

## REVISED LENDING CRITERIA, PRODUCT CHANGES AND SUBMISSION REQUIREMENTS

June 2020

At Paragon, we want to support our intermediaries and customers by continuing to accept new business and processing applications already received. In order to do that, we have reviewed some of our requirements and changed our product range slightly, so that we can concentrate on our core business. We've outlined these temporary revisions together in one document so that you can see at a glance what has changed.

### Products

We're not currently accepting new applications on the following product ranges:

- Short term finance
- Holiday let

### Criteria

The maximum loan to value is now 75%.

We are not currently accepting applications on properties that are, or will be, let to students.

### Valuations

In areas where it is possible, we are carrying out physical property inspections. We have implemented a number of measures to ensure the safety of both our surveyors and the property occupants. These measures will be confirmed at the time an inspection is arranged, but will include an assessment of the property situation and occupancy prior to the visit, and the requirement for the access contact to meet the surveyor at the property to ensure safe access. An inspection will only be arranged where the surveyor deems the visit to be safe.

In areas where physical restrictions are still in place, we will continue to carry out a desktop valuation on properties that are either single self-contained units or have up to four tenants. If you are aware of a physical restriction in the property area, please ensure that a completed [Property information form](#), which can be found in the documents section of our website, is provided with the application.

There are some properties that may not be suitable for a desktop valuation, such as HMO and multi-unit block properties; houses or flats with a value in excess of £750,000 (£1 million within the M25); or high-rise flats above six storeys with potential cladding issues. Where that is the case, and a physical inspection is not possible, we may make a suitability referral to our in-house surveyors. Assuming they confirm the property is acceptable, we will continue to process the application and then instruct the valuation as soon as a physical inspection is possible. Please note that this referral will not include any assessment of the value and rental income, which can only be verified by the physical inspection. Where a suitability referral is not appropriate, the application will be held until a physical inspection is possible.

### Submission requirements

In addition to the usual list of requirements outlined in our lending guidelines, we will require:

- A completed [Property information form](#) for all single self-contained unit properties and properties with up to four tenants where a physical inspection is not currently possible
- Net worth statements for all applicants
- Last three months' rental bank statements to confirm all rental income and investment mortgage payments
- A detailed business plan that outlines the following:
  - The split of tenant type across the portfolio (where applicable)
  - The applicant's COVID-19 strategy for the next three to six months
  - Any contingency in place to cope with rental income disruption

All other criteria remains unchanged and can be found in our lending guidelines in the documents section of our website. If you have any questions about these changes, please contact either your regional manager or our customer relationship team.

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