



01403 27 26 25  
[www.atomltd.co.uk](http://www.atomltd.co.uk)



中國銀行 (英國) 有限公司  
BANK OF CHINA (UK) LIMITED

**MORTGAGE PRODUCT GUIDE FOR INTERMEDIARIES**  
**(for intermediaries reference only)**  
**Please do not distribute to mortgage customers**

**6 March 2018 V17.1**

## **KEY PRODUCT FEATURES:**

### **Lifetime Tracker Mortgage Products**

- Unlimited overpayment facility.
- One year tie-in period.
- Maximum loan size: £5 million.
- 1% ERC applies to the original loan amount, payable on full redemption only within the tied-in period.
- Interest calculated on daily basis.
- Available for Residential, Buy-to-Let and Commercial purposes
- Capital repayment available to all mortgages and Interest Only Option available to Business BTL for loan amount up to £1 million.
- Switching facility to Fixed Rate Mortgage after the tie-in period. Product switching fee might apply.

### **3 Year Fixed Rate Mortgage Products**

- Overpayment facility of maximum 20% of the original loan amount per annum within the tie-in period. No limit on overpayment after the tie-in period.
- 3 year tie-in period.
- Maximum loan size: £5 million.
- 1% ERC applies to the original loan amount, payable on full redemption only. If there are any previous charges on overpayment during the tie-in period, we will only charge to the maximum of 1% of the original loan amount.
- Interest calculated on daily basis.
- Available to Residential and Buy-to-let purposes.
- Capital repayment available to all mortgages and Interest Only Option available to Business BTL for loan amount up to £1 million.
- Non-refundable booking fee on application.
- Fixed-Track option. At the end of the fixed mortgage term, the mortgage will be charged at a reversion lifetime tracker mortgage rate in the same LTV band based upon the original valuation.
- Rolling over to another fixed term at the end of the tie-in period, a product fee will be charged.

## **OTHER UNIQUE PRODUCT FEATURES (in general):**

- All products are available to UK nationals who reside in the UK and also available to:
  - i) Foreign applicants residing in the UK for medium term or permanently who are in full time employment in a permanent position with minimum one year employment history, or self-employed (a minimum 3 year employment history and financial reports).
  - ii) Chinese students in the UK (when applying jointly with their parents).
  - iii) Overseas applications from China Mainland, Hong Kong, Singapore, Malaysia and Taiwan which include local residents and ex-pats (foreign nationals) who live and work in these jurisdictions, provided; credit reference report from their country of origin can be produced if they cannot obtain a credit reference report from their residing countries. If the expat applicant has been residing in the afore-mentioned jurisdictions for long term basis, credit reference report from the residing country is needed.
  - iv) Overseas applications from United Arab Emirates (UAE) – only available for UK and Chinese expats who are employed in Dubai or Abu Dhabi.
  - v) First time buyers (including first time buyers who are purchasing BTL properties).
- Documents in Chinese (without English translation) are acceptable.
- Our mortgage products are not available for professional landlords. i.e. Applicants must have a day time job or the majority of their income cannot be entirely relied on property related income.
- Consumer Buy to Lets (CBTLs) considered but only available on capital repayment basis.

- Personal service. Intermediaries/customers can always speak directly to our attentive case officers.
- AIP (Agreement In Principle) usually approved within 72 hours.
- Arrangement fee and other related costs cannot be added to the loan.
- No credit scoring.

### **Lifetime Tracker Mortgage Product**

#### **RESIDENTIAL**

LOAN AMOUNT	LTV	ARRANGEMENT FEE	INTEREST RATE
From £50K and up to £500K	Up to 60%	£1,295	2.39% + BBR
	Over 60% and up to 80%		2.49% + BBR
Over £500K and up to £1 million	Up to 75%	£2,495	2.69% + BBR
Over £1 million and up to £5 million	Up to 70%	0.5% of loan amount	2.99% + BBR

#### **BUY-TO-LET**

LOAN AMOUNT	LTV on Repayment	LTV for Interest Only Business Buy to Let	ARRANGEMENT FEE	INTEREST RATE
From £50K and up to £500K	Up to 60%	Up to 55%	£1,895	2.49% + BBR
	Over 60% and up to 75%	Over 55% and up to 70%		2.79% + BBR
Over £500K and up to £1 million	Up to 70%	Up to 60%	£3,195	3.49% + BBR
Over £1 million and up to £5 million	Up to 65%	Not available to Interest Only BBTL	0.5% of loan amount	3.69% + BBR

#### **COMMERCIAL**

LOAN AMOUNT	LTV	ARRANGEMENT FEE	INTEREST RATE
From £50K and up to £500K	Up to 50%	£2,195	3.39% + BBR
	Over 50% and up to 65%		3.69% + BBR
	Over 65% and up to 70%		3.99% + BBR

Over £500K and up to £1 million	Up to 65%	£3,195	3.69% + BBR
Over £1 million and up to £1.5 million	Up to 60%	0.5% of loan amount	3.99% + BBR
Over £1.5 million and up to £5 million	Up to 60%	1% of loan amount	3.99% + BBR

Bank of England Base Rate (BBR) is 0.5% as of 28 February 2018

- The interest rate will be increased or decreased the same day as any increase or decrease in the Bank of England Base Rate and by the same percentage for the term of the mortgage.
- Interest is calculated daily

### **3 Year Fixed Rate Mortgage Product**

#### **RESIDENTIAL (NON-REFUNDABLE BOOKING FEE OF £299 APPLIED ON APPLICATION)**

LOAN AMOUNT	LTV	ARRANGEMENT FEE + BOOKING FEE	INITIAL RATE	FINAL RATE
From £50K and up to £500K	Up to 60%	£1,295 + £299	2.83%	3.39% + BBR
	Over 60% and up to 80%		2.93%	3.49% + BBR
Over £500K and up to £1 million	Up to 75%	£2,495 + £299	3.13%	3.69% + BBR
Over £1 million and up to £5 million	Up to 70%	0.5% of loan amount + £299	3.43%	3.99% + BBR

#### **BUY-TO-LET (NON-REFUNDABLE BOOKING FEE OF £399 APPLIED ON APPLICATION)**

LOAN AMOUNT	LTV on repayment	LTV for Interest Only Business Buy to Let	ARRANGEMENT FEE + BOOKING FEE	INITIAL RATE	FINAL RATE
From £50K and up to £500K	Up to 60%	Up to 55%	£1,895 + £399	3.53%	4.09% + BBR
	Over 60% and up to 75%	Over 55% and up to 70%		3.83%	4.39% + BBR
Over £500K and up to £1 million	Up to 70%	Up to 60%	£3,195 + £399	3.93%	4.49% + BBR
Over £1 million and up to £5 million	Up to 65%	Not available to Interest Only BBTL	0.5% of loan amount + £399	4.13%	4.69% + BBR

## LENDING POLICY:

### General Lending Policy Information

- Standard documents required. All our mortgage products (residential, BTL and commercial) are a full status product. (please refer to the below paragraph for document requirements).
- Our lending decisions are based upon a full affordability assessment whereby we will assess if the loan is affordable based on the applicant's credit worthiness, income, loan & financial commitments and regular & essential household expenditures.
- Capital Repayment basis for all mortgages and Interest Only option available to Business Buy to Let
- Clean Credit Reference history.
- The maximum age to which Bank of China (UK) Limited will accept is 70 or his/her selected retirement age or his/her State Pension age whichever is lower. We do not lend beyond retirement age.
- The minimum age to which Bank of China (UK) Limited will accept is 18.
- First home, house mover and remortgage are welcome.
- No professional landlords or property developers are allowed.
- Applicants cannot purely rely on property related income (i.e. must have a day job).
- Aimed at individuals starting out on their first BTL or who already have a small portfolio.
- Portfolio (with Bank of China UK or other lenders) cannot be larger than 10 properties which includes own residence, related/joint owned and proposed purchase or remortgage.
- New builds valued on the second hand basis and minimum valuation is £100,000.
- Valuation is to be carried out before credit assessment report to be submitted for final approval.
- Mortgage applicants will be responsible for all legal and valuation fees, whether or not the loan completes.
- Minimum lease at outset is 80 years remaining, with 50 years remaining at end.

### Maximum mortgage terms

Residential	Buy to Let	Commercial
30 years	30 years	15 years

### Typical document requirement

- Proof of ID
- Proof of current residence eg. utility bill (within last 3 months)
- Proof of deposit
- Latest three month payslips and P60 (or equivalent for overseas customers)
- Latest three month bank statements in which regular income can be verified; n.b. on-line bank statements must be verified by the issuing banks
- Experian/Equifax Credit Reference Reports (or equivalents for overseas customers) required
- For self employed persons, in addition to the above:
  - 3 years trading accounts and reports
  - Latest SA302 Tax Calculation Statement from HMRC (or equivalent for overseas customers)
  - Latest three month bank statements of the company (if ownership is 50% or above by the applicant)
  - Dividend Certificate
  - \* we do not accept an Accountants Certificate
- For loan borrowed in the name of a limited company, personal guarantee from director/s required
- For portfolio landlord (where he/she holds 4 or more investment properties that have a mortgage secured on them), i) BTL property business plan, ii) detailed cash flow statement demonstrating last and next 12 months, iii) latest annual mortgage statement for any property with a mortgage, iv) copies of current tenancy agreements for all properties and v) bank statements demonstrating rental income required
- Current mortgage statements for existing residential and BTL properties (if applicable).
- Linked current account with Bank of China (UK) Limited required

Please refer to the Section 3 and 6 of the "Terms of Business for Intermediaries" for document certification.

## **AIP (AGREEMENT IN PRINCIPLE) & APPLICATION PROCESS:**

- AIP form completed by customers or intermediaries
- AIP decision within 24-72 hours (it could be longer if the case is relatively more complicated)
- If the customer wishes to proceed after the AIP approval, then the loan application form and the account opening form will be sent to the broker with a list of documentation requirement. (Unless the broker prefers the forms to be sent directly to the customer. (n.b. The intermediary also needs to sign the application form - declaration of the intermediary on the page 14).
- The intermediary/customer returns the completed forms with all the original or certified supporting documents and correct valuation fee.
- Application from this point (provided all the requirements and documents including valuation are satisfactory) would usually take 2 - 4 weeks for offer being issued.
- Supporting documents – originals will be photocopied by our local branch or otherwise certified by the intermediary (please refer to the Section 3 and 6 of “Terms of Business for Intermediaries”).

## **VALUATION FEES:**

### **Residential Fees**

<b>Value to</b>	<b>Mortgage Valuation</b>
£100,000	£174
£150,000	£192
£200,000	£240
£250,000	£288
£300,000	£336
£350,000	£384
£400,000	£420
£450,000	£462
£500,000	£504
£600,000	£588
£700,000	£678
£800,000	£762
£900,000	£834
£1,000,000	£918
Over £1,000,000	Quotation by panel surveyor

Please note the above basic valuation fees (VAT inclusive) are based on the actual property valuation or purchase price/estimated value stated on the mortgage application form whichever the higher.

- Valuation up to £1,000,000, valuation survey will be carried out by e.surv.
- Re-inspection fee for new builds is £108
- Please contact us in relation to valuations for property in excess of £1 million, as Bank of China (UK) Limited will require a more detailed secured lending report from our panel surveyors eg. Colliers, Savills, Knight Frank, Hamptons, Matthews & Goodman or Cushman & Wakefield.
- Commercial valuations: valuation fee will be quoted in case by case basis when the details of the property to be offered for security are provided.

## **OTHER FEES:**

- Fund transfer fee of £35.
- Deed discharge fee of £95 for each security.
- Separate legal representation required for Residential and Buy-to-Let loans over £1 million and Commercial loans over £500K. Costs for both parties legal representation to be paid by the borrower.

**SOURCING:**

- Our mortgage products can be sourced from Trigold, and Mortgage Brain.
- Our Bank website does not provide sourcing channel.
- We do not issue illustration to intermediaries or applicants via intermediaries. Offer will be issued to successful applicants after approval and copy of the offer will be provided to the intermediary.

**COMMISSION:**

- Intermediaries will be paid 50% of the arrangement fee charged on completion, subject to a maximum of £10,000

## **QUICK GUIDE (Dos and Donts)**

### **FLEXIBLE FEATURES**

Overpayments	Yes
Underpayments	No
Payment Holidays	No
Offset	No

### **CONSTRUCTION**

Conventional	Yes
Concrete	Refer
Steel Framed (prior to 1989)	No
Timber Framed (prior to 1970)	No
Thatched Roof	No

### **PROPERTY**

Freehold Flat	No
Purpose Built Flat	Yes
Studio Flat prime area only/30 sq m+	Refer
Converted Flat	Yes
Flat above shop	Refer
Maisonette	Yes
Over 4 storeys	Yes
Flying Freehold (less than 15%)	Refer
Listed Building	Refer
Ex-local (60% private owned/4 storey-)	Refer
New Build (min £100K val)	Yes
Agricultural Restrictions	No

### **INCOME CONSIDERED**

Basic	100%
Overtime	50%
Commission	50%
Bonuses	50%
Pension	100%
State Benefits	0%
Maintenance Payments	0%
Mortgage Subsidy (net)	100%
Large Town Allowance	100%
Car Allowance	0%
Dividends	100%
Net Rent (incl. anticipated)	100%

### **APPLICATION TYPES**

First Time Buyer	Yes
2 <sup>nd</sup> Time Buyer	Yes
Holiday Home	Refer
Shared Ownership	No
2 <sup>nd</sup> Home	Refer
Right to Buy	No
Re-mortgage	Yes
(like for like or raising fund for new purchase only)	
Unencumbered	Refer
Debt Consolidation	No
Home improvements	Refer
Business Purposes (com only)	Refer
CBTL (capital repayment basis only)	Yes
Interest only	BBTL only
Marital Settlement	No
Self Build	No
Development Finance	No
Bridging Finance	No
Same Day Re-mortgage	No
Assignable contracts	Yes

### **APPLICANT**

Min Age 1 <sup>st</sup> Applicant	18 at start
Max Age	70 at end
Min. Income	£18,000
Retired	No
Adverse Credit History	No
British Expat	see section below
Foreign Nationals	see section below
Ltd. Company (UK registered only)	Refer
Offshore Company	No
Trust	No

### **INCOME STRESS TEST**

Affordability assessment carried out assuming Bank of England Base Rate to be at 5%

### **COMMERCIAL MORTGAGES**

Commercial properties in prime locations	Refer
--	-------

'Refer' means the Bank may accept this type of applications with more consideration such as the merit of the case itself eg. location, quality of security, LTV, banking relationship with the Bank, contribution from the customer to the Bank. Sometimes, the case enquiry (especially, in the AIP stage) will be referred to our underwriter for further examination. Since the 'Refer' case enquiries are not standard types, brokers will expect the Bank to require for more information, extra conditions and longer processing time. Our loan officers welcome to discuss with you when the case enquiry is not a standard type i.e. labelled as 'Refer'.



Assignable contracts – please note that: i) our loan cannot be used as payment towards the assignor of the contract. Our lending will be based on the original purchase price stated by the developer and the Borrower will have to use their own funds to pay the sum owed to the Assignor; and ii) the bank will ask the solicitors to confirm that the assignor has waived all rights to the Property and that they hold sufficient funds to complete the transaction.

Applications for second home or holiday home, a 10% reduction applicable on the standard LTVs and applicants will be required to deposit minimum 6 months mortgage payments with the Bank of China (UK) in a fixed time deposit margin account for 12 months. No withdrawals permitted in the first 12 months.

**EXPATS WHO LIVE AND WORK IN UK, CHINA MAINLAND, HONG KONG, SINGAPORE, MALAYSIA AND TAIWAN**  
**(OVERSEAS APPLICATIONS FROM COUNTRIES OTHER THAN UK AND THE ABOVE COUNTRIES)**

- Ex-pats (foreign nationals) and local residents from the above countries (provided; at least the main income earner is an expat or local resident from the above countries who is either employed or self-employed residing in either one of the above countries) are considered if their main income source are either from UK, China, Hong Kong, Singapore, Malaysia or Taiwan. Applicants are required credit reference report from his/her residing country.
- Ex-pats (British or Chinese nationals only) from other countries which are not outlined from above (provided; at least the main income earner is an expat of UK or Chinese origin) are considered if an applicant is employed by a multi-national organisation in the countries where Bank of China has a retail network (and including United Arab Emirates). Applicants under this category will be required credit reference report from the country of origin and his/her residing country. (subject to approval).
- Overseas applicants (excluding Chinese nationals applying from China) will be required to deposit minimum 3 months mortgage payments with the Bank of China (UK) in a fixed time deposit margin account for 12 months. No withdrawals permitted in the first 12 months.
- Overseas applicants, who are Chinese nationals applying from China, will be required to deposit minimum 6 months mortgage payments with the Bank of China (UK) in a fixed time deposit margin account for 24 months. No withdrawals permitted in the first 24 months.

**FOREIGN NATIONALS (APPLICATIONS IN UK)**

Foreign Nationals who live and work in UK with minimum 1 year employment history and at least 1 year valid working visas / work permits can be considered depending upon their personal and financial circumstances. Experian or Equifax credit reference report will be required.

**BANK OF CHINA (UK) LIMITED (BOC) OPERATIONS UNDER THE MCD**

BOC offers both Consumer and Business buy to let mortgages via intermediaries. We welcome applications from residents in UK, China Mainland, Hong Kong, Singapore, Malaysia, Taiwan and United Arab Emirates (for ex-pats of British or Chinese nationals only). Our mortgage products are denominated in GBP and we can accept consumers' income in GBP, USD, EUR, Chinese Yuan (CNY), Hong Kong Dollar (HKD), Singapore Dollar (SGD), Malaysian Ringgit (MYR), New Taiwan Dollar (TWD) and Emirati Dirham (AED), subject to applications satisfying our eligibility, lending criteria and creditworthiness assessment. BOC will adopt KFI plus instead of ESIS until March 2019.

### **LINKED CURRENT ACCOUNT**

- Linked current account with Bank of China (UK) Limited will be required to be opened before the mortgage is paid out.
- Mortgage payments will be collected from a Bank of China (UK) current account.
- Successful applicant(s) are not allowed to close the linked current account as long as the mortgage is not fully repaid.
- For Buy to Let mortgage applicants, rental income from the property on which the mortgage is secured must be paid into a Bank of China (UK) current account.
- The applicant(s) are not obliged to transfer their main banking relationship to us.

### **LINKED DEPOSIT ACCOUNT**

- Linked deposit account will be required to be opened for the sum of deposit required as a condition of the mortgage if the applicant(s) are from overseas including those who is purchasing a second/holiday home.
- No withdrawal permitted during the agreed term for deposit requirement set out in the mortgage offer unless the mortgage is fully repaid during the agreed term for the deposit.

### **OTHER INFORMATION:**

- All Intermediaries will be supplied with our “Terms of Business for Intermediaries” with a template acceptance letter (declaration) to the terms of business.
- All intermediaries will need to return the signed acceptance letter (declaration) to us before we can pay the intermediary.
- For continual business referrals, the intermediary needs to be in our panel. (please refer to our “Terms of Business for Intermediaries”).
- Please note that although products may be booked at the time of application, the application will not be progressed until we receive all relevant supporting documentation. If supporting documentation is not received in a timely manner, we reserve the right to cancel the original application including the product requested.
- Treating Customers Fairly is the heart of our business.

## HOW TO CONTACT US:

Intermediaries who are directly authorised and regulated by FCA can deal directly with us.



## COMPLAINTS PROCEDURE:

In the event of a complaint or dispute, you can submit your complaint to us to the Personal Banking Department directly either in person, by phone, or in writing to:

**(Mortgage Centre) Personal Banking Department, Bank of China (UK) Limited, 1 Lothbury, London EC2R 7DB.**

If you are complaining on behalf for your customer to us, you must obtain a written authorisation from your customer to allow you to act on his/her behalf. You must disclose the nature and details of the complaint to us in your complaint.

**It is an offence to knowingly make a false, inaccurate or misleading declaration when applying for a mortgage. If you make such a declaration you may face criminal prosecution and/or civil action for recovery of any losses incurred by Bank of China (UK) Limited.**

Terms of business will be provided to intermediary who wishes to introduce customers to Bank of China (UK) Limited. The intermediary will be required to sign and accept the terms of agreement as a form of registration with the Bank before we can accept customers from intermediary.

All information is subject to change. Product information is subject to availability and may change. This information is for intermediaries only and is not intended for distribution to potential customers.

Bank of China (UK) Limited is registered in England with Company Number 6193060

Registered Office is at 1 Lothbury, London EC2R 7DB

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.