



Credit worthiness Document Validity

Credit Worthiness Document Validity (Simplified Approach)

The Mortgage Store recently agreed a simplified approach to validity of Credit Worthiness documents supporting mortgage applications, please see below reminder of the validity period:

Scenario	Credit Worthiness (CW) Validity Period	Credit Worthiness Docs > validity period: Refreshed Docs Required
Initial Application	Credit Worthiness Docs must be dated within <u>3 months</u> (of the date on the document) at <u>initial application</u>	➤ 1xPayslip (for self-employed – latest financial accounts or NOA) ➤ 1 month Bank Statement for non-BOI - must be the most recent 1 month statement (open banking and BOI account details available internally)
Any subsequent re-approval	Credit Worthiness Docs must be dated within <u>6 months</u> (of the date on the document) for any <u>subsequent re-approve</u>	➤ CCR (must be within 6M)

Key Points:

- The current approach required documents to be within 3 months where a refreshed approval is sought. The feedback from you highlights the previous approach was creating too much rework for you and your customers, creating inefficiencies within the mortgage application journey.
- Refreshed documents are being sought for Changes in Proposal within a short period of the original approval and our customers struggle with the requirement for refreshed documents where there is no change in amount and the only change relates to rate choice etc
- The new approach detailed above will improve the customers’ experience and continue to ensure the longest period documents will be relied upon is 12 months (i.e., offer issues for 6 months period on basis of 6 month documents).

Please note for Simple House Hunters – DRA is evidenced by you at the point of application for HH approval and is checked by the credit underwriter when a property has been identified ahead of issuing the Letter of Offer, it is important to ensure that DRA is covered in the original memo and is evident in the existing statements submitted if you are relying on the existing documentation when you submit a change in proposal.



Maximum Lending Age

The Mortgage Store has updated collateral to remove any reference to a max lending age of 70. The purpose of this update is to ensure potential applicants are not deterred from submitting an application because of their age.

Max age (minimum lending age of 18 years remains valid) should not be a limiting factor when accepting new mortgage applications as all applications will be assessed on their individual merits and in line with existing lending policy criteria. The Mortgage Store website has been amended to reflect this change.

Please refer to your Broker Relationship Manager for guidance.



Expired Loan Offer Letters

Letters of Offers are valid for 6 months from the date of the Offer. Credit can grant extensions for up to 2 months (however please note, you must engage with your customer and confirm a closing date with them prior to submitting an extension request). Please refer to your Relationship Manager for extension requests.

Some key requirements when requesting a new LOF for expired offer letters;

- Run a new PDH calculator
- New CCR is required –Broker Specialist will request and review prior to Credit submission
- Up to date income docs required i.e., Most recent 2 months payslips
- Most recent 3 months statements on non-BOI current & savings accounts required
- Is DRA still evident? This will need to be addressed.
- Has there been any change to income, lending, family circumstances (new dependent, parental leave etc) or marital position – comment on same

Update on Income:

- A new calculator must be run
- PAYE employees – up to date payslips required, most recent 2 months.
- Self employed (if available / not already on file, the most recent years certified financial statements/most recent NOA)
- As part of your commentary on income, you need to review payslips to make sure income tallies with what was on the original application & the same employer – any discrepancies must be explained in detail i.e. reduction in income due to parental leave
- Provide update on NDI, DSR

Current account operation:

- Non BOI accounts – 3 month statements required upfront (comment on account operation)
- Commentary on current financial circumstances i.e. any new dependants, new loans, is DRA still evident
- BOI current accounts, commentary on account operation required (including business current accounts)

Savings account operation:

- Non BOI account – 3 Month Statement required – comment on account operation
- BOI Savings Accounts – comment on account operation

Demonstrated Repayment Ability:

- Is repayment ability still evident?

Self Builds > 18 months

Bank of Irelands Letter of Offer allows for drawdown of funds up to 18 months from issue date on loan offer. After this period the following documents should be provided:

- * Up to date CCR (Our broker specialist team will organise same following your request)
- * Payslips x 2 Months most recent for each applicant
- * Bank statements - 3 months non BOI bank statements

Your case message should include any changes since original application i.e. employer/income/dependents/financial have any queries, please contact your Relationship Manager or our Broker Specialist team for guidance.



Life Cover – What to do when a Customer is unable to secure cover?

Have a Life Cover conversation with your customer early in their journey and explain the importance of this being in place before the mortgage can close. When a customer cannot secure life cover the below should be followed when engaging with customers;

In order for The Mortgage Store to assess requests to waive life cover, the following should be covered off in your request;

- 1) For Joint application assess the affordability for the debt level required (NDI/DSR/LTI) solely based on the applicant who can obtain Life Cover.
- 2) Can the customer(s) secure **any** form of life cover (any amount over any term), have they been declined or just deferred for a number of months?
- 3) Are there any existing life policies in place that can be assigned?
- 4) If impacted applicant can secure reduced term life cover, you will need to review what the level of mortgage remains. In such cases, you will need to assess if the applicant who can obtain full cover can cover this amount.
- 5) Can the loan amount sought be reduced through additional funding by the applicants.
- 6) What level of death in service benefits (DIS) has the customer(s)
For joint applicants that are not married and DIS is available, confirm if the DIS relating to the applicant who cannot obtain life cover will automatically transfer to the second party on the mortgage.
- 7) Any other mitigants in place that you feel supports the request to waive cover.
Are the applicants aware of the risks of proceeding to purchase without the required Life Cover in place

Note – there is no requirement to provide credit with 2 decline letters initially.

Please follow the above, and send a case message on ROME with supporting rationale for waiving life cover. Credit will assess, and if deemed acceptable, they will then create the life cover disclaimer condition. Then you can obtain and upload the customers 2 decline letters, along with the waiver of life cover form. If credit deem this acceptable a new letter of offer will issue, with the disclaimer condition included. If the request to waive life cover is declined a case message will be sent confirming the decision and rationale.

Please refer to your Broker Relationship Manager for guidance.