Handelsbanken

Broker lending criteria

For intermediary use only

Applicant criteria

Who can apply

Acceptable criteria

We allow applications in sole names or joint names (related and unrelated applicants are both acceptable).

Policy considerations

The applicant and owner can differ subject to our normal security procedures.

Number of applicants

Acceptable criteria

The maximum number of applicants for a mortgage is four.

Policy considerations

An affordability assessment would need to be considered for all applicants.

Age limits

Acceptable criteria

Minimum age – 18
Maximum age – 80 (see policy considerations)

Policy considerations

For interest-only mortgages the eldest applicant cannot be older than 75 years of age at the end of the mortgage term.

At the date of the mortgage offer letter, the recommended mortgage term must not exceed the customer's 75th birthday for interest-only or 80th birthday for capital and interest. We do appreciate that a period is required for the mortgage to draw down and this period must not exceed 6 months i.e. the customer's age at maturity would be no more than 75 years + 6 months or 80 years + 6 months respectively - this upper age limit cannot be exceeded.

The upper age limits also apply to any guarantors of RMC proposals (for the term of the mortgage).

Applicants' residency

Acceptable criteria

For customers who do not have a permanent right to reside in the UK, the mortgage term may be provided beyond the current date of the visa/right to reside, but must not exceed the customer's intended date to leave the UK.

Policy considerations

Mortgage applicants must be a UK resident at the time of application.

Foreign currency mortgage - please refer to the separate product guide to establish if this would be applicable, dependent on the applicant's nationality and source of income.

High net worth customers

Acceptable criteria

A high net worth customer is one who has a minimum annual net income of £300,000 or minimum net assets of £3 million as at the date that an application form is completed. This definition applies to the applicant applying for the mortgage but is also met where the obligations of that applicant are guaranteed by a person who satisfies the income or assets criteria.

Policy considerations

Where there is more than one applicant, at least one of the applicants must meet the definition of a high net worth customer in their own right – i.e. the income / assets of more than one applicant/ guarantor CANNOT be added together to meet the definition and thereby circumnavigate the responsible lending rules that would otherwise apply. The assets criteria can include the main dwelling house, but the calculation must include the value, net of any mortgage.

Business customers

Acceptable criteria

Whilst MCOB states an RMC can be provided to a sole trader, partnership or trust, it is Handelsbanken's policy to **only** lend to an individual.

An individual who is a company director who wants to borrow to inject into the limited company is not borrowing for a business purpose as the individual and business are different legal entities. This would be processed as a release of equity by way of an RMC to an individual borrower(s).

Policy considerations

See purpose of borrowing for business related lending.

Mortgage professionals

Acceptable criteria

A mortgage professional is defined as 'a customer who works or has recently worked in the home finance sector for at least one year in a professional position, which requires knowledge of the home finance transactions or home finance services envisaged, and who it is reasonable to believe is capable of understanding the risks involved in the transaction or transactions contemplated'.

Policy considerations

This category of applicant is **not** being used at Handelsbanken and therefore mortgage applications where one or all parties can be classed as mortgage professionals will be completed **as standard applications**.

Parents being added to the Mortgage

Acceptable criteria

Handelsbanken is able to consider applications of this nature, but mortgages must be affordable for the applicants.

For example:

- A student and parent make a joint application for a mortgage where the student will occupy a property during a university course and then take the mortgage on, post the course, when employment is gained.
- A young newly qualified 'professional' wishes to get onto the housing ladder but initial income does not make a mortgage affordable in the early years.

Policy considerations

None of the applicants should be over the age of 75 / 80 at mortgage maturity (see maximum age guidelines). See also joint borrower/sole proprietor.

Joint borrower / sole proprietor

Acceptable criteria

Handelsbanken will accept a property being purchased or refinanced where not all the mortgage applicants will own the property concerned. These mortgages typically occur because there is a requirement for an individual's income to be included in the affordability assessment, but where such individual does not wish to be on the title to the property.

Policy considerations

In these cases, as the individual who will not own the property is incurring a liability for no benefit, independent legal advice must be obtained by that individual, in relation to their liabilities/obligations under the mortgage offer. In cases where such an individual occupies the property, that individual will also need independent legal advice in relation to their liabilities under the occupier's consent form they will be required to provide.

Sole borrower / joint proprietor

Acceptable criteria

Handelsbanken will accept as standard a property being pledged as security by a party who is not a mortgage applicant. Please also see third party security within 'Property'.

Policy considerations

In these cases, as the individual who will own the property in part but not be a borrower and is pledging their security for someone else's debt, independent legal advice must be obtained by that individual, in relation to their obligations under the mortgage deed terms and conditions. In cases where such an also individual occupies the property, that individual will also need independent legal advice in relation to their liabilities under the occupier's consent form they will be required to provide.

Policy

Term

Acceptable criteria

Maximum term: 35 years
Minimum term: 1 year

Policy considerations

No deviation from maximum term allowed.

For customers who do not have a permanent right to reside in the UK, the mortgage term must not exceed the customer's intended date of return to their home country.

Loan size

Acceptable criteria

Minimum loan size: £5,000
Maximum loan size: None

Policy considerations

None.

Loan to value (LTV)

Acceptable criteria

Standard maximum LTV is 90%.

Policy considerations

Where the RMC is being secured against a property and the principal residence is made up of multiple titles, providing the combined value of all titles to be charged to the Bank can be professionally valued as one property and the property is identified as one address, the LTV calculation can be based on this combined valuation.

Help to buy mortgages

Acceptable criteria

Handelsbanken does NOT currently offer any help to buy mortgages.

Adding fees to the mortgage

Acceptable criteria

The types of fees that can be considered to be added to the mortgage include:

Arrangement fees – initial draw down only, legal fees, estate agents fees, stamp duty (usually achieved by retention of equity and higher loan requirement), ERCs on existing mortgage (usually achieved by retention of equity and higher loan requirement), introducer's service fee – this is not the fee paid to the introducer by the Bank, but the fee paid direct by the customer for the advice from the broker (usually achieved by retention of equity and higher loan requirement).

Policy considerations

Where the Bank's fees are deducted from the mortgage advance and the net amount is dispersed to the solicitor/conveyancer; the customer then pays the difference to complete the transaction; this is not considered to be adding fees to the mortgage.

Purpose

Acceptable criteria

A mortgage can be utilised for most purposes. Particular attention should be drawn to the restrictions within the debt consolidation instructions as outlined below.

- An individual who wishes to borrow to inject into a limited company
- Second/holiday homes
- Homes for dependants away at university
- Release of equity from within the home
- Second properties bought with a view to using for holiday letting as well as personal use have occupancy level criteria as outlined in the consent to let instructions.

Policy considerations

For individual circumstances please refer to the branch.

Debt consolidation

Acceptable criteria

The definition of RMC debt consolidation is where a proposed mortgage is used to consolidate one or multiple existing debts.

Qualifying Debts

- Unsecured personal loans (including directors' loans originally taken for the purpose of development, renovation, or purchase of residential property (even if no credit agreement is in place)
- Personal motor finance - cars, boats, motorbikes (including residual balloon payments)
- Overdraft debit balances on personal current accounts
- Personal credit card (or equivalent such as charge card)
- Other unsecured finance arrangements subject to, or has an implied, credit agreement**
- Any other personal secured debt that isn't currently secured against the personal dwelling (refer to branch).

**Repayment of money borrowed from a third party (i.e. family and friends) where evidence of contract – written or through payment - does exist then the request to repay must be considered as debt consolidation. Where no contract exists or there is no evidence to suggest so (e.g. no regular payments seen on bank statement to 'giftor') does not need to be considered as a consolidation of debt and should proceed as a new RMC / further advance where appropriate.

Non qualifying debts

- Consolidation/repayment of any form of corporate or business-related loans
- Overdraft debit balances on business current accounts or business credit card debt balances
- Payment of any HMRC debt
- Gambling debts, any element of pay day loans.

Policy considerations

Where the mortgage has two or more borrowers and the monies advanced under the mortgage to consolidate debt do not benefit all borrowers, those who does not benefit from the mortgage advance, must receive independent legal advice, as per the independent legal advice instructions.

There are to be no more than 3 occurrences of debt consolidation within a 5 year period.

For any element of an RMC relating to debt consolidation, this part of an application **must be on a capital & interest basis only**.

Property

Property types

Acceptable criteria

Acceptable property types	Unacceptable property types
Property with acreage	Mobile homes
Properties with annexe which will be let	Houseboats
Second home / holiday home	Properties with a shorter than normal expected lifespan
Home for dependant	Holiday home lodges/caravans
Freehold	High rise flats with external cladding that do not have a valid EWS1 Form where one is required.
Leasehold	Homes constructed with Reinforced Autoclaved Aerated Concrete (RAAC)
Listed buildings (Grade 1, 2* and 2)	
Owner-occupied properties which also contain an element of business activity/ mixed use	
Timber/steel Frame	
Flying freehold	
New build	
Agricultural tie/forestry rights	
	Please refer to branch
	Homes with spray foam insulation
	Homes situated in flood risk areas

Policy considerations

For mixed use properties: MCOB's definition is 'in order for a loan to fall within the definition of a regulated mortgage contract at least 40% of the total of the land to be given as security must be used as or in connection with a dwelling'

Handelsbanken does not lend on properties within a shared ownership scheme.

For leasehold properties, there should be a minimum period of 50 years of the lease remaining after the expiry of the mortgage term; however this is dependent on valuation and the renewal proposals/ lease terms.

Property usage

Acceptable criteria

Mixed use business/residential
Holiday let

Policy considerations

Examples of where a proposition would be deemed as more commercial than regulated (not an exhaustive list) include:

- Working farms where the farm income supports any borrowing secured against the farm
- Care homes where the owner "lives in"
- Kennels and catteries
- Caravan parks where the owner "lives in"
- Converted farms where former barns/outbuildings have been converted into business units.

Occupants of the property

Acceptable criteria

In order to ensure that the Bank's charge over a property can overreach the interests of any person in occupation of that property, the Bank's current policy is to obtain a form of consent and postponement from any person 17 years of age or older who occupies an owner-occupied residential property.

Policy considerations

For children of the borrower who are in full time education and living away from home there is no requirement to seek a form of consent.

A form of consent and postponement from any other occupier 17 years of age or older will be required.

Third party security

Acceptable criteria

Third party security can be in the following formats:

An individual pledging their own property as security for a mortgage where they are not a borrower.

An occupier of a property waiving their legal rights to any value within the property that they occupy.

An individual guaranteeing the mortgage where they are not a borrower

Policy considerations

Independent legal advice will be required in all of these circumstances.

Property ownership

Acceptable criteria

Joint ownership (both as tenants in common and joint ownership)
Joint applicants sole proprietor
Sole proprietor
Joint borrower
Trust

Policy considerations

Handelsbanken does not offer any mortgages for shared ownership properties.

Agricultural restrictions

Acceptable criteria

Handelsbanken will consider taking a legal charge over a property that has an 'agricultural tie' registered against it.

Policy considerations

Consideration must be given to properties that have an agricultural tie registered as this affects both the valuation and the ability to realise the full valuation within a distressed sale situation.

Consent to let

Acceptable criteria

Informal letting of a room, not subject to either a tenancy agreement or under licence, does not require granting of consent.

Secondary residence

The customer should have use of the property for greater than 60% of the year, starting annually in January every year (i.e. the property can only be let for a maximum of 146 days in any one year).

Policy considerations

Consent on purchases of a second home meeting the above occupancy criteria, or main residence with an element of letting where tenants have separate access, can be given from day one of purchase.

Search indemnity

Acceptable criteria

It is normal practice that a full suite of searches is completed by the solicitor acting on behalf of the bank, in each and every new purchase/re-mortgage transaction. However, there are occasions where this requirement may be waived but these are by exception only.

Policy considerations

If a local authority search is waived, an indemnity insurance policy must be obtained.

New build properties – guarantee/warranty/indemnity/certificate

Acceptable criteria

Properties built or converted in a period of 10 years or less from the date of the application should have a suitable guarantee, warranty or certificate. Where the Bank funds the build then the guarantee/warranty provider must be acceptable to the Bank.

Policy considerations

Certificates that may be offered should be completed by an individual who has supervised the building/conversion of the property and possesses one of the following qualifications:

- Architects Registration Council (ARB)
- Architects and Surveyors Institute (MASI / FASI)
- Chartered Institute of Building (MCIOB / FCIOB)
- Institution of Civil Engineers (MICE / FICE)
- Incorporated Association of Architects and Surveyors (MIAA / MIAS / FIAA / FIAS)
- Institution of Structural Engineers (MI Struct E / RI Struct E)
- Royal Corporation of Architects in Scotland (RIAS / FRIAS / ARIAS)
- Royal Institute of British Architects (RIBA / FRIBA / ARIBA)
- Royal Institution of Chartered Surveyors (FRICS / MRICS) who is either an accredited building or quantity surveyor.

Affordability

Income

Acceptable criteria

Income must be verified in all cases and there is no exception to this requirement.

Self-certification of income is NOT allowed in any circumstances and all income details must be obtained and verified.

If an applicant has multiple income streams, they must all be evidenced as per the income table.

Calculation of income

Rental income

100% of taxable profit from all property investment income. (Do not include allowable property expenses in the expenditure section.) However any interest costs including capital repayments must be included. For holiday lets where profit is usually reported after any interest costs these can be excluded, but expenditure must include any capital repayments.

Bonus income

An average of the maximum % allowable (as detailed below):

- 100% of contractual bonus (does not include one off payments such as a signing on bonus)
- 75% of an average of the last 3 years, of which at least 2 years must be with current employer
- 50% of an average of the last 2 years, of which at least 1 year must be with current employer
- 25% where there is only a 1 year track record with current employer

Investment income

Where the customer wishes to use income from an investment, but this has not previously been drawn, with no standardised evidence available, this will be classed as an asset for the purposes of affordability and will be included by exception for High Net Worth customers.

The request to use this non-standard income must only be considered using a maximum of 4% of the value of the investment.

Foreign currency income

The value of any income and/or asset in a currency other than GBP must be discounted, see Foreign Currency Mortgage Product Guide for further information.

Loan Notes

100% can be used if proven to be sustainable for the term of the mortgage. Applicant must be a controlling shareholder.

Acceptable income types	Evidence requirement	Further guidance
All income types	Last 3 months' personal bank statements	
Permanent employment, basic salary (PAYE) Fixed term, short term renewable, or zero hours (PAYE), permanent shift allowance	Latest monthly payslip Latest P60 (only required when payslips do not match customers advised gross income)	
Bonus, commission, overtime, car allowance, London weighting / large town allowance maintenance	Last 3 months' payslips Relevant number of P60s or payslips Employment contract if bonus/allowance is contractual Latest Child Maintenance Service assessment or Court Order for costs	See affordability section of lending criteria document
Company director / shareholder less than 25% shareholding. Company director / shareholder more than 25% shareholding. Sole trader / partnership income, LLP member more than 20% ownership. Repayment of directors' loan account Undrawn profits	Latest 3 years' audited/non audited accounts Last 3 years' tax return documentation which must include the tax return, tax computation summary and tax overview For LLPs written evidence from the LLP stating % ownership and summarising the last 3 years' capital account transactions and breakdown of income	
LLP member less than 20% ownership Rental income including holiday lets	Last 3 years' tax return documentation which must include the tax return, tax computation summary and tax overview For LLPs Written evidence from the LLP stating % ownership and summarising the last 3 years capital account transactions and breakdown of income If the proposed income relates to a new purchase which includes an existing holiday let as part of main residence, evidence of historical income in the form of accounts or lettings reports/bookings will replace the requirement for 3 months bank statements	See affordability section of lending criteria document
State Pension Company pension (flexible access drawdown) Company pension (defined benefit scheme) Company pension (defined benefit scheme) Pension annuity - investment linked - private/company SIPP / SSAS	Last 3 years' tax return documentation which must include the tax return, tax computation summary and tax overview Written evidence from qualified financial advisor (or accountant or pension provider) confirming: i. the value of the SIPP/SSAS/fund/investment is sufficient to cover both the mortgage repayments and the future income of the investor for their retirement ii. the income would be available to be taken for the full length of the mortgage term and would leave sufficient funds available to meet the customer's income requirements into retirement	

Acceptable property types	Evidence requirement	Further guidance
Investment income Trust fund income	Last 3 years' tax return documentation which must include the tax return, tax computation summary and tax overview. Investment income includes professionally managed stocks / share portfolios and single stock holdings. Investment income does not include withdrawal from cash balances or interest on cash balances. Investment income does not include structured product investments or self-managed investments. The qualified accountant / financial adviser / portfolio manager / trust manager must provide suitable written confirmation that: i. income has been received for at least the last 3 months and the track record of the investment also supports this income being taken ii. the nature and value of the investment income and evidence of the source (e.g. portfolio of stocks and shares) iii.the investments can sustain income taken at the existing / intended level without affecting the capital of the portfolio for the full term of the mortgage (subject to usual fluctuations as expected with an investment) iv. there are no encumbrances (e.g. a mortgage or other claim on the investment properties or assets) For trust funds - a certified copy of the trust deed	See guidance notes for calculation of investment income
Foreign income	Evidenced in line with other relevant income type to demonstrate track record, e.g. permanent employed, company director, bonus income, etc.	Refer guidance notes re use of foreign income
Loan notes/ interest from loan notes	Financial forecasts for 3 years	Interest can only be included where there is a fixed rate coupon in place. Applicant must be a controlling shareholder
Restricted Stock Units / Vested shares (as part of a benefits package)	Employment contract, or latest annual awards statement, vesting schedule.	
Employee Ownership Trust	Last 3 years audited/non audited accounts, EoT Contract / Share purchase agreement (all pages).	

Unacceptable incomes

- Interest from cash balances
- Cryptocurrency
- Renting a room/lodger income
- Temporary shift allowance
- Mortgage subsidies/allowances
- Child benefit/child tax credit
- Universal tax benefits
- Working tax credits
- Pension credit
- Indefinite state benefit (DWP/HMRC)
- Benefits in kind
- Gifted income

Expenditure

Acceptable criteria

Expenditure should reflect the position once the mortgage is drawn.

Expenditure must be evidenced in full via customer bank and credit card statements, or open banking reports

Policy considerations

School fees

If a customer states they are paying school fees from cash savings, investments and/or funds drawn from the proposed mortgage (if this is the stated purpose) they must be evidenced, then those school fees must be excluded from the monthly expenditure section. If savings or investments are being used to pay school fees, this must be deducted from the customer's net asset position as part of the assessment.

Where school fees are paid by a family member, this must be evidenced by a letter from the family member confirming their intent or continued intent to pay the school fees.

Pension contributions

All committed pension contributions must be included in the expenditure section. If a customer isn't making committed pension contributions, then these can potentially be excluded from the expenditure section. If being excluded the customer must confirm that the contribution being made wouldn't impact their plans for retirement.

Assets

Acceptable criteria

All documentary evidence should have customers' names clearly stated on them to confirm ownership.

Policy considerations

Assets being acquired as part of this mortgage application should be included.

Liabilities

Acceptable criteria

All liabilities should be accounted for in the mortgage assessment.

Credit cards and/or charge cards that have been cleared in full each month, with no outstanding balance should have a nil value attributed to them.

Policy considerations

Where the applicant's credit or contractual commitments are due to end within 6 months of the regulated mortgage contract being entered into, then these can be excluded from affordability assessment. Evidence is required to confirm the liability is coming to an end.

Where customers are unable to obtain statements as evidence, credit reports from ClearScore, Equifax, TransUnion and Experian can be used as evidence of the liability.

There is no requirement to evidence student loan debts unless being refinanced under debt consolidation.

Income multiple (joint and sole)

Acceptable criteria

4.49x

As a lender, we do not use 'income multipliers' to determine the affordability of a mortgage but we do use them as an indicator for risk assessment purposes and regulatory reporting purposes.

Policy considerations

Exceptions to approve mortgages above 4.49x total income may be considered.

Lending into retirement

Acceptable criteria

Affordability assessments should take into consideration the applicant's proposed retirement age, if known, rather than using the statutory retirement age, according to the applicant's gender. If the applicant does not provide a proposed retirement age, the state retirement age must be used.

Please also refer to the maximum age limit

Policy considerations

None

Interest-only mortgages

Acceptable criteria

Borrower(s) may use savings, investments or other assets they have (known as 'repayment strategies' – with the Bank's list of acceptable repayment strategies detailed in the table) to pay off the total amount borrowed during or at the end of the mortgage term.

This repayment strategy must have the 'potential' to repay the outstanding mortgage by maturity, with an appropriate margin of safety.

Policy considerations

None

Repayment strategy	Acceptable	Notes
Pension commencement lump sum (25% of lifetime allowance)	Yes	
Savings/ISAs (regular savings included in expenditure)	Yes	Ignore the benefit of any interest income. Affordability must be assessed on C&I
Unit trusts	Yes	
Endowment policies	Yes	
Savings/ISAs (existing/held)	Yes	
Regular repayment of capital from income	No	
Bonus/overtime	Yes	Affordability must be assessed on C&I
Dividends/director's loan account withdrawals	Yes	Affordability must be assessed on C&I
Inheritance	No	
Foreign assets	No	
Other property (2nd home/ B2L, including where held in a limited company)	Yes	70% of equity/value (allows for 30% buffer for tax)
Main home (subject property)	Yes	Subject to assessment of plausibility
Investments (share portfolio)	Yes	
Business sale where borrower has provable equity stake	No	

Product guide

We offer multi-part mortgages - fixed and variable, capital and interest and interest only (product restrictions may apply).

Fixed rate mortgages

Acceptable criteria

Benefit periods of 2, 3, 4, 5 and 10 years available.

Available on both a capital and interest (Including low start) and interest only mortgages.

Fixed rate booking fees apply:

For mortgages up to £500,000 the fee is £250.00

For mortgages from £500,001 and £1,000,000 the fee is £375.00

For mortgages of £1,000,001 and over the fee is £500.00.

Reverts to Handelsbanken Standard Variable Rate at end of benefit period.

Policy considerations

Early repayment charges apply. (The early repayment charge doesn't apply when the mortgage comes to the end of its fixed rate and converts to a standard variable rate.)

Variable rate mortgages – Handelsbanken Base Rate Tracker

Acceptable criteria

The Handelsbanken Base Rate is NOT linked to the Bank of England rate.

Benefit periods of 1, 2, 3 & 5 years available.

Available on both a capital and interest (including low start) and interest only mortgages.

Early repayment charges do NOT apply to this tracker mortgage.

Reverts to Handelsbanken Standard Variable Rate at end of benefit period.

Policy considerations

Handelsbanken Base Rate is not directly linked to any other rate. This is an internally set and managed rate.

Variable rate mortgages – Bank of England Base Rate Tracker

Acceptable criteria

Benefit periods of 1, 2, 3 & 5 years available.

Available on both a capital and interest (Including low start) and interest only mortgages.

Early repayment charges do NOT apply to this tracker mortgage.

Reverts to Handelsbanken Standard Variable Rate at end of benefit period.

Policy considerations

The rate paid changes with any decisions made by the (MPC Monetary Policy Committee).

Monthly payments change with any change agreed at MPC and may go up or down accordingly.

Offset mortgage

Acceptable criteria

Benefit periods of 2, 3 & 5 years available.

Only available on a Handelsbanken Base Rate tracker.

Available on both a capital and interest and interest only mortgages.

The mortgage is linked with any nominated Handelsbanken deposit and/or current account. Any money in those accounts offsets the amount of interest that is charged on the mortgage. If there are funds offset on an interest only mortgage the monthly payments will reduce.

Reverts to Handelsbanken Standard Variable Rate at end of benefit period.

Policy considerations

Up to 10 nominated Handelsbanken deposit and/or current accounts can be included within the offset.

Current account mortgage

Acceptable criteria

Benefit periods of 2, 3 and 5 years available.

Only available on interest only mortgages.

Tracker mortgage linked to the Handelsbanken Base Rate.

Reverts to Handelsbanken Standard Variable Rate at end of benefit period.

Policy considerations

There is an annual arrangement fee of £1,999.00 on the anniversary of the date the mortgage was drawn down.

Low-start mortgage

Acceptable criteria

Benefit periods of 2, 3, 4 & 5 years available.

A fully capital and interest mortgage with an initial interest only period. Interest only can be for 2, 3, 4 or 5 years.

Available on tracker or fixed rate products: note the benefit period must match the interest only period.

Reverts to Handelsbanken Standard Variable Rate at end of benefit period.

Policy considerations

As the repayment strategy in these circumstances is conversion to capital and interest, this type of lending therefore requires assessment of affordability and stress testing as if the whole RMC is on a capital and interest profile throughout the full life of the loan. In all cases the monthly payment, as quoted on the Mortgage Illustration, on reversion to capital and interest and at HSVR must be within the customer's monthly net disposable income for the mortgage to be classed as affordable.

Foreign currency mortgages

Acceptable criteria

Benefit periods of 1, 2, 3 & 5 years available on a Handelsbanken Tracker Rate.

Also available as a GBP offset mortgage, also linked to Handelsbanken Base Rate, up to maximum of 100% offset, benefit periods of 2, 3 & 5 years available.

Definition: An MCD credit agreement where the credit is denominated in a currency other than that in which the customer receives the income or holds the assets from which the credit is to be repaid; or denominated in a currency other than sterling.

Handelsbanken do not offer loans meeting the MCD definition of a foreign currency mortgage for non-UK residents.

Reverts to Handelsbanken Standard Variable Rate at end of benefit period.

Policy considerations

The product is only available in Sterling, for 1st charge lending secured for UK residents against UK residential property, where the entire, or part of, the income and/or assets to repay the loan are in:

- Euro 10% haircut
- DKK (Danish Krone) 10% haircut
- NOK (Norwegian Krone) 25% haircut
- SEK (Swedish Krona) 15% haircut
- USD (US Dollars) 15% haircut

(or a combination of these).

The value of any income and/or asset in these currencies must be discounted by the percentage haircut listed above – and affordability assessed on this basis.

Foreign currency mortgages can be offered for all loan purposes, excluding residential development.

In line with interest only lending policy rules, sale of foreign property is not considered an acceptable repayment strategy.

Self build mortgage

Acceptable criteria

Benefit periods of 1 and 2 years available.

Tracker mortgage linked to the Bank of England Base Rate.

Early repayment charges do NOT apply to this tracker mortgage.

During the initial rate period, the repayments will be interest only. Reversion to capital and interest after the initial period can be considered.

The mortgage funds will be released in stages as the build progresses.

Policy considerations

The mortgage must be held for at least one year in addition to any initial rate period on the mortgage.

Handelsbanken

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