

For the use of Professional Mortgage Intermediaries only



# Home Purchase Plan Criteria - for Finance up to 80% FTV

Shariah-compliant finance for home purchase & refinance

Effective from 15 November 2022

To provide advice on HPP products you are required to hold specific HPP permissions with the FCA.

All customers of the Bank must be able to read, speak and understand English to a level that they are fully aware of all obligations and requirements when entering any financial arrangements with the Bank.

Validity:

Decision in Principle – 30 Days

Application – 90 Days

Offers – 180 Days

After 180 days the Offer will be extendable for a further 180 days subject to the latest available rental rates and updated evidence

This criteria is to provide guidance on the main policy and is not exhaustive. Our experienced underwriters endeavour to make cases work and will make the final decision based on all obtained facts and information on the applicants and property. The Bank reserves the right to request any further information it requires in order to make a decision.



## Why choose Gatehouse Bank?

- Dedicated, professional and experienced Business Development Managers
- Every application is individually reviewed
- No early payment charges are payable
- Fast decision in principle
- A range of Green and ethical financing options, for UK residential property
- A Shariah-compliant alternative to traditional mortgages, where rent is charged rather than interest



## Residential Home Finance

**A SHARIAH-COMPLIANT  
ALTERNATIVE TO  
TRADITIONAL  
MORTGAGES**

**ETHICAL HOME FINANCE  
AVAILABLE FOR UK  
RESIDENTS, UK EXPATS &  
INTERNATIONAL RESIDENTS**

**PAY RENT NOT  
INTEREST**

**NO EARLY PAYMENT  
CHARGES**

**Green Finance option  
for UK residents up to  
£500K**

**MIN/MAX FINANCE  
SIZE £100K – £5M**

**UP TO 80% FTV FOR  
PURCHASE AND  
REFINANCE**

**ACQUISITION & RENT  
OVER  
2 or 5 YEAR FIXED TERMS**

**EMPLOYED,  
SELF-EMPLOYED  
AND CONTRACTORS**



# HPP Product Criteria

	HPP Home Finance – UK Residents	HPP Home Finance – UK Expats/ International Residents
<b>Financing</b>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase or Re-Finance of main residence for own occupation</li> <li>• Purchase or Re-finance is allowed within 6 months of purchase but will be subject to enhanced underwriting checks</li> <li>• Debt consolidation and capital raising re-finance for business, tax or gambling debt payments is not acceptable, but repayment of secured property finance is allowed</li> </ul> <p>Capital raising for property investment / development and to repay secured property finance is allowed</p>	
<b>Max FTV</b>	80% up to £2m of finance (lower rental rates available for A or B EPC rated properties below £500K finance.  75% £2m+ to £3m  70% £3m+ to £5m	80% up to £2m of finance for UK Expats & International residents  75% £2m+ to £3m UK Expats & International residents  70% £3m+ to £5m UK Expats & International residents
<b>Financing Basis</b>	Finance amount offered will be based on the purchase price or valuation, whichever is the lower	Finance amount offered will be based on the purchase price or valuation, whichever is the lower
<b>Payment options</b>	<ul style="list-style-type: none"> <li>• Acquisition &amp; Rent</li> </ul>	<ul style="list-style-type: none"> <li>• Acquisition &amp; Rent</li> </ul>
<b>Affordability Test</b>	Gatehouse Bank uses an Affordability calculation to assess the maximum supportable finance, given the income and expenditure information provided by the applicant. Expenditure covers: basic essential expenditure, basic quality of living expenditure and committed expenditure assessed over 3 months.	Gatehouse Bank uses an Affordability calculation to assess the maximum supportable finance, given the income and expenditure information provided by the applicant. Expenditure covers: basic essential expenditure, basic quality of living expenditure and committed expenditure assessed over 3 months.
<b>Min/Max Finance size</b>	£100,000 - £5m	£100,000 - £5m
<b>Min/Max Term</b>	Min: 5 years  Max: 35 years	Min: 5 years  Max: 35 years
<b>Additional Requirements</b>	<p>All customers of the Bank must be able to read, speak and understand English to a level that they are fully aware of all obligations and requirements when entering any financial arrangements with the Bank.</p> <p>Applicant must have a UK current account for the duration of the financing to enable direct debit payment.</p> <p>Any Trust structures including, Bare Trust, Joint borrower sole proprietor or similar arrangements are not acceptable.</p> <p>Green Products (UK Residents only) – To be eligible for the Green Rental Rate and Carbon Neutral incentives, all properties must have an EPC rating of A or B.</p>	



	HPP Home Finance – UK Residents	HPP Home Finance – UK Expats/ International Residents
<b>Applicant</b>		
Maximum Applicants	4 applicants (income considered from the two highest earning applicants only)	4 applicants (income considered from the two highest earning applicants only)
Minimum Income	Minimum income of main applicant £15,000 p.a. gross	Minimum income of main applicant £25,000 p.a. gross
Minimum Age	18 years	21 years
Maximum Age	75 years at end of finance term or intended retirement age if earlier	75 years at the end of finance term or intended retirement age if earlier
Applicants Status	Applications are expected to be in joint names where an applicant is in a legally sanctioned relationship (i.e. married or in a civil union). Joint owners of a property must both be applicants on the finance application. However, refinance applications may be considered on single application basis, if already owned in sole name.	Applications are expected to be in joint names where an applicant is in a legally sanctioned relationship (i.e. married or in a civil union). Joint owners of a property must both be applicants on the finance application. However, refinance applications may be considered on single application basis, if already owned in sole name.
<b>Employment</b>		
Employed Income Verification (Including Directors with less than 25% shareholding)	<p>UK Nationals, EU Nationals &amp; Foreign Nationals permanently residing in the UK:</p> <ul style="list-style-type: none"> <li>• 6 months continuous employment in the UK</li> <li>• Permanent employment over 3 months with the same employer in the UK</li> <li>• Must not be under notice of termination or redundancy</li> <li>• 100% of - main salary, car allowance, London/City allowance, overtime, and commission (subject to terms), guaranteed bonus, second job - must be evidenced for the past 12 months, NET rental income (SA302), housing allowance, State or occupational pension income subject to any age restrictions outlined elsewhere.</li> <li>• 50% of Child Benefit, Working &amp; Child Tax Credits)/maintenance - UK only (confirmed by court order or CSA or 12 months' bank statements) / travel allowance and any regular bonus (evidenced over the past 2-years).</li> <li>• Additional income such as Bursary (UK only &amp; evidenced by Award letter), Dividend income from share portfolio evidenced by SA302.</li> <li>• Other incomes and allowances may be considered (please refer).</li> <li>• Applicants in probationary periods can be considered subject to conditions,</li> </ul>	<ul style="list-style-type: none"> <li>• 12 months continuous employment</li> <li>• Last 6 months employment in same country as residence</li> <li>• Permanent employment over 3 months with the same employer in the same country of residence</li> <li>• Must not be under notice of termination or redundancy</li> <li>• 100% of - main salary, car allowance, London/City allowance, overtime, and commission (subject to terms), guaranteed bonus, second job - must be evidenced for the past 12 months, NET rental income (SA302), housing allowance, State or occupational pension income subject to any age restrictions outlined elsewhere.</li> <li>• 50% Maintenance (confirmed by court order or CSA or 12 months' bank statements) / travel allowance.</li> <li>• Applicants in probationary periods can be considered subject to conditions, dependent on career history. Applicants should have been in continuous employment over the 12 months prior to the application</li> <li>• Other incomes and allowances may be considered (please refer).</li> </ul>



	HPP Home Finance – UK Residents	HPP Home Finance – UK Expats/ International Residents
	dependent on career history (please refer). Applicants should have been in continuous employment over the 12 months prior to the application, all of which must have been in the UK	
Parental Leave	<ul style="list-style-type: none"> <li>Return to work income from Parental Leave can be used for affordability purposes</li> </ul>	<ul style="list-style-type: none"> <li>Return to work income from Parental Leave can be used for affordability purposes</li> </ul>
Contractor	<ul style="list-style-type: none"> <li>Current contract must have been running for at least 6 months and applicant has proof of contracting for a minimum of 12 months</li> <li>Minimum 12 months employment prior in the same line of work if the contract has more than 6 months to run</li> <li>Minimum 2 years employment prior in the same line of work if the contract has less than 6 months to run</li> <li>Applicants being paid via an umbrella company paying their tax and NI are acceptable</li> </ul>	<ul style="list-style-type: none"> <li>Current contract must have been running for at least 6 months and applicant has proof of contracting for minimum of 2 years</li> <li>Minimum 12 months employment prior in the same line of work if the contract has more than 6 months to run</li> <li>Minimum 2 years employment prior in the same line of work if the contract has less than 6 months to run</li> <li>Applicants being paid via an umbrella company paying their tax and NI are acceptable</li> </ul>
Employment not considered	Seasonally based, piece work and zero hours contracts will not be considered by the bank	Seasonally based, piece work and zero hours contracts will not be considered by the bank
Self Employed Income Verification	<p>An applicant will be classed as self-employed if they fall into one of the following categories:</p> <ul style="list-style-type: none"> <li>Sole Trader, Partner in a firm, Member of a LLP, Any director with 25% or more shareholding</li> <li>Income will be calculated based on latest years income (unless the latest years profit/income is significantly different than the previous year, when more detail will be required by the Underwriters)</li> <li>Special consideration may be given to medical professionals with less than 12 months self-employed income history.</li> </ul>	<p>An applicant will be classed as self-employed if they fall in one of the following categories:</p> <ul style="list-style-type: none"> <li>Sole Trader, Partner in a firm, Member of a LLP, Any director with 25% or more shareholding</li> <li>Income will be calculated based on latest years' income (unless the latest years profit/income is significantly different than the previous year, when more detail will be required by the Underwriters)</li> <li>Special consideration may be given to medical professionals with less than 12 months self-employed income history.</li> </ul>



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<b>Deposit Details</b>		
Evidence of Deposit	Source of deposit evidence is always required	Source of deposit evidence is always required
Gifted Deposits	<ul style="list-style-type: none"> <li>• Non-repayable gifted deposits from a close relative are acceptable subject to a signed interested party waiver. Close relative is defined as spouse, parent, child, grandparent, brother, sister, uncle/aunt, foster/adoptive parent or legal guardian &amp; includes step relatives.</li> <li>• Builder / developer deposits considered up to 5%</li> <li>• Vendor gifted deposits are not acceptable</li> </ul> <p>For more information on gifted deposits, please refer to the following documents on the Bank's website: <a href="#">Gifted Deposit Guidance</a> and <a href="#">Gifted Deposit Declaration of Source of Funds</a>.</p>	<ul style="list-style-type: none"> <li>• Non-repayable gifted deposits from a close relative are acceptable subject to a signed interested party waiver. Close relative is defined as spouse, parent, child, grandparent, brother, sister, uncle/aunt, foster/adoptive parent or legal guardian &amp; includes step relatives (UK Expats Only).</li> <li>• Gifted deposits are not acceptable for International Residents</li> <li>• Vendor gifted deposits are not acceptable</li> <li>• Builder /developer deposits considered up to 5%</li> </ul> <p>For more information on gifted deposits, please refer to the following documents on the Bank's website: <a href="#">Gifted Deposit Guidance</a> and <a href="#">Gifted Deposit Declaration of Source of Funds</a>.</p>
Credit History	<ul style="list-style-type: none"> <li>• No Bankruptcy, Debt Relief Order or IVA in last 3 years</li> <li>• No CCJ's in last 3 years (all previous CCJs must be satisfied before application)</li> <li>• No missed mortgage or other property finance payments over the last 12 months</li> <li>• No voluntary/ enforced possession</li> <li>• No default in last 12 months, max 1 default of up to £300 between months 13 to 36 and satisfied before application submitted and must be satisfied before submitting an application for finance</li> <li>• Where defaults, whether settled or not, relate to Communication companies these will be disregarded as part of the underwriting credit assessment up to a maximum of £300 in total regardless of when they were registered.</li> <li>• Applicants with a live Debt Management plan at application, will be declined.</li> </ul>	<ul style="list-style-type: none"> <li>• No Bankruptcy, Debt Relief Order or IVA in last 3 years</li> <li>• No CCJ's in last 3 years (all previous CCJs must be satisfied before application)</li> <li>• No missed mortgage or other property finance payments over the last 12 months</li> <li>• No voluntary/ enforced possession</li> <li>• No default in last 12 months, max 1 default of up to £300 between months 13 to 36 and satisfied before application submitted and must be satisfied before submitting an application for finance</li> <li>• Where defaults, whether settled or not, relate to Communication companies these will be disregarded as part of the underwriting credit assessment up to a maximum of £300 in total regardless of when they were registered.</li> <li>• Applicants with a live Debt Management plan at application, will be declined.</li> </ul>
<b>Finance Criteria</b>		
Existing Mortgage/ Financing	• Most recent mortgage / home finance statement	• Most recent mortgage / home finance statement



	HPP Home Finance – UK Residents	HPP Home Finance – UK Expats/ International Residents
<b>ID &amp; Residency</b>		
Applicant Proof of ID and Residence	For a detailed list showing ID requirements and proof of residence for applicants that is acceptable to the Bank, please refer to our document <a href="#">Gatehouse ID Requirements</a> on the Bank's website.	
Applicant Residency Status and ID Evidence	<p>UK Residents – including the Green Product options:</p> <ul style="list-style-type: none"> <li>• Maximum FTV: 80%</li> <li>• Acceptable: <ul style="list-style-type: none"> <li>- UK Nationals - (80% FTV)</li> <li>- EEA / EU Nationals with 'Settled status' – 5 years UK residency (indefinite leave to remain under the EU Settlement Scheme) – (80% FTV)</li> <li>- EEA / EU Nationals with 'Pre-Settled status' - under 5 years UK residency with at least 12 months remaining on leave to remain - (80% FTV)</li> </ul> </li> <li>• Foreign Nationals resident in the UK – with at least 12 months unexpired at time of application - (80% FTV)</li> <li>• Documents: <ul style="list-style-type: none"> <li>- UK Nationals – UK Passport or Driving Licence</li> <li>- All EEA / EU Nationals who: <ul style="list-style-type: none"> <li>• <u>Relocated to the UK prior to 31 July 2021</u> – either a Valid 'Share Code' (Details to view and prove the immigration status provided by the Home Office), or a valid UK Visa / Biometric Resident Permit Card, which needs to be certified.</li> <li>• <u>Relocated to the UK from 1 August 2021</u> – a letter from the Home Office, or a valid UK Visa / Biometric Resident Permit Card, which needs to be certified.</li> </ul> </li> </ul> </li> </ul> <p>Foreign Nationals Resident in UK:</p> <ul style="list-style-type: none"> <li>• Maximum FTV: 80%</li> </ul>	<ul style="list-style-type: none"> <li>• UK Expats (UK Citizens resident abroad) are only eligible to apply for our UK Expat Home Purchase Plan products – (80% FTV). Valid UK Passport</li> <li>• International Residents (Foreign Nationals non-resident in the UK) are only eligible to apply for our International Home Purchase Plan products – (80% FTV) - Valid Passport, or if passport is not available, a valid National ID card issued by the government.</li> <li>• Other applicants who hold British passports and do not have an automatic right to live and work in the UK- are only eligible to apply for our International Home Purchase Plan products. Please see <a href="https://www.gov.uk/types-of-british-nationality">https://www.gov.uk/types-of-british-nationality</a> for a full list.</li> <li>• Evidence of all Nationalities held must be provided on the application form with supporting evidence.</li> <li>• Where an applicant holds dual nationality, proof of all nationalities must now be provided when uploading the proof of ID documentation</li> </ul> <p>Terms and requirements may differ according to status – for more detailed information please refer to our document <a href="#">Gatehouse ID Requirements</a> on the Bank's website.</p>





	HPP Home Finance – UK Residents	HPP Home Finance – UK Expats/ International Residents
	<ul style="list-style-type: none"> <li>• Acceptable: valid UK Visa with at least 12 months unexpired at the point of application together with a valid Passport</li> <li>• Documents:               <ul style="list-style-type: none"> <li>- Applicants must have been a resident in the UK for last 6 months consecutively at the time of application</li> <li>- Applicants must have 12 months continuous employment history; of which the last 6 months must be in the UK at the time of application</li> <li>- 12 months validity on the Passport and Visa must have 12 months left at time of application</li> <li>- All applicants must provide a Valid 'Share Code' and 'DOB' (Details to view and prove the immigration status provided by the Home Office)</li> <li>- Applicant's UK contract of employment</li> </ul> </li> <li>• Where an applicant holds dual nationality, proof of all nationalities must now be provided when uploading the proof of ID documentation</li> </ul> <p>Terms and requirements may differ according to status – for more detailed information please refer to our document <a href="#">Gatehouse ID Requirements</a> on the Bank's website.</p>	
Ensure that all Documents are:	<ul style="list-style-type: none"> <li>• Valid and in date (statements and utility bills must not be older than 90 days) and certified as true copies and likeness if photo ID (a list of persons able to certify documents is available on our website <a href="#">here</a>)</li> <li>• Named, Signed, and dated by approved certifiers only (FCA / PRA authorised introducer or a professional covered by the AML legislation)</li> </ul>	
Applicants not considered	Gatehouse Bank will not provide finance to applicants with diplomatic immunity, and all applicants will be checked for inclusion on financial sanction and Politically Exposed Persons (PEPs) lists.	
Property		
Location	England and Wales	England and Wales
Tenure	Freehold and Leasehold (Lease must have a minimum of 70 years remaining at time of application and 40 years remaining at the end of the term)	Freehold and Leasehold (Lease must have a minimum of 70 years remaining at time of application and 40 years remaining at the end of the term)
Property Type	Standard Residential only	Standard Residential only
Valuation Basis	Market Value or purchase price, whichever is the lower	Market Value or purchase price, whichever is the lower



	HPP Home Finance – UK Residents	HPP Home Finance – UK Expats/ International Residents
Minimum Property Value	£125,000 at 80% FTV and £154,000 at 65% FTV.	£125,000 UK Expats and International residents for 80% FTV and £154,000 at 65% FTV
Property types acceptable as security	<p>For more information on the property types acceptable as security, please refer to our document <b>Home Finance Property Types – Guidance Notes for Intermediaries</b> on the Bank's <a href="#">website</a>. Please note this list is not exhaustive and if unsure about the suitability of any property as security, you should contact the Bank or your BDM.</p> <p>Green Option - properties with an EPC rating of A or B receive a reduction of 0.10% on the rental rate, plus measures will be taken by the Bank to offset the carbon emissions of the property for the full 2 or 5 year initial fixed term, and thereafter for the full term of the finance whilst the customer remains with the Bank and satisfies the criteria. The offset incentive is based on the average consumption of gas and electricity of an average UK home and is operated through a partnership with a leading environmental conservationist organisation.</p>	



## Valuation and Product Fees

Property Value	Valuation Fee (Including VAT)
Up to £100,000	£192
£100,001 - £150,000	£230
£150,001 - £200,000	£252
£200,001 - £250,000	£308
£250,001 - £300,000	£322
£300,001 - £350,000	£364
£350,001 - £400,000	£406
£400,001 - £500,000	£448
£500,001 - £600,000	£476
£600,001 - £700,000	£518
£700,001 - £800,000	£567
£800,001 - £900,000	£644
£900,001 - £1m	£707
£1m - £1.25m	£735
£1.25m - £1.5m	£770
£1.5m - £1.75m	£910
£1.75m - £2m	£1,050
£2,000,001 - £2,500,000	£1,200
£2,500,001 - £3,000,000	£1,700
£3,000,001 - £4,000,000	£2,200
£4,000,001 - £5,000,000	£2,900
£5,000,001 and above	By agreement
Re-inspection Fee	£180
Application fees:	£149 UK RESIDENTS £199 UK EXPATS £299 INTERNATIONAL RESIDENTS
Product fees:	£499 UK RESIDENTS £699 UK EXPATS 1% (Min £999) INTERNATIONAL RESIDENTS

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The Bank reserves the right to request any further information it requires in order to make a decision.



## How does it work?

### Acquisition & Rent Diminishing Musharakah

Our Acquisition & Rent Diminishing Musharakah product is an arrangement between the Bank and the applicant. Both the applicant and the Bank will each contribute a percentage towards the purchase or refinance of a residential property. For example, the Bank may contribute 75% and the applicant 25% of the purchase price (for refinances, and the applicant's contribution is the equity in the property).

The Bank will lease its share in the property to the applicant for the duration of the finance term.

Over the finance term, the applicant will make monthly acquisition instalments through which the Bank will sell its share of the property to the applicant. With each acquisition instalment, the Bank's share in the property diminishes while the applicant's share increases.

While the acquisition instalments are being made, the Bank will charge the applicant rent for the use of its share of the property, the rent is calculated according to the respective shares owned.

Following the applicant's acquisition of all the Bank's share, either at the end of the agreed term or upon early purchase of the Bank's share, whichever is earlier, the Bank will transfer the full ownership of the property to the applicant.

### Notes:

- At the end of the term, administration fees are payable in accordance with the Bank's standard Tariff of Charges to cover the Bank's administration costs.
- No early settlement penalties are payable when the Bank's share is purchased by the Customer before the end of the agreed term.

The Customer is responsible for their own solicitor costs, stamp duty and other conveyancing charges (such as land registry fees) at outset and on settlement.



## FOR THE USE OF PROFESSIONAL MORTGAGE INTERMEDIARIES ONLY

Gatehouse Bank plc (“Gatehouse”) is a public limited company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and incorporated under the laws of England and Wales with registered number 06260053 having its registered office at The Helicon, One South Place, London, EC2M 2RB, United Kingdom.

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### **IMPORTANT NOTICE**

This document is issued by Gatehouse and its purpose is to provide information about residential financing products offered by Gatehouse on a non-advised basis, it does not constitute an offer or invitation in respect the products.

No information set out or referred to in this Document shall form the basis of any contract. Any prospective transaction shall be governed by applicable terms and conditions and any agreements entered into by the relevant parties acknowledging that it has not relied on, or been induced to enter into such an agreement by, any representation, warranty, assurance or undertaking save as expressly set out in that agreement. The issue of this document shall not be deemed to be any form of commitment on the part of Gatehouse (or any other person) to proceed with any transaction.

Any recipient of this document in jurisdictions outside the UK should inform themselves about and observe any applicable legal requirements.

Prospective clients should make their own independent assessment when considering the products described in this document. In reaching a decision, prospective clients should discuss their options with an independent financial adviser and seek independent professional tax and legal advice.

By accepting this document, the recipient agrees to be bound by the foregoing limitations.