

# YOUR MORTGAGE MANUAL

Everything you  
need to know  
about working  
with us



# THERE ARE PARTNERSHIPS AND THERE ARE VIRGIN MONEY PARTNERSHIPS

Dear partner

At Virgin Money, our ambition is to build a better kind of bank, one that makes everyone better off – our customers, colleagues and shareholders, our business partners and the communities we serve.

We believe we have a strong portfolio of mortgage products that you can share with your clients. And we continuously build on our range, updating and improving what we have to offer - including a regular roll out of exclusives.

In 2015 we launched our partnership commitments. They are promises that we continue to stand by, because your business really matters to us. But they are also just the beginning. We have lots planned for 2016, and look forward to supporting the intermediary market.

We will always take the time to understand what you need, how you like to work and how we can help each other. That way, we can help you provide a service your clients will feel good about.

We look forward to working with you.

Yours sincerely



**David Buxton**

Director of Intermediary  
Business Development



**John Truswell**

Head of National Accounts

## YOUR HANDY MORTGAGE HOW-TO GUIDE

Inside is everything you need to know about working with us – from submitting a mortgage application to learning about our lending policy, the benefit of being a Virgin Money intermediary partner, and of course, browsing our product range.

### Who we are

A chance to find out a bit more about us. What we stand for, our aims and what we want to achieve – but most importantly, how we work with our partners, like you.

### What we do

The lowdown on our product and lending policy details. At a glance you can see which mortgage fits which client, all the important facts and figures, and you can easily see our key lending policy benefits.

### How we work

Find out how we can help you. From the background of our dedicated Business Development Managers to our six step guide on how to work with us, plus details on the documents we need.

### Getting in touch

All the names and numbers to help you on your way. If you want to know who to call for general queries, where to go for Virgin Money Online (VMO) support or the number for your Regional Service Team, take a look here.



# WHO WE ARE

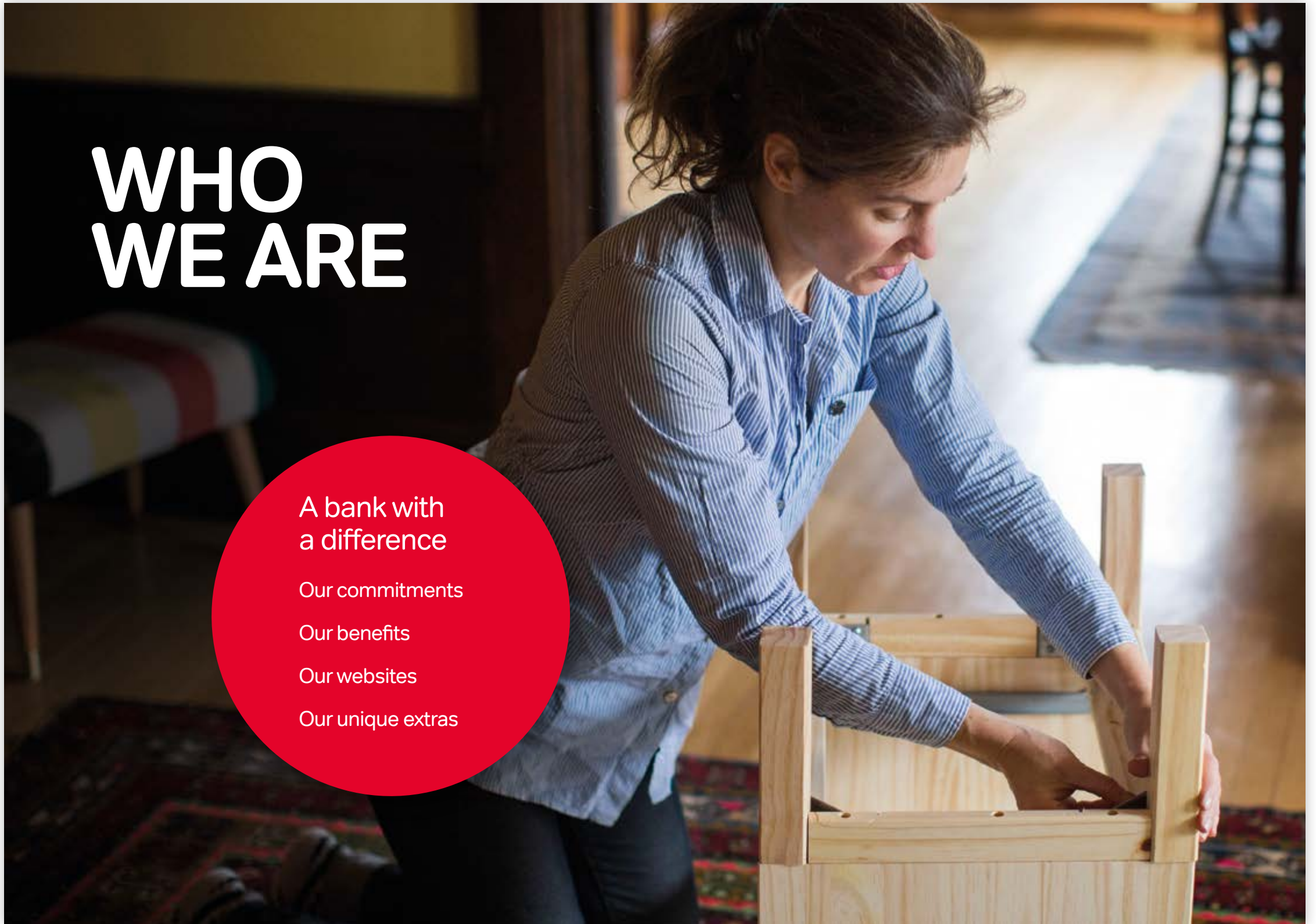
A bank with  
a difference

Our commitments

Our benefits

Our websites

Our unique extras



## ENJOY VIP STATUS IN 2016



As a VIP (Virgin Intermediary Partner), you can look forward to some very special treatment from us throughout 2016. Not only will you have access to our full mortgage range and a dedicated BDM, you will also get exclusive discounts from across the Virgin Group and access to Virgin Money Lounges too.

2016 promises to be quite a year. So make sure you are ready to access all areas.

Here's a reminder of our key commitments...

### Our very best mortgages

We offer intermediaries our very best products. We don't keep the best deals to help us find new customers ourselves. And we know that some mortgage products may be more suited to the intermediary channel, so we'll offer these exclusively through you.

### Offers out asap

We want you to know we are committed to getting offers to your customers as soon as we can – in fact, within 10 working days of receiving a fully-packaged application, or we will give your customer £100.\*

We're delighted to say we're not paying £100 very often, as 96% of fully-packaged applications that went to offer, did so within 10 days.\*\*

### A fair day's pay

We understand that writing mortgage business these days is taking more time.

So we made sure that our procurement fees reflect that, rewarding you properly for the work you need to put in.

And don't forget, as a Virgin Money partner, you automatically have access to a range of deals and discounts from the Virgin Group.

### 24 hours' notice on products

We will give you at least 24 hours' notice before we increase the rates on our mortgage deals.

We will never just pull the plug on a product without letting you know first. That way you and your customers know exactly where you stand.

\*Full terms and conditions at [virginmoneyforintermediaries.com](http://virginmoneyforintermediaries.com)

\*\*Statistics based on intermediary mortgage application data from 16 February to 31 December 2015.

## ALL YOU NEED TO KNOW IN A FEW CLICKS

All your questions about working with us can be answered on our website dedicated to you – [virginmoneyforintermediaries.com](http://virginmoneyforintermediaries.com)

Everything is clearly explained, from registering as a new partner through to details on our lending policy, together with handy 'how to' sales aids and tools like our Online Affordability Calculator.

You can also find out lots more about VMO – our online application system which makes it easy to track and keep up to date with your cases.



## Just go to [virginmoneyforintermediaries.com](http://virginmoneyforintermediaries.com)

We update the site regularly with all our latest policy and pricing details, along with useful document downloads you may need to do business with us – so save it as one of your favourites and have it easily to hand.

The screenshot shows the homepage of the Virgin Money website for intermediaries. The header includes the Virgin Money logo, a search bar, and links for Help, Contact us, and News. The main navigation bar features links for Products, Lending policy, Tools & sales aids, Submitting business, and Service. The main content area is divided into several sections: a large banner for 'ENJOY VIP STATUS IN 2016' with a 'View our range' button; a section for 'Exclusive Virgin Group offers' featuring logos for Virgin Holidays and Virgin Experience Days; a 'Mortgage updates' section with a red arrow icon; a 'Service' section with links to 'Service levels - 27/01/2016' and 'Help with packaging'; a 'Latest news' section with links to 'Improvements to our BTL mortgage range - 15/01/16', 'End dates extended to April - 16/12/15', 'Improvements to exclusive and core residential deals - 31/12/15', and 'Changes to BTL deals - 04/12/15'; and a 'Products' section with links to 'Find a mortgage', 'A-Z lending policy', 'Download lending policy', 'Affordability calculator', 'BDM finder', 'Registering to use Virgin Money', and 'Install VMO'. The footer contains links for About us, News, Legal, Security, Privacy, Accessibility, Contact us, and Media centre.

## Enjoy rewards from across the Virgin Group

We believe great partnerships should bring great rewards. So we took our most popular customer discounts and offers and extended them to our intermediary partners. From money off holidays to discounts on entertainment, a fantastic balloon flight to a great case of wine – you can enjoy special treatment across the Virgin Group. It's our way of saying thank you. So make the most of the extended family and enjoy the benefits. And don't forget to tell your clients they can take advantage of these offers too when they become a Virgin Money customer.

[virginmoneyforintermediaries.com/offers](http://virginmoneyforintermediaries.com/offers)

The screenshot shows the 'Offers' page on the Virgin Money website for intermediaries. The header includes the Virgin Money logo, a search bar, and links for Help, Contact us, and News. The main navigation bar features links for Products, Lending policy, Tools & sales aids, Submitting business, and Service. The main content area is titled 'Rewards for our intermediary partners from across the Virgin Group' and includes a section for 'Intermediaries offers' with a link to 'Intermediaries home'. Below this is a section for 'All intermediary offers by category' with three sub-sections: 'Holidays and travel' featuring 'Virgin Holidays 5% off' and 'Find out more' button; 'Home, family and health' featuring 'Virgin Holidays Cruises 5% off' and 'Find out more' button; and 'Entertainment and experiences' featuring 'Virgin Trains 10% off selected Advance fares' and 'Find out more' button. The footer contains links for About us, News, Legal, Security, Privacy, Accessibility, Contact us, and Media centre.



## MUCH MORE THAN JUST A BANK

From the beginning it was always our aim to bring something new to the banking world. Something that made a difference. As well as offering all the services you would expect, we have gone a step further and reached out into our local communities.

### Virgin Money Lounges

Our Lounges are about more than money and banking – they are designed to be places where our customers can relax and local communities come together. They are all part of our ambition to be a very different kind of bank – one that makes everyone better off. We have Lounges across the country in London, Norwich, Manchester, Edinburgh and Glasgow, with more on the way.

As a Virgin Money intermediary partner, you get access to Virgin Money Lounges. They offer unique places to sit and relax and convenient spaces to do a spot of work.

Your dedicated BDM has a pass waiting for you, so you and a guest can enjoy exclusive Lounge access throughout 2016.



### Virgin Money Giving

The idea to launch Virgin Money Giving came as a result of our sponsorship of the London Marathon. Having taken a look at how runners raise money, it became clear there was a better way of doing things and by being 100% not-for-profit, we could help much more of the money raised go directly to the charities themselves.

So when it comes to raising money for a cause you care about, make sure you choose Virgin Money Giving. You can set up your free fundraising page in minutes and there are plenty of tools and tips to help you on your way.

Visit [virginmoneygiving.com](http://virginmoneygiving.com) to find out more.



# WHAT WE DO

All our product  
and policy  
essentials

Mortgage range

Exclusive products

Flexible features

Lending policy



# MORTGAGES WITH YOUR CLIENTS IN MIND

Looking for a great residential deal or a better option for your landlords? Our products come with a range of benefits both you and your clients will want to know about. Flexibility, cashback incentives and fee saver options are just a few.

## Access to all products

We offer intermediaries our very best products. We don't keep the best deals to help us find new customers ourselves.

**And we know that some mortgage products may be more suited to the intermediary channel, so we'll offer these exclusively through you.**

### Everyday range

Simple, straightforward residential and BTL mortgages designed to fit a range of needs. Both fixed and tracker deals are available, with some of our flexible features like overpayments and payment holidays included as standard.

### Flexible range

Residential mortgages ideal for clients looking to secure more flexibility. As their lives change, so too can their mortgage. You can find out more about all our flexible features over the page.

### Fixed rates or trackers

Clients can opt to pay a fixed rate of interest over a range of product terms. Or if they would prefer a tracker we offer these as part of our Everyday and Flexible ranges. We also offer Freedom to Fix mortgage products for those who want to benefit from a tracker while interest rates are low, but knowing they can change to a fixed rate in the future.

### Great incentives

All our standard residential remortgages come with a free basic valuation and free legal work from our panel of approved solicitors. And from time to time we may also offer a cashback incentive on completion for selected products.



Please note that all flexible features must be applied for and are subject to the terms and conditions of your client's mortgage and Virgin Money's agreement.

### Flat fees, percentage fees and fee savers

Residential clients can choose between flat fee or fee saver options. BTL clients can do the same, with the addition of percentage fees on selected products.

Our mortgages without a product fee are called fee savers and could really benefit some of your clients, particularly those with smaller loan sizes. Sourcing by total to pay over the product life will highlight just how good a fee saver option can be.

### Low valuation fees

We use local and national surveyors that value properties at competitive fees so you can be sure of getting a fair deal for products that aren't available with a free basic valuation.

### Wide choice of LTV bandings

Everyone is different with varying amounts to spend on a deposit, which is why we offer a range of LTV options.

## Help to buy

### Equity loans

We are proud to be part of the government Equity loan schemes, available in England, Scotland and Wales for customers looking to purchase a new build home with as little as a 5% deposit.

### Help them move in with just a 5% deposit

We also support the Government's Help to Buy: mortgage guarantee scheme, offering a range of mortgages for borrowers with smaller deposits. Our 95% LTV mortgages are designed to help first and next time buyers who just have a 5% deposit. So your clients could get onto or move up the property ladder sooner than they thought.



Backed by  
HM Government



# MORTGAGES THAT OFFER MORE

Life is full of change, which is why all our mortgages come with flexible features, allowing your clients to choose whatever works for them at the time.

## Overpayments

Overpayments are a great way for your clients to reduce the amount they owe, save interest and potentially repay earlier than planned. They are available on both our Residential and Buy-to-Let mortgages:

- > Everyday range – overpayments of up to 10% of the outstanding balance per calendar year, with no Early Repayment Charge.
- > Flexible range – unlimited, charge-free overpayments can be made regularly or as a lump sum, providing the loan is not redeemed in full.

## Payment holidays

From parental leave to emergency boiler repairs, payment holidays are a great way for your clients to free up some money when they need it most. Again, they are available on both our Residential and Buy-to-Let mortgages:

- > For every nine consecutive full mortgage payments, your client can arrange one payment holiday and up to a maximum of three payment holidays after 27 consecutive full payments.
- > Interest will still be charged during the month of the payment holiday, and a payment holiday will increase the outstanding balance on which future interest charges are calculated.
- > Payment holidays will be allowed based on your client's ability to repay the revised total mortgage balance and the new monthly payment based on their circumstances at the time.

Please note that all flexible features must be applied for and are subject to the terms and conditions of your client's mortgage and Virgin Money's agreement.

## Underpayments and borrow back

Another useful feature of our Flexible mortgages is the option to make an underpayment, or borrow back previous overpayments:

- > If your client has made overpayments, they can apply to make a lower monthly payment or stop their monthly payment until the overpayment is used up.
- > They can apply to borrow back some or all of the overpayments they have made (£500 minimum). Any money they borrow back is charged the same rate of interest as their mortgage.

## PORTABLE PRODUCTS

- > All mortgages within our current range are fully portable, allowing clients to transfer their rate to their new property and take their Virgin Money mortgage with them.
- > If they need to borrow an additional amount for the new property, they can apply for any new product available at the time that is within the same product family as their main loan, e.g. Everyday or Flexible.
- > Clients can also take on a completely new product for the whole loan of their new property. If the new loan completes within three months of redemption they may receive a refund of 50% on an Early Repayment Charge, subject to their original mortgage terms and conditions.

**For more information, please visit our website.**

## OUR LENDING POLICY

Here we have outlined some of the key features that make up our lending criteria. For a comprehensive guide please go to the Lending Policy section on our intermediary website.

### Residential

#### > Higher borrowing for Limited Company Directors

Because we take their share of net profit and salary averaged over the last two years (if the profits have increased), rather than the dividend used by other lenders, in most situations we can offer a higher borrowing figure.

#### > Guarantors accepted

Your client has the option of up to two guarantors – they need to be at least 25 years old and a blood relative. Guarantors are not accepted under the Help to Buy schemes.

#### > Family gifted deposits and family gifted equity

We accept these from close family members – parents, grandparents and siblings, along with a letter from the family member to say the deposit is a gift and they have no interest in the property.

#### > Second property purchases up to 75% LTV

We offer dependent relative purchases, second home purchases and holiday homes at 75% LTV, and second homes let to a family member at 70% LTV.

#### > Interest only

Residential mortgages are available up to a maximum of 70% LTV on an interest only basis. For residential interest only and part and part loans, applicants must have a combined minimum gross income of £50,000 (including 100% of additional income such as bonuses, overtime, etc).

The maximum loan to income multiple we will accept for interest only and part and part loans is 3.5, based on allowable income i.e. basic income plus proportion of additional income permitted by policy.

We also offer up to 85% LTV on part and part mortgages, as long as the maximum on the interest only element is 70% LTV. Please note, interest only or part and part mortgages are not available to first time buyers, and debt consolidation is not permitted on an interest only basis. To check which repayment vehicles we will accept visit our website.

#### > Lending into retirement

The maximum age we will accept employed and self-employed income is 70. If the

All details correct as of 29.02.16

term extends beyond the stated retirement age or your client's 70th birthday (whichever is lower), we will calculate borrowing based on their pension income.

### Buy-to-Let and Consumer Buy-to-Let

#### > We offer Buy-to-Let (BTL) loans, including Consumer Buy-to-Let (CBTL)

We offer these for properties that are occupied under a rental agreement and where there is no intention for the borrower or their family member to live in the property.

The policy below applies to both CBTL and BTL loans. For full details of our policy criteria and what we consider to be BTL or CBTL, visit our website.

#### > First time landlords accepted

Your client does not need to already have a BTL mortgage and there are no special products applied to them. Applicants must be an owner occupier, and have had owner occupier status for at least six months on the date of decision (this applies to at least one applicant on joint applications). We may request evidence of this.

#### > Remortgage within six months of ownership

Unlike other lenders who may have a six or twelve month limit, we'll allow a remortgage to capital raise in less than six months of the landlord purchasing a property (lending will be based upon the original purchase price). In other words, for a property bought at auction for cash a day one refinance is available which may be particularly helpful for clients looking to free up capital to finance other purchases.

We'll also consider adding the value of any work done to the property (subject to the borrowing being based on the original purchase price).

- For example, if bought at £70,000 and the work cost £10,000, with receipted evidence we would consider lending 75% of £80,000. If significant work has been done, please talk to your Business Development Manager.

#### > £25,000 minimum (earned) income

Minimum income is £25,000 which can be single or joint income, from employed or self-employed applicants. Please note it is for earned income only (we would not accept any income from other BTL properties).

#### > The primary applicant needs to be at least 21, the second can be 18

For full details of our lending policy, please visit the intermediary website or download our A-Z Lending Policy App and get instant easy access to our policy on the go.



# HOW WE WORK

## Helping you help your clients

Your dedicated mortgage team

Business Development Managers (BDMs)

Our Six Step Mortgage Application guide

The Online Affordability Calculator

Our Virgin Money Online (VMO) system

Supporting document requirements

Income assessment criteria

## WITH YOU EVERY STEP OF THE WAY

Our experienced team is made up of specialist mortgage professionals who are on hand to listen and help you with every stage of the process.

### Here are just some of the things you can expect:

- > Your own dedicated Business Development Manager.
- > Trusted experts just a phone call away.
- > A team of knowledgeable and experienced underwriters.
- > A Regional Service Team that knows your area well.

“By staying true to our five key principles of speed, consistency, quality, accountability and flexibility, we aim to give you the best possible service. From reviewing your application and answering any questions you may have, through to underwriting and making an offer, we're here to help you and your clients all the way through to completion.”

**Gordon Soutar**  
Financial Services  
Operations Director

“Our intermediary partners are really important to our business and we are proud of the proposition we are able to offer you. We have an experienced BDM team covering every postcode in the UK, processing and servicing teams that understand your business and a range of compelling product propositions.”

**David Buxton**  
Director of Intermediary  
Business Development

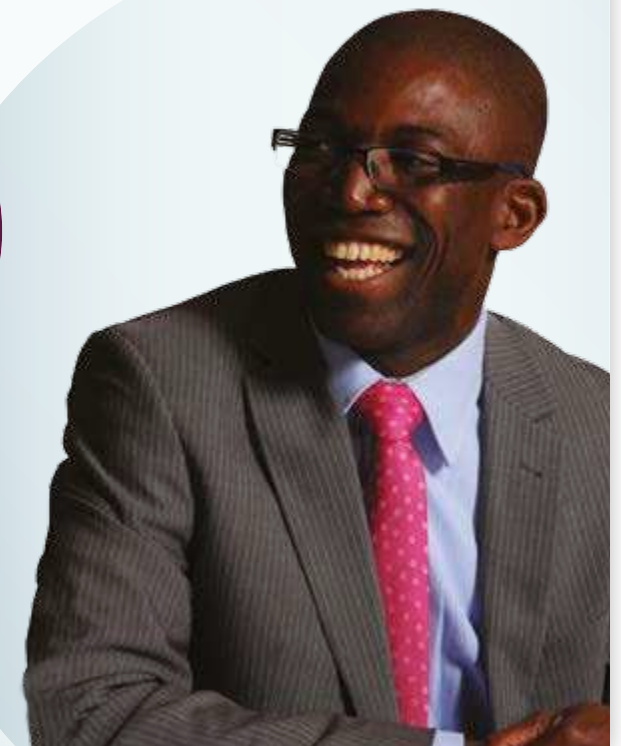
## YOUR BUSINESS DEVELOPMENT MANAGER

Virgin Money has always been about people. We believe the right attitude and approach can make the difference between a good experience and a great one. Which is why our team is made up of knowledgeable Business Development Managers giving you tailored one-to-one support.

- > Meetings face-to-face or over the phone, whichever suits you.
- > Intermediary Relationship Support Team.
- > Close contact with underwriters on your behalf.
- > Full support through the application process.
- > Understanding of your business and strategy.

### ANY QUESTIONS?

Just ask. You can find details of your dedicated BDM on our intermediary website.





# YOUR SIX STEP MORTGAGE APPLICATION GUIDE

As you know, there are lots of things to consider when making a mortgage application, which is why we have put together a guide outlining what you need to do and when. Simply follow these steps and you and your client could be six steps closer to completion.

## STEP 1

### Research our products

- > **Sourcing systems** – start by finding a suitable product for your client on your preferred sourcing system.
- > **Lending policy** – check your client meets our lending criteria by visiting the lending policy section on our intermediary website.
- > **Business Development Manager** – speak to your dedicated BDM to discuss the best way to go ahead.

## STEP 2

### Use our Online Affordability Calculator

- > **Affordability** – check your client's income, loan commitments and outgoings with this handy tool, using as accurate figures as possible.
- > **Print** – our affordability documents are all printer friendly to help your record keeping.
- > **Example** – take a look at our demonstration on **page 25**.

## STEP 3

### Create a Key Facts Illustration (KFI)

- > **Choose a system** – use either Virgin Money Online (VMO) or sourcing systems to create a KFI.
- > **Keep it safe** – print and save a copy as a PDF.

## STEP 4

### Turn the KFI into a Decision in Principle (DIP)

- > **DIP application** – complete the application for an immediate DIP using either VMO or MTE.
- > **Unsecured and recently cleared credit** – make sure that you detail all unsecured credit and highlight anything that will be repaid before or when the mortgage completes.
- > **Buy-to-let** – please declare any buy-to-let loans and indicate if they are self supporting, i.e. the rent covers 125% of the current mortgage payment.
- > **Decision Certificate** – if the application passes we will send you a Decision Certificate straightaway, telling you how much we will lend and what documents you need to send us. If it is referred to an underwriter, you should hear within 48 hours.

- > **Keep it safe** – our certificate is easy to print and keep for your records.
- > **Documentation** – source all the documents we need, which we will confirm to you.
- > **Monitor decision** – if you need to make any changes to a decision, please call our Intermediary Relationship Support Team on **0345 600 1516**. Calls to 03 numbers cost the same as calls to 01 or 02 numbers and they are included in inclusive minutes and discount schemes in the same way. Calls may be monitored and recorded. They are here from 8.30am to 6pm, Monday to Friday (excluding bank holidays).

## STEP 5

### Turn the DIP into a full application

- > **Full application form** – complete this form, making sure all the facts and figures match those on the calculator, KFI and DIP.
- > **Submit** – send us the completed form through VMO or MTE.
- > **Payment** – make sure you have the client's payment details.
- > **Save and print** – keep copies of the Declaration, Direct Debit and Application Summary details.
- > **Documentation** – send all the requested documents to **docs@virginmoney.com**. We will accept scanned copies or photographs sent from your business email. Sending additional documents may cause delays. Please include the 8-digit mortgage/case number in the subject line of your email.
- > **Monitor your case** – use Case Tracking on VMO and MTE to see how your case is progressing.

## STEP 6

### Your dedicated Regional Service Team

- > **One dedicated team** – made up of our multi-skilled mortgage experts and an in-team underwriter.
- > **Contact** – get in touch with the team for all queries through to offer.
- > **Faster service** – a single point of contact so we can process your cases quickly and more efficiently.
- > **Enjoy** – a dedicated phone number and personalised service.

### QUICKER, SLICKER MORTGAGE APPLICATIONS

We have improved the way we process the mortgage applications you send us. You submit your mortgage application in the same way, but we have made improvements behind the scenes to provide a more streamlined service for you and your clients.

## ONLINE AFFORDABILITY CALCULATOR

Our Online Affordability Calculator is a quick and easy way to work out how much your client is able to borrow based on their circumstances.

It only takes minutes to complete and will give you an accurate and consistent figure. You should use it before submitting a DIP and you can follow this quick guide to make sure the figure you get is as accurate as possible. Remember, the output figure will only be as accurate as the figures you put in.

### Checklist:

- ✓ Base expenditure on the new property.
- ✓ For employed applicants please use gross income before any deductions.
- ✓ Average out monthly costs such as council tax, car tax/maintenance and private school fees.
- ✓ Check the payslips thoroughly for any deductions, like childcare and pensions – and include them within the monthly expenditure.
- ✓ Include the running costs of other residential properties, along with any other properties that do not meet our self-funding guidelines.
- ✓ Declare all unsecured debt, indicating what will remain outstanding when the mortgage completes.
- ✓ Print and save the result for your files.



Take a look at our demonstration taking you through the stages with some key things to note.





## REMEMBER

Our affordability calculator generates a maximum borrowing figure based on income and property value, so potentially the amount generated is capped by LTV rather than affordability – which gives your client room for manoeuvre later down the line.

### 1. LOAN DETAILS

The first screen will ask you for the initial details of the loan, and there are some useful prompts to guide you through each stage.

The screenshot shows the 'Loan Details' step of the Virgin Money Affordability calculator. It includes fields for 'Apply with partner', 'Mortgage term (years)', 'Loan type', 'To this is key to the final loan calculation?', 'Estimated property value', 'Requested mortgage amount', and 'Anticipated loan to value' (set at 67%). A 'Next' button is at the bottom right.

### 2. PERSONAL DETAILS

Here you will be asked to enter your client's personal details, such as their employment status.

If self-employed, please note for a limited company this figure should be their share of profit on ordinary activity before taxation (net profit) for the last 2 years, plus PAYE salary. For sole traders or partnerships, please use net profit.

The screenshot shows the 'Personal Details' step. It includes fields for 'Type of occupation', 'Number of dependants (that reside in the property)', 'Applicant 1: Personal Details' (Age, Employment status), and 'Last 2 years net profit' (Gross annual income from mortgage business, other business, and PAYE salary).

### 3. FINANCIAL INFORMATION

Please state any dependant costs here, such as child care. If you enter £0 here but have declared dependants we will ask you to confirm this.

The screenshot shows the 'Financial Information' step. It includes sections for 'Monthly Household & Expenditure', 'Monthly Repayments', and 'Other monthly mortgage repayments'. A red arrow points from the 'Monthly Repayments' section to the text on the right.

If your applicant pays for a season ticket via PAYE please include it here, along with any other accurate travel costs.

We do not take debt into account if it is being cleared. Please be aware that we will ask how it is being cleared and may ask for evidence of this. Remember to key in all credit into the Decision in Principle.

### 4. APPLICATION OUTCOME

In most cases the result is the maximum your client can borrow based on the LTV of the product. We recommend you enter higher property prices in order to see the maximum borrowing figure, should the property price increase.

Within our assessment we set a minimum level of expenditure based on industry data, using national averages provided by ONS. If this box appears it means your client has declared an expenditure below this amount, which would require further explanation.

The screenshot shows the 'Application Outcome' step. It displays the 'Result' as £225,000. A red box highlights a warning message: 'Your client has declared an expenditure below this amount. Virgin Money are happy to consider their application further but in order to do so, we require a completed mortgage declaration and a signed declaration from the lender. Your client will see the additional information to return the full application. Sample results are provided for the form. Please remember, the form must be signed by the customer or mortgage adviser and sent, with all other documents, to the lender. (See: 0203 622 5555)'

## VIRGIN MONEY ONLINE (VMO)

VMO is our easy to use online tool which allows you to submit applications, keep track of all your cases and gives you access to exactly the same information as our Business Development Managers, so you are always kept in the loop.

### Benefits include:

- > Easy to install and use.
- > Access for administrators.
- > Automated decisions.
- > Data can be entered offline.
- > Access to KFI, DIPs and Full Applications.
- > Archiving and storage facilities to help stay compliant.
- > Email service keeping you up to date on all your cases.

You can also make applications for cases through MTE. As with VMO it has all the essential DIP and Full Application functionality.

## HOW TO INSTALL VMO

### Need to register?

If you are not yet registered to submit mortgage business to us, just fill in our registration form on our intermediaries site and one of the team will be in touch to help you install it.

### Already registered with us?

To download the software go to [vmo.virginmoney.com/APPDL](http://vmo.virginmoney.com/APPDL)

If you have any questions, please call **0345 602 8348\***.

They are here from 8.30am to 6pm, Monday to Friday (excluding bank holidays).

\*Calls to 03 numbers cost the same as calls to 01 or 02 numbers and they are included in inclusive minutes and discount schemes in the same way. Calls may be monitored and recorded.

## USING VMO TO SUBMIT A CASE

As you have seen from our **Six Step Mortgage Application** guide you can use VMO to submit an application to us. Here is a little more detail on the process:

1. Use your print out from the Online Affordability Calculator and put the same information into VMO.
2. Declare all credit, telling us what is being paid on or before completion.
3. Enter any background mortgages (e.g. BTL) declaring if they are self-supporting (i.e. the rent covers 125% of the current mortgage payment).
4. Receive an instant response – accepted, declined or referred – as shown on your Case Management screen. We will aim to get back to you within 48 hours for any decisions subject to underwriter review. You can then do a case track to see the new decision.
5. View and print out your Decision Certificate.
6. Go ahead with an accepted decision by pre-populating the fields from your DIP into a Full Application Form. This saves time as you only have to enter any further details we need.
7. Submit your application, then forward all the supporting documents to us.





## SUPPORTING DOCUMENTS – WHAT WE NEED

We know you want to get your clients' cases processed as quickly as possible, which is why we have clearly outlined everything you need to send to us. From payslips to bank statements to pension details, please read this section carefully to avoid any potential delays.

| Income verification  | Document(s) needed   | Notes to help you   |
|--|--|---|
| Employed applicants  | <ul style="list-style-type: none"> <li>&gt; Last 2 months' payslips, or last 4 weekly payslips and</li> <li>&gt; Last P60</li> </ul> | <ul style="list-style-type: none"> <li>&gt; If your client is paid by any other frequency than weekly or monthly – we need payslips to cover the last 2 months.</li> <li>&gt; In absence of a P60 we will accept any of these: Statement of earnings from employer, HMRC confirmation, P45 from previous job, duplicate P60 from employer, March payslip (showing annual total), week 52 payslip from previous year or the latest month's bank statement (this must show salary information and correspond with one of the payslips provided).</li> </ul> |
| Variable income<br>(see <b>page 31</b> for what constitutes variable income) | > As above   | <ul style="list-style-type: none"> <li>&gt; Must be supported by YTD income on payslip and/or P60.</li> <li>&gt; May request previous P60 to show 2 year track record.</li> </ul>   |
| Paid in cash or if payslip or P60 are handwritten                            | > Last 2 months' bank statements   | > Must show corresponding salary credits. If not, we will only use the salary credits shown in the bank statements as income.   |
| Self-employed, sole trader or partnership                                    | Turn to <b>page 34</b> for information on self-employment.   |   |
| Limited company<br>(more than 20% shareholding)                              |  |   |
| Limited Liability Partnership (LLP)  |  |   |

| Application detail                                  | Document(s) needed  | Notes to help you  |
|---|---|--|
| Proof of deposit                                    | > Summary sheet from bank statement   | > Must show the client's name, address, account details and amount in the account.   |
| Gifted deposit / gifted equity (from family member) | > Letter from family member including the gifted amount   | > Must confirm that gift is non-refundable and that they have no interest in the property.   |
| BTL in background – 2 or less                       | <ul style="list-style-type: none"> <li>&gt; Copy of AST and</li> <li>&gt; Last mortgage statement for each property</li> </ul>  | > If the same tenant is in place and AST out of date, we will need the last month's bank statement to show the recent rent payment.  |
| BTL in background – 3 or more                       | > Schedule of BTL portfolio   | > We do not need a copy of AST or mortgage statement for each, in this case.   |
| Existing Residential to be Let<br>(Let to Buy)      | <ul style="list-style-type: none"> <li>&gt; ARLA letter confirming rent</li> <li>&gt; Copy of CTL from lender or BTL mortgage offer which evidences what the mortgage payment is</li> </ul> | > BTL offer only required if remortgaging.   |
| Guarantor/Dependent relative/2nd home/Regulated BTL | > Monthly Essential and Regular Expenditure form for each property  | > Expenditure forms must show all essential outgoings to cover each mortgage/household costs.  |
| Lending into retirement                             | > Projection of pension at retirement   | > Only required if term exceeds specified retirement age.  |
| Affordability                                       | > Monthly Essential and Regular Expenditure form  | > Required if the Affordability Calculator shows the monthly outgoings as less than our minimum guideline figures. The decision certificate will outline if this is a requirement. |

## HOW TO SEND YOUR DOCUMENTS

Once you know what documents you need, please send either scanned copies or photographs from your business email, along with a signed client declaration and Direct Debit form\* to: **docs@virginmoney.com** or fax them to **0345 603 5885**. Remember to include the 8-digit mortgage/case number in the subject line of your email.

Please only send us the documents we have requested, sending additional documents may cause delays.

\*Direct Debit form only needed for BTL mortgages.

## INCOME ASSESSMENT – MAKING IT CLEAR

Income assessment is a key part of the mortgage application process and ensures we lend responsibly to your clients. We have summarised all our income requirements, with a few tips to help you along the way.



Find out more  
about our  
acceptable income  
types and how  
we assess them.



# ACCEPTABLE INCOME TYPES AND HOW WE ASSESS THEM

While this information gives guidance on how each element of income will be assessed, please note that 2 months' payslips and a P60 are common requirements for all employed customers.

| Income type from employment           | % used | How the income is evidenced   |
|---------------------------------------|--------|---|
| Gross basic salary                    | 100%   | Last 2 monthly payslips.  |
| Housing allowance                     | 100%   | Last 2 monthly payslips supported by YTD figure. Amounts must be consistent on both payslips provided.            |
| Mortgage subsidy                      | 100%   |   |
| Large city weighting                  | 100%   |   |
| Permanent shift allowance             | 100%   |   |
| Car allowance                         | 100%   |   |
| Other contractual allowance           | 100%   |   |
| Agency/Fixed term contract employment | 100%   | Last 2 monthly payslips supported by YTD figure and evidence of a 2 year track record by way of P60s and/or P45s. |
| Parental pay                          | 100%   | See our website for more details.   |

| Income from other sources        | % used | How the income is evidenced   |
|----------------------------------|--------|---|
| Disability Living Allowance      | 100%   | Letter from DWP confirming benefit (must be based on current tax year).   |
| Disabled Persons Tax Credit      | 100%   |   |
| War Disablement Pension          | 100%   |   |
| Employment and Support Allowance | 100%   |   |
| Pensions                         | 100%   | Latest payslip, or;<br>Latest bank / pension slip showing pension credits, or;<br>Latest statement dated within last 12 months, or;<br>P60 / SA302 and corresponding Tax Year Overviews.*                 |
| Pension Tax Credits              | 100%   |   |
| Annuities                        | 100%   |   |
| Maintenance                      | 100%   | A copy of the maintenance agreement received under court order, or;<br>A CSA assessment (subject to confirmation this will be in place for the term of the loan and must have been in place for 2 years). |

## What constitutes variable income?

We use 50% of the following types of variable income when assessing affordability:

- > Bonus
- > Overtime
- > Commission
- > Non-permanent shift allowance
- > Performance related pay
- > Second job

| Variable income from employment                          | % used | How the income is evidenced  |
|--|--------|--|
| Monthly bonus  | 50%    | Last 2 monthly payslips supported by YTD figure.<br><br>If the variable income fluctuates on a monthly basis the lower of an average over the previous 2 monthly payslips or the on-target earnings from the YTD should be used. |
| Monthly overtime   | 50%    |  |
| Monthly commission                                       | 50%    |  |
| Non-permanent shift allowance                            | 50%    |  |
| Performance related pay                                  | 50%    | Latest payslip showing quarterly bonus supported by YTD figure, or previous P60.   |
| Quarterly bonus  | 50%    |  |
| Annual/half-yearly bonus                                 | 50%    | Evidence of bonus by way of previous P60 or payslip(s) showing the bonus paid. If bonus exceeds 100% of basic salary, 2 years' evidence required.  |
| 2nd job (including Territorial Army reservist allowance) | 50%    | Last 2 monthly payslips supported by YTD figure.   |

## Residential applications

For all residential loan applications the income being used to assess affordability must be paid in GBP/£Sterling. We will require evidence of this income.

Where your client is paid in both Sterling and a foreign currency, we will only consider their Sterling income for the purposes of affordability.

## BTL applications

We will continue to accept non-Sterling income for minimum income requirements on BTL applications. If your client is receiving rental income from their CBTL property in a currency other than GBP/£Sterling, this will not be acceptable income for assessing affordability for a mortgage loan.

Please note, for all interest only loans we will not accept repayment strategies denominated in a foreign currency.

## Repayment Strategies for Interest Only loans

For both residential and BTL loans, we will not accept repayment strategies denominated in a foreign currency to support an interest only loan.

\*HMRC SA302's and corresponding Tax Year Overviews are acceptable if printed from your customers online HMRC Account so long as the Tax Calculation document indicates the tax return is 100% complete for each year evidenced.



## A guide to our payslip requirements

|                               |  |  |   |
|-------------------------------|--|--|---|
| <b>Must show basic income</b> | <b>Any additional payments</b><br>being used in affordability should also be stated. | <b>Must show an employer's name.</b> If not, a bank statement showing the credit with the employer's name or the latest P60 with the employer's name included. | <b>Must show pay date/period.</b><br>This should be dated in line with our payslip document requirements ( <b>page 31</b> ). An exception would be if it is being used to evidence an acceptable type of other income, e.g. previous year's annual bonus. |
|-------------------------------|--|--|---|

| Sample Company plc     |              |          |                    |                    |                       |
|------------------------|--------------|----------|--------------------|--------------------|-----------------------|
| Employee no            | Employee     |          | Period             | Date               | National Insurance No |
| 123456                 | Brian Wilson |          | 4                  | July               | AB 12 34 56 C         |
| Payments               | Units        | Rate     | Amount             | Deductions         | Amount                |
| Basic Pay              |              |          | 2,000.00           | Income Tax         | 500.00                |
| Bonus                  |              |          | 500.00             | National Insurance | 50.00                 |
|                        |              |          |                    | Company Pension    | 260.00                |
| Totals for this period |              |          | Totals YTD         |                    |                       |
| Total Payments         |              | 2,500.00 | Taxable gross pay  |                    | 15,000.00             |
| Total Deductions       |              | 810.00   | Income Tax         |                    | 2,500.00              |
|                        |              |          | National Insurance |                    | 500.00                |
|                        |              |          | NET PAY            |                    | £1,690.00             |

|                            |  |                          |
|----------------------------|--|--------------------------|
| <b>Must show gross pay</b> | <b>Essential deductions</b><br>showing on the payslip must be taken into account when assessing affordability, such as pension and student loans. Not just tax and NI. | <b>Must show net pay</b> |
|----------------------------|--|--------------------------|

## SELF-EMPLOYED INCOME

### The basics

We consider a customer to be self-employed if they have a shareholding of 20% or more in a business or they have a shareholding in a Limited Liability Partnership (LLP).

### Check the facts

**Check that your client's business meets each aspect of our general criteria below:**

- > The business has been in operation for at least 2 years with 2 years' accounts available.
- > The business has been profitable in each of the last 2 years.
- > The business is solvent i.e. the capital account must be positive/assets must outweigh the liabilities in each of the last 2 years. Your client should speak to their accountant if in any doubt.

### Acceptable income

| Employment type                                | Acceptable income   |
|--|---|
| Limited Company Director (>= 20% shareholding) | The customer's share of the director's remuneration (salary) plus their profit on ordinary activities before taxation (net profit) for the last 2 years.* |
| Sole Trader/Partnership                        | Last 2 years' net profits.  |

Remember, we use an average of the last 2 years based on increasing net profit. If net profits have decreased, we use the most recent year only (rather than an average).

### Rental income

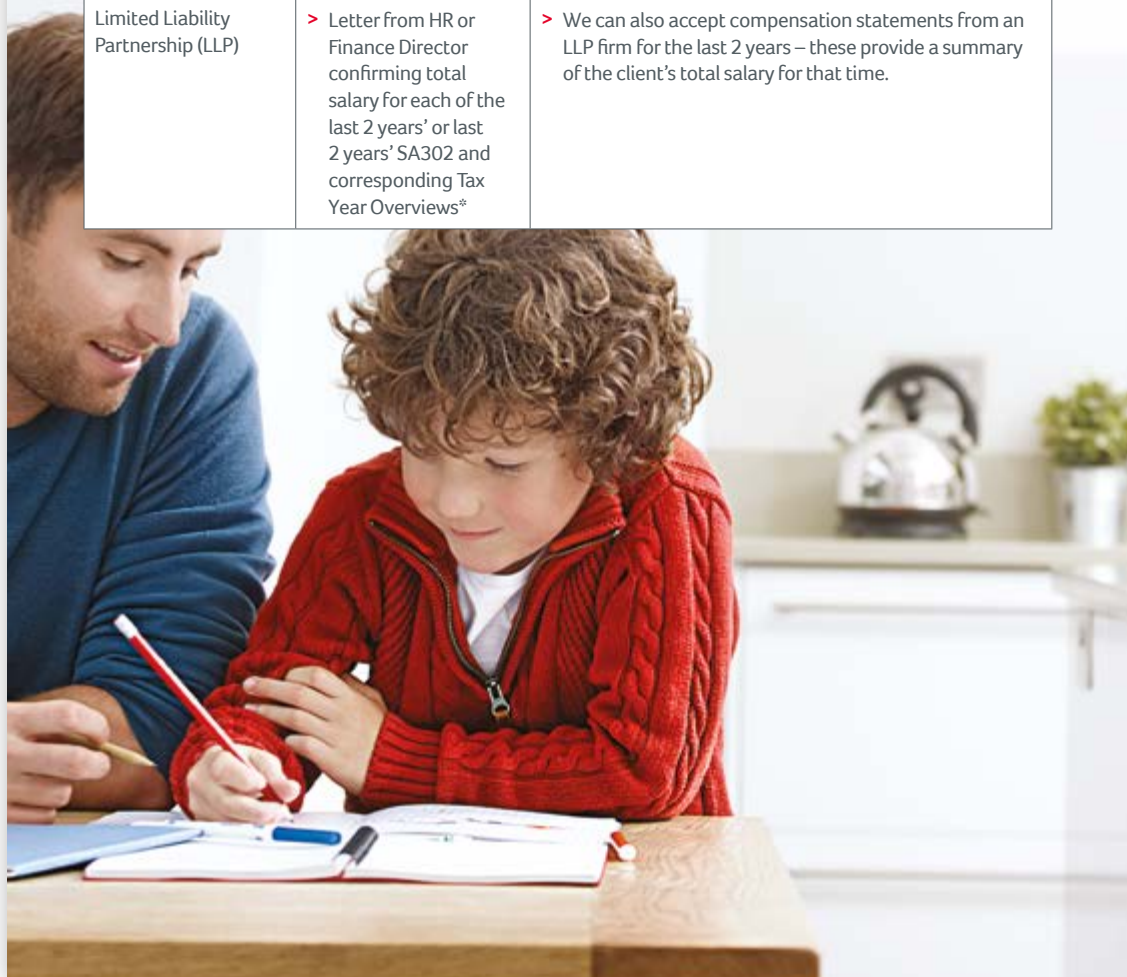
For rental income we require the last 2 years' SA302 and corresponding Tax Year Overviews\*\* (we use an average if rental has risen year on year, or the most recent figure if the year on year figure has gone down). If this is your client's primary source of income, we take 100% (apart from the BTL minimum income requirement) or we take 50% if this is their secondary source of income.

\*Please note, as we take into account the director's share of the operating profits before taxation, we do not allow dividends for limited companies.

\*\*HMRC SA302's and corresponding Tax Year Overviews are acceptable if printed from your customers online HMRC Account so long as the Tax Calculation document indicates the tax return is 100% complete for each year evidenced.

## Income verification and documents needed

| Income verification                          | Document(s) needed   | Notes to help you   |
|--|--|---|
| Self-employed, sole trader or partnership    | <ul style="list-style-type: none"> <li>&gt; Last 2 years' SA302 and corresponding Tax Year Overviews* or</li> <li>&gt; Accountant's Certificate or</li> <li>&gt; Last 2 years' accounts</li> </ul> | <ul style="list-style-type: none"> <li>&gt; Accountant must be qualified to the standards as per our intermediaries website.</li> <li>&gt; Accounts must be signed by a suitably qualified professional.</li> </ul> |
| Limited company (more than 20% shareholding) | <ul style="list-style-type: none"> <li>&gt; Accountant's Certificate or</li> <li>&gt; Last 2 years' accounts</li> </ul>  | <ul style="list-style-type: none"> <li>&gt; Accountant must be qualified to the standards as per our intermediaries website.</li> <li>&gt; Accounts must be signed by suitably qualified professional.</li> </ul>   |
| Limited Liability Partnership (LLP)          | > Letter from HR or Finance Director confirming total salary for each of the last 2 years' or last 2 years' SA302 and corresponding Tax Year Overviews*  | > We can also accept compensation statements from an LLP firm for the last 2 years – these provide a summary of the client's total salary for that time.  |



## Example accounts

To make it easier we have included some example accounts which highlight the figures we need to see, showing that the business has been in profit for the last 2 years.

| SAMPLE COMPANY LTD<br>PROFIT AND LOSS ACCOUNT<br>FOR THE YEAR ENDED 31 MARCH 2015 |             |             |  |
|---|-------------|-------------|--|
|   | 2015 (£)    | 2014 (£)    |  |
| <b>Turnover</b>   | 1,667,925   | 1,514,782   |  |
| Cost of sales   | (1,264,130) | (1,221,332) |  |
| <b>Gross profit</b>   | 403,795     | 293,450     |  |
| Administrative expenses   | (69,056)    | (71,268)    |  |
| <b>Operating profit</b>   | 334,739     | 222,182     |  |
| Other interest receivable and similar income                                      | 130         | 40          |  |
| <b>Profit on ordinary activities before taxation</b>                              | 334,609     | 222,142     |  |
| Tax on profit on ordinary activities  | (71,141)    | (47,335)    |  |
| <b>Profit for the year</b>  | 263,468     | 172,807     |  |

We need to see the figures for the last 2 years.

We need to see profit on ordinary activity before taxation (net profit).

We need to see that the business has been profitable for both the last 2 years.

It is also important to note that on the balance sheet, total net assets (liabilities) need to be positive for each of the last 2 years i.e. the assets must be higher than the liabilities.

|   |                |                |
|---|----------------|----------------|
| <b>Total assets less current liabilities</b>  | <b>619,449</b> | <b>476,883</b> |
| Creditors: Amounts falling due after one year | 67,082         | 6,122          |
| Provision for liabilities                     | 16,885         | 14,378         |
| <b>Total net assets (liabilities)</b>         | <b>535,482</b> | <b>456,383</b> |

\*HMRC SA302's and corresponding Tax Year Overviews are acceptable if printed from your customers online HMRC Account so long as the Tax Calculation document indicates the tax return is 100% complete for each year evidenced.

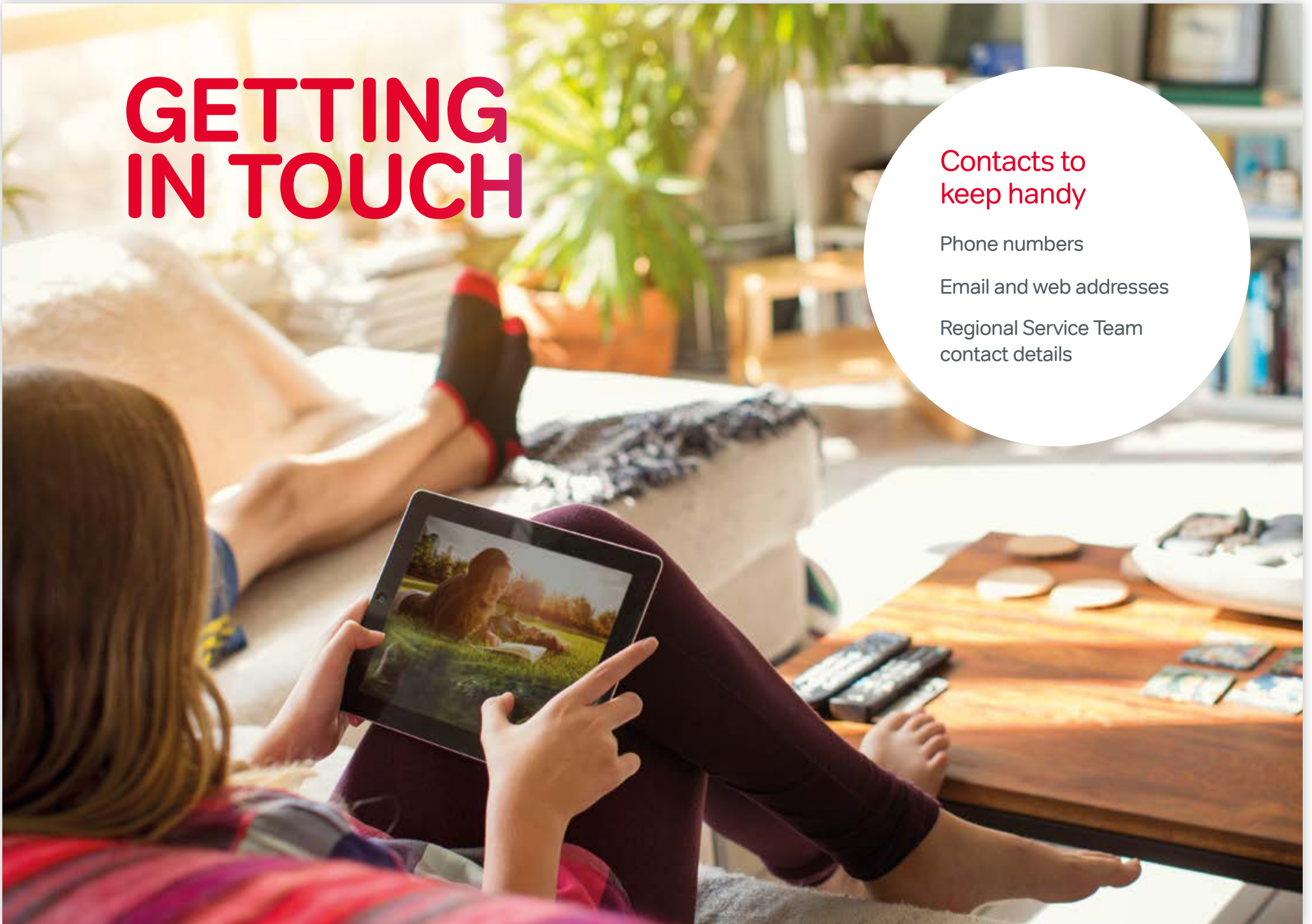
# GETTING IN TOUCH

Contacts to  
keep handy

Phone numbers

Email and web addresses

Regional Service Team  
contact details





# ALL THE NAMES AND NUMBERS YOU NEED

## Our website

Our easy to use website with a handy Q&A section is a great first step, whatever stage your application is at. Just visit [virginmoneyforintermediaries.com](http://virginmoneyforintermediaries.com)

Depending on your query, here are all the other ways to get in touch:

## VMO case tracking

Get the information you need without having to make a call. Case tracking allows you to see everything available to our BDMs, and with updates through VMO and by email three times a day, you will always know what stage your application is at.

For VMO support call **0345 602 8348\***

## Intermediary Relationship Support

For any queries before submitting an application, please call our Intermediary Relationship Support Team on **0345 600 1516,\*** or fax us on **0345 603 5885**.

They are here from 8.30am to 6pm, Monday to Friday (excluding Bank Holidays).

## Procuration fee

For any questions about your Procuration Fee, please contact us by emailing [procuration.fees@virginmoney.com](mailto:procuration.fees@virginmoney.com)

## Email updates

And don't forget, as a Virgin Money Intermediary Partner you'll receive regular emails with information you need to know, including product, policy and company updates. To make sure these don't go into your junk folder, add the email address below as a favourite to your address book:

**[intermediaries@e-mail.virginmoney.com](mailto:intermediaries@e-mail.virginmoney.com)**

\*Calls to 03 numbers cost the same as calls to 01 or 02 numbers and they are included in inclusive minutes and discount schemes in the same way.



# GETTING IN TOUCH

## Your Regional Service Team:

Made up of knowledgeable experts ready to help you with any questions you may have, from when you submit an application to us right through to offer.

Available from 8.30am to 6pm, Monday to Friday (excluding Bank Holidays).

Your Regional Service Team is:

You can contact the team on:\*

## Your Business Development Manager

Your dedicated BDM is always available to help. Why not jot their details down below so you have them easily to hand. Or use the BDM Finder Tool on our website.

Name:

Phone:

Email:

### For professional intermediary use only

This is not a financial promotion and should not be displayed or used as such.

All details inside are correct as of 29.02.16

\*Calls to 03 numbers cost the same as calls to 01 or 02 numbers and they are included in inclusive minutes and discount schemes in the same way. Calls may be monitored and recorded.

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