

# Credit Renew - Product Selection Guide

This guide is to support the selection of the most appropriate credit renew product. The columns should be used to work through the type of adverse credit the client has and the impact this has on product selection. If the client has multiple types of adverse the product should be chosen by the most serious issue.

	County Court Judgements (CCJ's)	Defaults	Bankruptcy, Repossession, Individual Voluntary Agreement (IVA) & DMP/ DAS
<b>1</b> Are the applicants Credit Impaired? We cannot proceed if any applicant meets one of the definitions on this line	Has been subject to CCJ's, with a combined value greater than £500, within the last 3 years.	Within the last two years has been subject to a default, or had arrears that reached the equivalent of three months' payments, on secured or unsecured lending, regardless of settlement.	Has been subject to a Bankruptcy, Repossession or an IVA which was in force at any time within the last three years.
	↓	↓	↓
<b>2</b> Standard Product Eligibility The applicants are not credit impaired and meet the following criteria.	CCJ's of any amount settled more than 3 years ago.  <b>or</b> One CCJ up to £500 which is not linked to a form of credit, for example a parking fine (**see below for credit definitions).	Settled more than 2 years ago for any amount  <b>or</b> Up to 2 Defaults within the last 2 years that: <ul style="list-style-type: none"><li>• Were registered more than 6 months ago; and</li><li>• Are for less than £1000 in total; and,</li><li>• Aren't secured or unsecured lending or revolving credit for example, utility bill or mobile phone airtime (**see below for credit definitions).</li></ul>	DMP Commenced more than 2 years ago and: <ul style="list-style-type: none"><li>• May include unsecured loans but the credit file linked to the loans must be clean for a minimum of the last 2 years.</li><li>• Will be settled prior to submission of DIP.</li></ul> The applicants credit file must be clean since settlement of the DMP
	↓	↓	↓
<b>3</b> Credit Renew Product Eligibility The applicants are not credit impaired, do not qualify for standard products, but meet the following criteria.	Total of all CCJ's are less than £500	<ul style="list-style-type: none"><li>• Registered more than 6 months ago</li></ul>	<ul style="list-style-type: none"><li>• Subject to an unsatisfied DMP which must be satisfactorily conducted.</li><li>• Defaults linked to any revolving credit which are evidenced as being within the DMP can be accepted.</li></ul>
	↓	↓	↓
<b>4</b> Credit Renew 1 – 90% LTV (subject to product availability)	<ul style="list-style-type: none"><li>• Registered for more than 3 years; and,</li><li>• Settled prior to DIP.</li></ul>	<ul style="list-style-type: none"><li>• Settled within the last 2 years but prior to DIP.</li></ul>	<ul style="list-style-type: none"><li>• DMP must have been in place for a minimum of 2 years.</li><li>• Can include unsecured loans but the credit file must be clean for minimum of 2 years.</li></ul>
	↓	↓	↓
<b>5</b> Credit Renew 2 – 75% LTV (subject to product availability)	<ul style="list-style-type: none"><li>• Registered less than 3 years ago; and,</li><li>• Settled on or before completion.</li></ul>	<ul style="list-style-type: none"><li>• Settled on or before completion.</li></ul>	<ul style="list-style-type: none"><li>• Can have been in place for less than 2 years.</li><li>• Cannot include unsecured loans.</li></ul>

## Other Adverse

### Missed Payments

- Not acceptable where the arrears on loans (secured or unsecured) have reached the equivalent of three months payments in the last 2 years.
- Unsecured loans includes 'Buy Now Pay Later' instalment plans.
- Other missed payments can be considered, subject to a rationale as to why this happened and no signs of current financial stress.
- We would expect this to be linked to a one off life event and not be a reoccurring pattern.

### Bankruptcy / IVAs / Trust deeds

Not acceptable if in force with-in the last 3 years. (Settled for 3 years+)

### Repossession

Considered if over 3 years ago and no outstanding debt linked to repossession. Would require detailed information about the reasons for the repossession.

### Payday loans

Subject to no open / active payday loans in last 6 months.

### \*Credit Renew 1 & 2 products – Subject to Product Availability

#### Residential only

Cannot be used for the following applications:

- Discount market scheme (DMS)
- First homes
- Shared ownership
- Later Life
- Buy to Let
- Holiday Let
- Second Homes

### \*\*Credit Definitions

#### Revolving credit:

Credit cards

Store cards

Home Shopping Credit

Mail Order

Overdrafts

Charge Cards

#### Loans:

Mortgages & Secured Loans

Mobile phone finance for handsets

'Buy now Pay Later' credit agreements (Klarna, Payl8r, etc.)

Personal Loans

Bank or Building Society Loans

Hire Purchase agreements

PCP/Lease agreements