

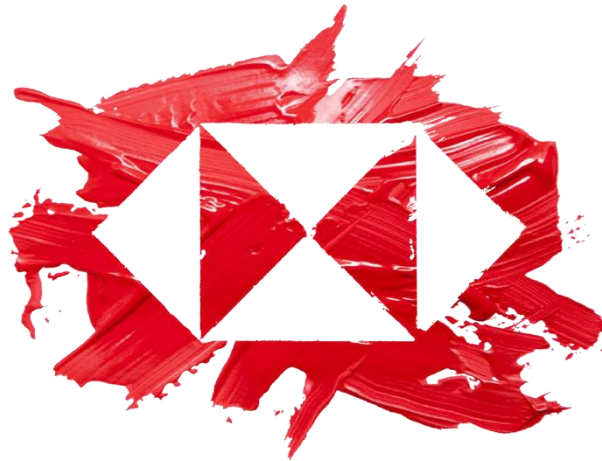
# HSBC UK Criteria Bulletin

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## Interest Only

May 2022

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Single applicants requesting a residential Interest Only mortgage will be required to have an annual minimum income of £75,000 which must meet our income eligibility criteria below.

For joint applications at least one applicant must have an annual minimum income of £75,000.

### Eligible income sources:

- ◆ Employed income: basic + fixed allowances (excluding bonus, commission, overtime and rental income)
- ◆ Self-employed income: net profit + director's salary
- ◆ Pension
- ◆ Benefit income

With an Interest Only loan, the maximum term is 25 years (subject to maximum age policy) and the minimum term is 5 years.

The maximum LTV is 75% for both remortgage or purchase applications dependent on the size of the loan.

Customers meeting the eligibility criteria can now take homeowner loans/further advances lending on Interest Only terms up to a maximum LTV of 60%, this will also mean that any future borrowing (irrespective of repayment type) will be limited to 60% LTV.

<b>Loan amount:</b>	<b>Capital Repayment maximum LTV:</b>	<b>Interest Only maximum LTV:</b>
Up to and including £500k	<b>95%</b>	<b>60%</b>
Up to £550k	<b>90%</b>	<b>60%</b>
Over £550 up to and including £750k	<b>85%</b>	<b>60%</b>
Over £750k up to and including £1m	<b>80%</b>	<b>60%</b>
Over £1m up to and including £2m	<b>75%</b>	<b>60%</b>
Over £2m	<b>65%</b>	<b>50%</b>

Please note: for split terms where there are both repayment types, the Interest Only maximum LTV will apply to the combined borrowing amount.

<b>Acceptable repayment vehicles:</b>	<b>We are unable to accept the following as a suitable repayment strategy:</b>
<ul style="list-style-type: none"> <li>◆ Ad hoc capital (lending is capped at 50% LTV)</li> <li>◆ Savings</li> <li>◆ Endowments</li> <li>◆ Stocks &amp; Shares ISA</li> <li>◆ Investments</li> <li>◆ Sale of Other Property</li> </ul>	<ul style="list-style-type: none"> <li>◆ Sale of current or planned main residence at the end of the term</li> <li>◆ Sale of commercial or overseas property</li> <li>◆ Lump sum from a personal or occupational pension scheme – because of frequent changes to pension policies and regulations which make assessment of credibility difficult</li> </ul>