



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



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MORTGAGE PRODUCT GUIDE FOR INTERMEDIARIES

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KEY PRODUCT FEATURES:

Lifetime Tracker Mortgage Product

- 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.
- Interest calculated on daily basis.
- Available for Residential, Buy-to-Let and Commercial purposes
- Capital repayment basis only.
- Switching facility to Fixed Rate Mortgage after the tie-in period. Product switching fee might apply.

3 Year Fixed Rate Mortgage Product

- 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 secured 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 basis only.
- Non-refundable booking on application.
- Fixed-Track option. At the end of the fixed mortgage term, the mortgage will be charged at our prevailing 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 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, 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) First time buyers (including first time buyers who are purchasing BTL properties).
- Documents in Chinese (without English translation) are acceptable.
- The ownership of the mortgage and property can be vested in a limited company's name. (Personal guarantee from directors will be required).
- Personal service. Intermediaries /customers can always speak directly to our attentive case officers.
- AIP (Agreement In Principle) usually approved within 48 hours.

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
From £50K and up to £500K	Over 60% and up to 80%	£1,295	2.49% + BBR
Over £500K and up to £1 million	Up to 75%	£2,495	2.69% + BBR
Over £1 million and up to £1.5 million	Up to 70%	0.5% of loan amount	2.99% + BBR
Over £1.5 million and up to £5 million		0.5% of loan amount	

BUY-TO-LET

LOAN AMOUNT	LTV	ARRANGEMENT FEE	INTEREST RATE
From £50K and up to £500K	Up to 60%	£1,895	2.49% + BBR
	Over 60% and up to 75%		2.79% + BBR
Over £500K and up to £1 million	Up to 70%	£3,195	3.49% + BBR
Over £1 million and up to £1.5 million	Up to 65%	0.5% of loan amount	3.69% + BBR
Over £1.5 million and up to £5 million		0.5% of loan amount	

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 1 July 2015

- 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 and applied monthly (simple interest method).

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
From £50K and up to £500K	Over 60% and up to 80%	£1,295 + £299	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 £1.5 million	Up to 70%	0.5% of loan amount + £299	3.43%	3.99% + BBR
Over £1.5 million and up to £5 million		1% of loan amount + £299		

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

LOAN AMOUNT	LTV	ARRANGEMENT FEE + BOOKING FEE	INITIAL RATE	FINAL RATE
From £50K and up to £500K	Up to 60%	£1,895 + £399	3.53%	4.09% + BBR
From £50K and up to £500K	Over 60% and up to 75%	£1,895 + £399	3.83%	4.39% + BBR
Over £500K and up to £1 million	Up to 70%	£3,195 + £399	3.93%	4.49% + BBR
Over £1 million and up to £1.5 million	Up to 65%	0.5% of loan amount + £399	4.13%	4.69% + BBR
Over £1.5 million and up to £5 million		1% of loan amount + £399		

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 income, loan & financial commitments and regular & essential household expenditure.
- Capital Repayment basis ONLY (interest only NOT allowed)
- 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 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 55 years remaining at end.

Maximum mortgage terms

Residential	Buy to Let	Commercial
30 years	30 years	15 years

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
- 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
- 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 24-48 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 9).
- 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”).

- Illustration – Intermediary KFI or Buy to Let Illustration must accompany all introductions with all the correct fees and commissions.

VALUATION FEES:

Residential Fees		
Value to	Mortgage Valuation	Homebuyers
£100,000	£180	£320
£150,000	£195	£380
£200,000	£230	£440
£250,000	£275	£480
£300,000	£290	£530
£350,000	£330	£580
£400,000	£355	£640
£500,000	£390	£700
£600,000	£470	£780
£700,000	£545	£900
£800,000	£610	£1,005
£900,000	£670	£1,125
£1,000,000	£720	£1,245
Over £1,000,000	Quotation by panel surveyor	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.

- Residential valuations include an administration fee of £70.
- Valuation up to £1,000,000, valuation survey will be carried out by either Countrywide or Connells.
- 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 or DTZ.
- 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.
- Deeds 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.

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 <small>prime area only/30 sq m+</small>	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 nd Time Buyer	Yes
Holiday Home	Refer
Shared Ownership	No
2 nd Home	Refer
Right to Buy	No
Re-mortgage	Like for like
Unencumbered	Refer
Debt Consolidation	No
Home improvements	Refer
Business Purposes (com only)	Yes
Let to Buy	Refer
Interest only	No
Marital Settlement	No
Self Build	No
Development Finance	No
Bridging Finance	No
Same Day Re-mortgage	No
Sub-Sale	No

APPLICANT

Min Age 1 st 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	Yes
Offshore Company	No
Trust	No

INCOME MULTIPLES

Affordability assessment carried out assuming Bank of England Base Rate to be at 5% (4 times of income)

COMMERCIAL MORTGAGES

Commercial properties in prime locations	Refer
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'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'.

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

- 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) 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 (UK or Chinese nationals only and provided; at least the main income earner is an expat of UK or Chinese origin) considered if being employed by a multi-national organisation in the countries where Bank of China has a retail network. Applicants under this category will be required credit reference report from the country of origin and his/her residing country.
- Overseas applicants will be required to deposit minimum three 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.

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.

LINKED CURRENT ACCOUNT

- Mortgage payments will be collected from a Bank of China (UK) current account.
- Rental income must be paid in to a Bank of China (UK) current account.
- The applicant(s) are not obliged to transfer their main banking relationship to us.

OTHER INFORMATION:

- All Intermediaries will be supplied with our “Terms of Business for Intermediaries” with a template acceptance letter to the terms of business.
- All intermediaries will need to return the signed acceptance letter to us before we can pay the intermediary.
- After the first successful and completed case, we will register the intermediary in our panel. 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.