

## Residential Lending Policy Review 2016 High Level Changes (2nd December 2016)

We have made the following changes to our residential lending policy. For full details please visit <http://www.newcastle.co.uk/criteria.aspx>

Policy Rule	Current Position	Agreed Change
<b>Term increase</b>	Maximum term 35 years	Maximum term increased to 40 years
<b>New Build Flats</b>	Maximum loan to value of 80%	Maximum loan to value for new build flats has been increased to 85%
<b>New Build Incentives</b>	<p>Where no incentives exist, current maximum lending is 90% for new build houses and 80% for new build flats.</p> <p>Where incentives exist up to 5%, the LTV is restricted to 85% for new build houses and 75% for new build flats.</p> <p>Where incentives exceed 5%, the percentage above 5% is deducted from the sale price and the LTV of 85% or 75% is calculated against the reduced figure.</p>	<p>The maximum LTVs available are now: New build houses 90% New build flats 85%.</p> <p>The value of the incentive will be deducted from the sale price and the maximum LTV will be generated from that figure i.e. purchase price of £100,000, incentives of £3,000 would result in a maximum loans of: £87,300 for new build houses (<math>£100k - £3k = £97k \times 90\% = £87,300</math>) £82,450 for new build flats (<math>£100k - £3k = £97k \times 85\% = £82,450</math>)</p>
<b>Help to Buy Equity Scheme (England)</b>	Not previously available	<p>Help to Buy Equity Scheme (England) will be available for new build purchase and remortgage for applicants resident and purchasing in England subject to specific scheme rules and criteria including:</p> <p>Standard and Help to Buy Equity London both available Maximum LTV of 75% with minimum 5% deposit contribution from applicant Maximum loan of £450,000. Repayment only</p>

Newcastle Building Society – Residential Lending Policy changes. Effective 02.12.16.

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