value
- Affordability will be assessed on the Interest Only monthly repayment
- An Interest Only Declaration Form, signed by the applicant(s) and confirming the specific repayment vehicle(s), is required for all applications
- London post codes can be found in packaging guide

Maximum LTV

- 70% LTV Downsize
- 75% all other repayment vehicles

Repayment Vehicles

Multiple repayment vehicles are allowed from the following:

- Downsize, providing minimum security property equity of £250,000 in London and £150,000 nationally
- Sale of investment property (85% of net equity)
- Cash savings (90% of current value)
- UK ISA (90% of current value)
- Pension (100% of tax free PCLS amount)
- Endowment (75% of projected lump sum)
- Unit Trusts, OEICs or Investment bonds (75% of current portfolio value)

Mortgages and Second Charge Loans

Income & Affordability

Minimum income

First charge

£15k for loans =<85% LTV.

£40k for loans > 85%LTV.

Second charge

£15k for all applications.

Source Of Income

Employed - minimum 6 months in current role. If less than, first payslip of new role is required along with evidence of 12 months continuous employment in similar role or sector.

100% of all guaranteed income including Basic Pay, Car Allowance and Shift Allowance.

75% of monthly regular income, such as bonus, overtime and commission. This must be evidenced by the last 2 payslips and latest P60. (Applies to all industries UTB currently lend to).

Bonuses paid annually (or half yearly) are considered with 2 years supporting evidence.

If latest bonus => £10,000, 75% of the last 2 years average could be used.

If latest bonus <£10,000, 50% of the last 2 years average could be used.

Self-Employed – Sole Traders/Partnerships: 100% of Net Profit.

Limited Companies: use the appropriate % of the latest years net profit based upon the applicants shareholdings as dividends, in addition to any salary received. Retained Profits and Directors Loans are not accepted.

Pension – 100% of all regular income.

Benefit income - 100% providing a minimum of £25,000 earned income.

*Please refer to the Packaging Guide for a detailed list of acceptable benefits.

Unacceptable Income – Income received not in £ sterling.

Proof of Income

Employed – Last 2 computerised payslips, or last 2 non-standard payslips and a P60 or Bank Statement to show credit.

Self Employed - Sole Trader/Partnership: Latest 2 years Tax Calculations with corresponding Tax Year Overviews and latest business bank statement. Note; if the Tax Calculation is 100% submitted, the Tax Year Overviews are not required.

Limited Company: Accountants certificate OR last 2 years full accounts with the latest years Tax Calculation.

*The latest business bank statement will be required if a future dated projection is not provided.

Pension – Last Pension Statement showing monthly or annual income and latest Bank Statement to show credit. For State Pension, only the bank statement showing pension credits is required.

Maintenance, universal credits and other benefit income - Latest court order, CSA documentation or entitlement letter showing income along with latest bank statement showing matching credits.

*Please refer to the Packaging Guide for a detailed list of acceptable benefits.

Trust Income - Copy of Trust Deed detailing the payment plan, and the latest bank statement showing credits to match.

Affordability Assessment

Affordability must be assessed on the portal, plausible sustainable and evidenced for the entire term.

Age

Minimum age 18 or 25 for interest only

Max age at end of term *(below)* 85

Mortgages and Second Charge Loans

Status Definitions – First & Second Charge Products

	Super Prime		Prime Plus		Prime		Near Prime	Specialist
	< 85%	> 85%	< 85%	> 85%	< 85%	> 85%	85%	80%
Unsecured	UTD	UTD	UTD	UTD	Ignore if Consolidating	UTD	Ignore if Consolidating	Ignore if Consolidating
* Secured Loans and Mortgages	0 in 3 0 in 12	0 in 3 0 in 12	0 in 3 0 in 12	0 in 3 0 in 12	0 in 3 1 in 12	0 in 3 0 in 12	0 in 3 1 in 12	0 in 3 2 in 12
CCJ's > £300	0 in 48	0 in 48	0 in 24	0 in 36	1 in 24	0 in 36	1 in 24	2 in 24
Defaults > £300	0 in 48	0 in 48	0 in 24	0 in 36	1 in 24	0 in 36	1 in 24	2 in 24
All plans	Mail order and comms ignored. Previous conduct will affect credit score.							

*Assess mortgage arrears in the last 12 months or currently still outstanding.

Contact Us

Our Team, always on hand to help

Residential, buy to let or second charge



Chris Pedlar
Head of Sales
Nationwide
M: 07787 296 057
cpedlar@utbank.co.uk

Key Account Team



Jigar Patel
Head of Specialist Distribution
South Region
M: 07796 348 031
jpatel@utbank.co.uk

Field Team



Frances Arnold
Business Development Manager
North Region
M: 07385 930252
farnold@utbank.co.uk



Frankie Kitchen
Business Development Manager
London and Midlands
M: 07557 311 615
fkitchen@utbank.co.uk



Rachel Shackleton
Business Development Manager
South of England and Wales
M: 07471 971 236
rshackleton@utbank.co.uk

All team members are supported by a dedicated telephony business relationship manager

T: 0207 031 1551
E: mortgage.enquiries@utbank.co.uk

Contact Us

Other Useful Contacts

Division	Contact	Email
Mortgage Enquiries Team (Pre submission)	0207 031 1551	mortgage.enquiries@utbank.co.uk
Residential Underwriting (Post submission)	0207 031 1552	Dedicated email address provided on submission

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