

# Additional Borrowing Guide



For more information visit [skipton-intermediaries.co.uk](https://skipton-intermediaries.co.uk)

# Why we offer Additional Borrowing through eMortgages

Additional Borrowing is something you told us you'd like us to offer. It also reflects the current mortgage market with people taking longer term fixed rate products, and people staying put for longer, instead choosing to add value to their existing property.

That's why we offer Additional Borrowing, in order to respond to this emerging trend and to strengthen relationships with both our borrowers and the broker community.

You'll be paid a procurement fee for any Additional Borrowing business you introduce to Skipton. The gross fee will be the same as the current product transfer rates – 0.30% on Residential and 0.35% on Buy to Let.

## Eligibility criteria

We can provide Additional Borrowing either when a borrower's current product comes up for maturity (with a product transfer) or during the current product term (standalone).

You'll need to check your client's eligibility before applying for Additional Borrowing:

- minimum Additional Borrowing loan of £10,000 applies. Or, if the loan is for green initiatives, or Shared Ownership Staircasing, then the minimum Additional Borrowing loan is £5,000, subject to product availability
- your client must have made six months of consecutive mortgage payments before applying for Additional Borrowing. They must not be in arrears or have had more than one missed payment within the last 12 months or have exceeded two missed months in the last two years
- affordability is calculated on the total new loan amount, not just the Additional Borrowing
- remortgage and retention products are available for Additional Borrowing
- your client can't take out Additional Borrowing if they don't pay by Direct Debit.

### Residential

- Additional borrowing for home improvements or to repay an equity loan secured against the security property, such as a Help to Buy equity loan, may be allowed up to 95% LTV. If Additional Borrowing is for any other acceptable capital raising reason, the maximum LTV is 75%. The maximum LTV includes the current balance and the proposed additional loan.
- Green Additional Borrowing products are only available up to 90% LTV.

### Buy to Let

- Additional Borrowing is allowed up to 75% LTV. The maximum LTV includes the current balance and the proposed additional loan. Additional Borrowing on Buy to Let is not available for debt consolidation.

Further restrictions may apply depending on the type of application. Refer to the [Buy to Let criteria](#) for full details.

# Applying for Additional Borrowing on eMortgages

Here's an overview of the process and the information you'll need from your client.

Prior to completing an Additional Borrowing application (for all clients with an existing Skipton mortgage), please use our affordability calculator to check your client's affordability. Don't forget to enter the new total loan amount (including the additional loan).

Follow the on-screen instructions once you've logged in. If you have any problems, check the on-screen help behind the blue question marks or get in touch.

## 1. Your client's personal and property details including broker declaration



- Name/names on mortgage account
- Your client's date of birth
- Address
- Property address
- Account number and current mortgage balance – you'll need this to proceed
- Client's marital status
- Number of adult/child dependants
- Previous names
- Other occupants living at the address (if not Buy to Let)
- Client's occupation
- Income
- Outgoings
- Client's employer details
- Employer name and address
- Other mortgages, credit commitments or unencumbered properties



## 2. Additional Borrowing needs



We will confirm the current index linked valuation of the property (based on original valuation) or you will have the option to enter a valuation if there is reason to believe the property is worth more, for example, if the property has an extension. Where a new valuation is required we'll need:

- contact details for your client
- how much your client wants to borrow
- loan requirements i.e. Interest Only or repayment
- term over which borrowing is required
- reasons for Additional Borrowing
- selected product.

At this point we'll confirm the product borrowing options available. Match and agree with your client their preferred product.

Note: you might need to choose a conveyancer depending on circumstance, for example, if repaying a second charge or purchasing equity or any other change to the mortgage that may affect the title. In this instance regardless of whether the product offers free legals as a product incentive, if a solicitor is required for Additional Borrowing, the customer will be required to arrange and pay for it independently.



## 3. Option to also do a product transfer



Chance to apply for product transfer alongside Additional Borrowing (if applicable).

Please follow our **existing product transfer process**.

You'll need to stay in the Additional Borrowing process to complete them together, but you can find further information in our [Product Transfer guide](#) for next steps on selecting a new mortgage product for an existing account.



## 4. Funds and payments

Funds will be released to the bank account we collect the existing Direct Debit from (you won't be able to see the actual details at this stage).

If the funds need to go elsewhere, there will be a waiver form for your client along with the offer.



## 5. Submit application and decisions

At this stage you have the option to download a Mortgage Illustration for your client. Don't forget to print it out too.

All information will be saved at this point and we won't receive the application until you hit submit.

Submission – at this point you'll get our lending decision. The application will still be subject to our underwriting process and any possible valuation required.



### **IMPORTANT:**

Once you've submitted, you have five working days for your client to sign and provide the following paperwork to Skipton:

1. if applicable, Product Transfer Mortgage Illustration/Offer (client to sign)
2. supporting documents – details of what's needed will be provided on submission.

You can send these to us using the scan and upload facility on eMortgages.

See the FAQs on the following pages for more information.

# Key things to know

- Your client can't take out Additional Borrowing if they don't pay by Direct Debit.
- Remortgage and retention products are available for Additional Borrowing.
- The term can't exceed the primary mortgage term.
- A hard credit search will be carried out at the full mortgage application stage and the request checked against our internal scorecard.
- It's a single stage application. There's no DIP required, although we do recommend you enter the new total into our affordability calculator for an indication as to how much we could lend.
- Applications are underwritten so funds won't be released immediately.
- Additional Borrowing is also available on Interest Only – be aware the repayment strategy for the whole loan will be reassessed.
- If you're doing Additional Borrowing alongside a product transfer, don't forget to source a product with an appropriate LTV for the whole loan.
- Additional Borrowing can be done alongside a product transfer (including with a contract variation) – the policy applied to both journeys will be exactly the same.
- You will receive a procurement fee for the product transfer and a procurement fee for the Additional Borrowing. These will be calculated on the amount of the Additional Borrowing loan and the transferring balance for the Product Transfer. Payment will be made approximately two weeks after completion.



# Frequently Asked Questions

## **Q. How long does my client need to have had a Skipton mortgage before they can apply for Additional Borrowing?**

**A.** Your client must have made six months of consecutive mortgage payments before applying for Additional Borrowing.

They must not be in arrears or have had any missed payments within the last 6 months or have exceeded two missed months in the last two years.

## **Q. What is the minimum amount to borrow?**

**A.** Minimum Additional Borrowing loan of £10,000 for 'Non-Green' purposes or £5,000 for 'Green' purposes, (subject to product availability).

## **Q. For what purposes can Additional Borrowing be requested?**

**A.** We will allow Additional Borrowing for most things apart from for business purposes and debt consolidation. For Buy to Let, unsecured debt consolidation or borrowing for business purposes are not permitted.

## **Q. Where can I find the criteria for capital raising?**

**A.** Full criteria for capital raising can be found on the A-Z criteria on our [website](#).

## **Q. Can you do Additional Borrowing with Consent to Let?**

**A.** No. Your client can't do Additional Borrowing if there is a Consent to Let on the property.

## **Q. How and when will the procurement fee be paid?**

**A.** This will usually be two weeks after the Additional Borrowing or, for product transfers, two weeks after the product transfer has completed.

The procurement fee for Additional Borrowing will be calculated on the amount of the Additional Borrowing loan.

Gross procurement fees will be paid in line with our normal payment arrangements, i.e. either to Network or Mortgage Club.

## **Q. Can I apply for my clients' Additional Borrowing online?**

**A.** Yes, you now have the option to apply on eMortgages. Your client also has the option to apply direct, however, a procurement fee to the intermediary will not apply.

## **Q. What does my client need to do if querying the valuation?**

**A.** We will confirm the current index linked valuation of the property, based on the original valuation.

If your client believes the valuation should be higher and there is sufficient reason to believe the property is worth more, for example, an extension, we will arrange an up-to-date valuation. For this, we'll also request contact details for your client.

## **Q. Why might my clients need a conveyancer for Additional Borrowing?**

**A.** This will depend on each client's individual circumstances. Examples of when you might need to input a conveyancer from our panel would be repaying a Second Charge Charge, Purchase of Land, Purchase of Equity or Freehold, or any other change affecting the title.

## **Q. Can I use products with free legals for Additional Borrowing?**

**A.** Yes, however, regardless of whether the product offers free legals as a product incentive, if a solicitor is required for Additional Borrowing the customer will need to pay for any elevated service fees relating to changes to the title, where this is required the customer can choose a conveyancer from our panel.

## **Q. What happens if the Additional Borrowing is referred?**

**A.** The application will be looked at by our underwriters. We will be in touch, but if you'd like to discuss your client's case, please call our Broker Support Team on 0345 601 6683.

## **Q. What happens if the Additional Borrowing is declined?**

**A.** If the application is declined because it does not meet our lending policy, your client can call us on 0345 607 9842 for further information. If you'd like to discuss or challenge the decision, you can contact our Broker Support team by Web Chat or on 0345 601 6683. The eMortgage system will let you know if the application is declined but still able to carry out a product transfer as a standalone request. For this you'll be directed to restart the journey on our product transfer page. Your client's data will have been saved, but you'll have to repeat some of the product transfer request section.

## **Q. What happens when my client's Additional Borrowing is accepted?**

**A.** Once you've submitted, you have five working days for your client to sign and provide the following paperwork to Skipton:

1. if applicable, Product Transfer Mortgage Illustration/ Offer (client to sign)
2. supporting documents – details of what's needed will be provided on submission.

You can send these to us using the scan and upload facility on eMortgages.

## **Q. Do you send a text to let me know that the Additional Borrowing has gone through?**

**A.** Yes, we'll send you alerts as usual at key milestones.

Visit [skipton-intermediaries.co.uk](https://skipton-intermediaries.co.uk)

Get in touch your way



**0345 601 6683**



**Web Chat**



**Video call**



**Twitter**