

Interest Only and Retirement Interest Only

RIO mortgages as defined by the FCA – an Interest Only Mortgage where:

1. It is not an interest roll up mortgage
2. Entry in to which is restricted to older borrowers above a specific age (usually retired)
3. Under which the lender is not entitled to seek full repayment of the loan until the occurrence of one or more specified life events, unless the borrowers breaches their contractual obligations in a way which allows the lender to terminate the contract

Advice and suitability will be subject to applicant requirements and ability to meet the appropriate terms below.

Terms for each type Interest Only mortgage

TERMS	INTEREST ONLY (with RV)	RETIREMENT INTEREST ONLY (RIO)
LTV	65%	55%
MIN LOAN	£25K (P) £40K (R)	£25K (P) £40K (R)
MAX LOAN	£350K	£350K
MIN PROP VAL	£175K	£125K
MIN EQUITY	£150K*	NONE
MULTIPLIER	3.5 X single or joint	3.5X single or joint
AFFORDABILITY	Joint and single after 1 st death	Joint and single after 1 st death
MAX AGE	90	NONE
MIN AGE	NONE	55
LIFE INSURANCE	Recommended but not compulsory	Subject to survivors income from all sources
LPA	If older borrowers recommended	Recommended but not compulsory
MAX TERM	In line with RV	NONE – illustration term agreed with borrower
INCOME	All types as per LP	Pension and other non salaried
RATE	2 year disc at 2.43% or 3 year disc at 2.99%	3 year disc at 2.99%
FEE	As at present £495 on purchases and free on remortgages	£495 with LPA £795 without LPA

NB: REMORTGAGES attract free valuation (Hometrack) and free legals when using the Society's panel.

*Minimum equity including other assets could need to be more in other areas of the UK in order to be able to downsize. £150k is the minimum for East Yorkshire.

LPA – Lasting Power of Attorney

RV – Repayment Vehicle (including sale of property to downsize)