

Case Study

Barney Gumble is a first-time buyer with four CCJ's totalling £2,500 and who also incurred a months rent arrears over five months ago. Unfortunately, he

only has a 5 per cent deposit, but has been employed for just over six months and is able to prove his income of £30,000 of which £10,000 consists of commission income. His

partner, Selma Bouvier, has no adverse credit and has been with her employer for four years plus, can also prove her income of £29,000. They need a mortgage of £175,000, can anyone help?

"In the first instance AToM would need to ascertain when Mr Gumble's CCJ's were registered and whether or not they have been satisfied. Some lenders may choose to ignore these if they have been satisfied or if they were registered a long time ago.

Therefore, assuming Mr Gumble's CCJ's have been satisfied or have been registered over two years ago, and assuming he currently rents through a private landlord, Mortgages plc would be prepared to assess this case. Mortgages plc not only ignores CCJ's of this nature, but it do not require a landlord's reference when assessing first-time buyers.

Mortgages plc's near-prime plus product would be the best route for Mr Gumble and his partner as the lender will allow £250 worth of CCJ's that are current i.e. those that have not been satisfied in the



RAMONA LEAVERS
IS MARKETING
MANAGER AT ALL
TYPES OF
MORTGAGES
(AToM)

last two years. Mr Gumble and his partner would be able to take a two-year fix on the near-prime plus range fixed at 6.45 per cent (this rate does not have a higher lending charge but does have a loading as a result).

The applicants may choose to take a rate with Mortgages plc that does have a higher lending charge, as this will reduce the rate to 6.1 per cent (two-year fixed). However as the higher lending charge can not be added over 95 per cent LTV, the clients would have to pay this (around £2,500) upfront along with the £599 arrangement fee.

Alternatively if the applicants fail Mortgages plc's affordability calculator, Unity Homeloans may look at this as it offers a 3.5x joint income."