



flexishare
home ownership plan™

Product Guide Intermediary use only

 **advantage**
INNOVATIVE LENDING®

A Morgan Stanley Group company

Product Guide Criteria

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What is Flexishare?

The Flexishare mortgage is a Home Ownership Plan from Advantage, which is a single charge mortgage product in three parts.

Deposit	Deposit Minimum 3% of property price	
The Loan	Part 1	Conventional Mortgage Minimum 15.1% Maximum 82% of property price
	Part 2	Residential Ownership Loan (ROL) Borrowers elect between 15% – 35% of property price
The Share	Part 3	Advantage's Share Advantage takes a share in any increase in property value in the same proportion as the Part 2 Residential Ownership Loan

Rates

Part 1	Conventional Mortgage 7.49% 3 year fixed rate Reverts to BBR plus 1.95% thereafter
Part 2	Residential Ownership Loan (ROL) 3.99% fixed rate for term of loan

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Loan Details

Flexishare is available for purchase and remortgage

Minimum Loan – £50,000

Maximum Loan – £400,000

Term – Minimum 5 years, maximum 35 years

Repayment Methods for Conventional Mortgage (Part 1) – Repayment or Interest Only

Fees

Completion Fee – £995. Fees can be added to the loan amount up to a maximum of 97% LTV

Higher Lending Charge (HLC) – No HLC is payable

Early Repayment Charges (ERCs)

Apply to the Conventional Mortgage (Part 1) and the ROL (Part 2). These are 6% in year 1, 6% in year 2, 6% in year 3. Thereafter one month's notice or one month's interest will be charged.

Overpayments

Conventional Mortgage (Part 1) – Overpayments or lump sum capital part repayments can be made at any time, of up to £1,000 in any 12 months without incurring any ERC or Partial Repayment Fee. All other overpayments and lump sum capital part repayments will incur an ERC as detailed above, together with a Partial Repayment Fee, which is currently £100.

ROL (Part 2) Advantage's Share (Part 3) – One overpayment can be made per year. The minimum amount is £5,000. To enable us to calculate what 'share' of the property this payment allows the borrower to repurchase, the borrower must agree to pay for a valuation. We will at this time calculate Advantage's Share in the value of the property (i.e to establish the Part 3 value) that will be retained, and if appropriate the new amount on which the borrower will be charged interest. If the borrower wishes to undertake an overpayment during the ERC period, then they will be subject to an ERC payment on the reduction, if any, in the loan value of the ROL, rather than the amount actually paid.

Deposits

The minimum deposit is 3%. The deposit for any purchase should come from the borrower's own resources. Vendor, builder and gifted deposits are not acceptable.

Portability and Further Advances

This mortgage is portable. The portability facility will only apply if the borrower's circumstances and the property satisfy our lending criteria at the time. It is a condition of portability that the new mortgage is completed at the same time as the redemption of the borrower's current mortgage.

If the borrower moves their mortgage they will not be required to pay any ERCs except where:

- The amount they wish to transfer to their new property is less than the balance outstanding at the time of transfer; or
- The borrower opts not to transfer their loan on its existing terms.

If the borrower needs to increase the mortgage they will need to make an application for a further advance which we will consider if their circumstances and the property satisfy our lending criteria at the time.

A further advance will only be considered where the applicant(s) has/have held a mortgage with us for a minimum of 6 months.

Property Details

Location – England, Wales, mainland Scotland and Northern Ireland

Lease – 50 years at the end of the mortgage term (England and Wales), 99 years at the end of the mortgage term (Northern Ireland)

Unacceptable Properties

Exclusions include:

- Agricultural restrictions
- Some Semi-commercial (including flats above commercial premises)

- Commonhold title
- Freehold flats and maisonettes
- Properties designated as defective under the Housing Defects Act 1984 and Housing Act 1985, unless repaired under an Approved Scheme
- Pre 1990 steel-framed properties
- Pre 1997 100% timber-framed properties and pre 1960 timber-framed properties
- Shared ownership (unless purchasing the final share of a property, which is acceptable)
- Local Authority-built flats and maisonettes where loan is under £100,000 or LTV is above 85%

Please refer any of the following property types:

- Any unusual or non-standard construction types

Buildings Insurance

Will be required for the level of cover recommended by the valuer.

Home Improvements

If home improvements are structural and a valuer confirms at loan redemption that the value of the increase is due to the improvements and the uplift is more than 10% of the sale price had the improvement not been undertaken, we will reflect that in the ROL final repayment on exit from Flexishare.

Applicant Details

All applicants must have resided in the United Kingdom for 24 months and have permanent rights to work and reside in the United Kingdom.

Minimum Age – 18 years

Maximum Age – No maximum age. Evidence of income is required if any applicant is over 65 at time of application.

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Minimum Income

Single applicant – £12,000

Joint applicants – £18,000

Minimum Employment Period

The minimum time in employment or self-employment is 12 months. There is no minimum time an applicant has to have been with their current employer.

DTIR Calculation

Please refer to our affordability calculator on www.adv-elect.co.uk. Advantage uses an affordability calculation rather than an income multiple. This calculation is called the Debt to Income Ratio (DTIR). This means that we will allow the applicants a certain maximum percentage of their gross total income to be used to pay credit commitments such as the Advantage mortgage, any other mortgages/secured loans, unsecured loans and credit cards (taking 3% of the balance as the monthly payment on credit cards). This maximum percentage varies depending on the combined gross annual income as follows.

The maximum DTIR is 45% except for self-employed applicants where DTIR of 50% may apply (see criteria below).

Self-Employed

For single or combined income above £40,000 the applicant can opt to use a 50% DTIR if required, subject to receipt of a qualified Accountant's letter confirming the length of the time they have been trading and that the business is solvent.

The Advantage mortgage payment used in the DTIR calculation uses a repayment basis for the Conventional Mortgage and assumes an Interest Only basis for the ROL, and is calculated on the reversionary payment, or if higher, the payment during the initial/incentive period.

The following are excluded from the DTIR calculation – any unsecured loan or hire purchase account that has under 3

months left to run, any mail order accounts and also any overdraft accounts which do not require monthly repayments to be made.

Example

Applicant 1 earns £25,000 per annum

Applicant 2 earns £10,000 per annum

Total monthly payments on outstanding credit = £350

Total monthly income = £2,917 (DTIR 45%) = £1,313 – £350 (outstanding monthly credit) = £963 is the maximum monthly mortgage payment that Advantage will consider.

Credit History

Defaults – Will be ignored if they have been satisfied for over 2 years

County Court Judgements – Will be ignored if they have been satisfied for over 2 years

Bankruptcy – Any previous bankruptcy must have been discharged for 5 years or more

IVA – Any previous IVA must have been satisfied for 5 years or more

Arrears – Applicants must not have missed any secured loan or mortgage payments within the last 12 months. Advantage will not allow more than 2 missed payments in total in the last 12 months across all unsecured credit including mail order accounts. Accounts settled over 12 months ago will be ignored

Repossessions – Any previous repossession must have been registered over 5 years ago and any outstanding debt must have been repaid

Requirements

Proof of Residency – Required for the last 12 months (if not appearing on current voters roll)

Proof of Identification – Required for all applicants. For a full list of acceptable documents, please visit our website www.adv-elect.co.uk

Proof of Mortgage/Secured Loan/Rent Payments – Where applicable

Proof of Income – Where applicable

First Time Buyers – If the applicant meets one of the following the application may proceed without bank statements:

- LTV is below 90%
- Currently on the voters roll
- Currently has any active up-to-date credit on the credit search
- Rents via a corporate landlord i.e. Housing Association, Local Council, Estate Agents etc.

If none of the above are achieved 3 months bank statements are required.

Valuation Fee Scale

Property Value Fee	Valuation Fee
Up to £75,000	£215
£75,001 to £100,000	£245
£100,001 to £150,000	£280
£150,001 to £200,000	£315
£200,001 to £250,000	£365
£250,001 to £300,000	£375
£300,001 to £350,000	£450
£350,001 to £450,000	£495
Over £450,000	Please refer to www.adv-elect.co.uk

Costs apply to standard valuations only

Please make cheques payable to **ADVANTAGE HOME LOANS** (based on estimated value of property)

Credit card payments accepted (excludes Amex)

Please use mortgage application form to make payment

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Purchase

Example for
£100,000 property



Exit from Flexishare – examples

These are examples of the final repayment, due depending on whether the borrower's property value increases or decreases, in relation to an original purchase price of £100,000.



*Includes borrower's £3,000 deposit

**For illustrative purpose Conventional Mortgage is shown as Interest Only

Please note: ERCs and other fees are not included in the examples above

Product Highlights

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- Gives borrowers greater purchasing power
- Borrower owns 100% of property
- Part Residential Ownership Loan, part Conventional Mortgage
- Advantage shares proportionally in appreciation or depreciation
- Overpayments and buy back of Advantage's Share allowed
- Flexible amount of Advantage participation
- Portability allowed (not committed to any additional lending)
- Affordability based
- No Higher Lending Charge
- Fees may be added up to 97% LTV
- Minimum 3% deposit
- Available in England, Wales, mainland Scotland and Northern Ireland

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Contact: A Mortgage Now

Ash House, 8 Second Cross Road, Twickenham, TW2 5RF

Phone: 08456 44 0950

www.amortgagenow.co.uk



First Time Buyer



Growing Family



Key Worker

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

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