

Vernon Building Society

2 Year Tracker Rate 5.50% LTV 80%

Full Product Details

Lender



Availability

For self build, custom build, renovations, conversions and home improvements in England & Wales.

Benefits

Available to employed, self employed and contract workers for purchase/remortgage.

Interest Rate

5.50% (SVR +0.30% for 2 years)
Followed by Standard Variable Rate (SVR) currently 5.20%

Stage Payment Type

Advance

Early Repayment Fee

2% of outstanding balance within the first 2 years

Loan to value/loan to costs

Up to 85% of land costs, up to 85% of the build costs subject to a maximum final LTV of 80%

Loan size

£600,000

Minimum/Maximum Age

21 years for all applicants. Retirement age as stated on application form, Maximum age 85 at the end of the mortgage term.

Borrowing Calculation

The maximum borrowing is based on affordability taking account of the client's expenditure and regular commitments. If the borrower is staying in their current house during the build, the current mortgage payment will be treated as a commitment.

Term

Minimum 5 years Maximum 35 years.

Portable

Yes

Repayment Type

Repayment (capital and interest), interest only or a combination of both with a suitable repayment vehicle. Interest only during the build is available.

Buckinghamshire Building Society Valuation Scale

Valuation fee (based on the estimated final value of the property when completed)

Purchase Price/Estimated final value not exceeding

(Inclusive of VAT and £150 admin fee)

£100,000	£370
£150,000	£400
£200,000	£435
£300,000	£505
£400,000	£565
£500,000	£625
£600,000	£675
£700,000	£725
£800,000	£775
£900,000	£825
£1,000,000	£945
£1,200,000	£975
£1,400,000	£1,095
£1,600,000	£1,175
£1,800,000	£1,295
£2,000,000	£1,405

Re-inspection on completion of build - £125 (includes £50 admin fee)

Other Fees

Lenders Application Fee N/A

Lender's Completion Fee £199

Buildloan packagers fee £695 (£95 payable on receipt of Agreement in Principle and £600 on offer of loan)

Additional Security Fee £2300 (estimate) payable on completion

Funds Transfer Fee £15 (on completion) payable on completion

Mortgage Discharge Fee £155 (currently) payable on repayment

Project Requirements

Proof of Identification

- **Full signed Passport.** Passport must be in date and show full name
- **UK photo card Driving Licence/Full.** Drivers Licence must show full name and current residential address
- **Police ID Card**

Please note, we require the original or original certified documents. We will return these same date recorded delivery

Proof of Address

- **Credit Card Statement**
- **Latest Bank statement or Mortgage Statements**
- **Latest Council Tax Bill**
- **Utility Bill**
- **UK photo card driving licence/full (if not been used as Proof of Identification)**

Statements must be no more than 3 months old at time of sending case to lender. Must also show name and current address

Bank Statements

- **Must be the latest 3 months**
- **Must show salary credits**
- **Must show name and address**
- **If you use on-line banking it must show, name and account number. These need to be printed off and posted to us**

Please note, we require the original or original certified documents. We will return these same day recorded delivery

Income

P.A.Y.E.

- Latest 3 months payslips for weekly or monthly
- Latest years P60

Self Employed

- 2 years accounts prepared by a suitably qualified accountant
- or
- latest 2 years Tax Calculations with corresponding Tax Year Overviews along with the latest 3 months business bank statements

Please note, we require the original or original certified documents. We will return these same day recorded delivery

Other Mortgages

Buy To Let Property

In order for the lender not to take a Buy to Let property as a deduction, the property is self-financing if the gross rent covers the current mortgage payment stressed in line with the Society's stress rate.

They require

- Copy of AST (Assured Shorthold Tenancy Agreement)
- Proof of the latest 6 months rental income
- Lenders name, outstanding balance, monthly mortgage payments
- Tax Calculations with corresponding Tax Year Overviews

Plans

Plans should be to scale or have the room size clearly marked on them to allow the valuer to give an estimated final value.

Where available, elevation of the proposed property should also be submitted

Outline Planning Permission is required to purchase the plot/property. This should be at least twelve months remaining.

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Detailed Planning Permission is required before any further funds can be released towards your build.

If you are planning a renovation and planning permission is not required, the lender will require a letter from the local authority confirming this.

Building Regulations

Building Regulations/Building Warrant required before any funding can be released towards your build

Build Costs

We will require detailed project costings which will need to be completed on our project costings form.

On receipt of the project costings, plans and planning permission, we will refer the details to our Building Support Team to prepare an Eval. This is to sign off your costs to ensure that all factors and costs of the build have been taken into account, making sure no costs of the build has been overlooked. The costs will then be presented in a format acceptable to the lender

At this stage we will also produce a 'Cashflow' which details the release of funds at each stage during the build. A minimum of 5% of the loan agreed will be retained by the lender until final completion of the project

Site Insurance

As a condition of your mortgage you are required to have site insurance in place before any funding can be released. The policy should provide:

- £5 million Public Liability
- £10 million Employers Liability
- Contract Works (for the re-instatement value)
- Cover for any existing structure

Vernon Building Society need to be noted on the policy as mortgagee.

Stage Release Certification

Certification will be required at each stage of your project and can be provided by a Structural Warranty inspector e.g. Self Build Zone or by a suitably qualified consultant e.g. Architect

The approved inspector/company must also carry the appropriate Professional Indemnity cover of £1m per claim with a minimum aggregate limit of £15m pa. They should also have cover against personal injury of an aggregate limit of £5m per claim.

The lender will require a copy of the professional's indemnity cover.

Your professional consultant must remain liable for a period of 6 years for the work once signed off

If you decide against using a structural warranty provider and use an Consultant certification, the lender also requires Technical Audits at each building stage to support the Architects sign off. These must be carried out by a member of the CIC (arranged via BuildStore) at a cost of £200 + VAT per stage

Solicitor

A solicitor will be required in all instances to carry out the searches and submit the Certificate of Title.

Minimum of 3 partners in multiple offices with a minimum of 2 partners in each office. Must have £2 million indemnity cover in place.

www.buildloan.co.uk

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