



# Secured loans

PRODUCT GUIDE | MAY 2024

**For intermediary use only**

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# Product matrix

## Selection of flexible (HELOC) and traditional options (Homeowner Loan)

Plan	Product name	Rate type	Rates for LTVs up to						Max term	Flexible period	Product fee	ERCs
			60%	65%	70%	75%	80%	85%				
Status 0	Selina HELOC	Variable	+4.25%	+4.25%	+4.35%	+4.45%	+5.65%	+8.05%	30 years	5 years	£1,395	None
	Selina Homeowner Loan	Variable	+4.00%	+4.00%	+4.10%	+4.20%	+5.40%	+7.80%	30 years	n/a	£995	None
		2 Yr Fixed (reversion rate)	8.20% (+4.00%)	8.20% (+4.00%)	8.30% (+4.10%)	8.40% (+4.20%)	9.60% (+5.40%)	12.00% (+7.80%)			£995	2%, 1%
		5 Yr Fixed (reversion rate)	7.80% (+4.00%)	7.80% (+4.00%)	7.90% (+4.10%)	8.00% (+4.20%)	9.20% (+5.40%)	11.60% (+7.80%)			£995	5%, 4%, 3%, 2%, 1%
		5 Yr Fixed WOERC (reversion rate)	8.50% (+4.00%)	8.50% (+4.00%)	8.60% (+4.10%)	8.70% (+4.20%)	9.90% (+5.40%)	12.30% (+7.80%)			£1,695	None
Gross loan amount (min - max)	£10k - £250k						£25k - £250k					
Available on			Second charge only									

**Notes:**

Variable and reversion rates expressed as a margin over the Bank of England Base Rate.

# Adverse criteria

## Status 0 and Status 1 plans

Plan	Secured arrears	Other arrears	CCJs/Defaults		Payday loans	Bankruptcy/IVA	DMP	DRO/DAS	Repossession
			Satisfied	Unsatisfied					
Status 0	0 missed payments in 12m	2 missed payments in 12m (allowed on multiple items of credit)	0 > £500 in 24m		0 in 24m	Not accepted	Accepted if in place for 12 months with no missed payments and being consolidated	Not accepted if in current DRO/DAS (see Note 1)	0 in 72m
	UTD	Must be consolidated if outstanding arrears	Excludes individual CCJs/ Defaults below £500 subject to total in last 72 months of no more than £5,000						
Status 1 (one element allowed)	0 missed payments in 12m	Ignored if UTD or being consolidated	1 > £500 in 24m		0 in 12m	Not accepted	Accepted if in place for 12 months with no missed payments and being consolidated	Not accepted if in current DRO/DAS (see Note 1)	0 in 72m
	Max 1 outstanding		Excludes individual CCJs/ Defaults below £500 subject to total in last 72 months of no more than £5,000						
<i>Excludes communications, utilities, mail order</i>									

### Minimum credit accounts

Second charge	1 bank account, 1 mortgage
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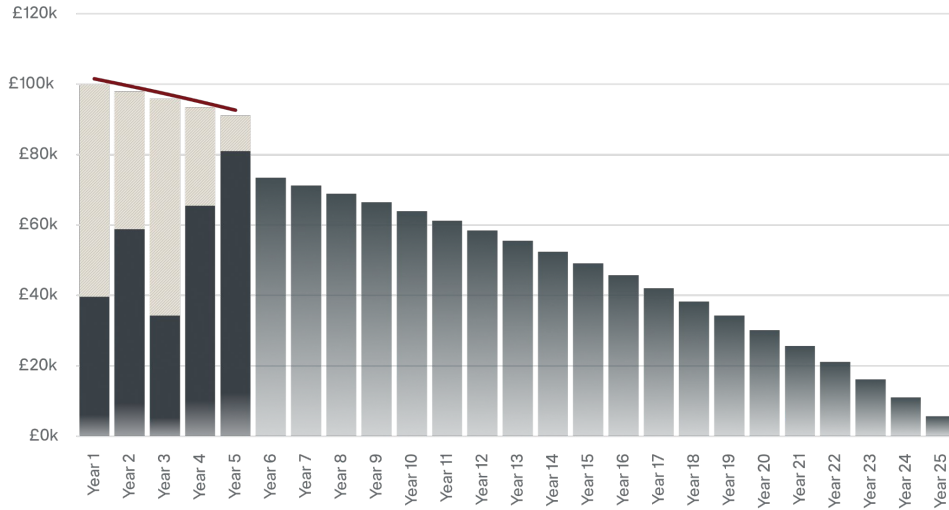
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#### Notes:

1. Debt Recovery Scheme/Debt Arrangement Scheme.

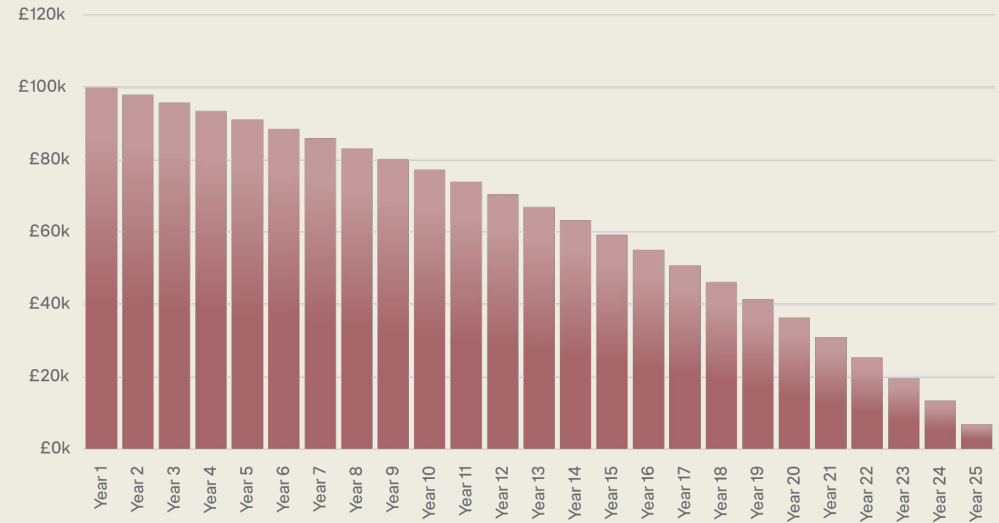
# Products available

## Selina HELOC



- HELOC balance**  
Can flex up and down as needed over the first 5 years
- Available funds**  
Interest paid on funds drawn down, not full credit limit
- Credit limit**  
Gradually reduces over the term (amortisation)

## Selina Homeowner Loan



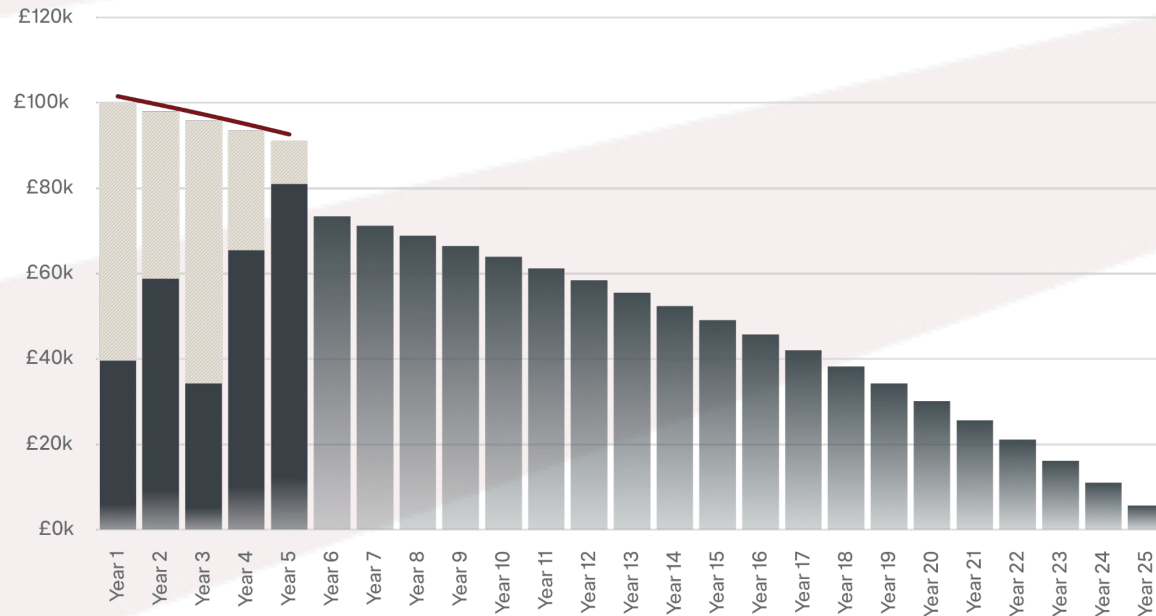
- Homeowner loan balance**  
Reduces as monthly repayments are made

<b>Drawdown</b>	Withdraw and repay funds during 5 year flexible period*	One up-front lump sum
<b>Flexible period</b>	5 years	Not applicable
<b>Typical loan purposes</b>	Business purposes, school fees, large scale home improvements, contingency	Debt consolidation, home improvements, BTL purchase, vehicle purchase
<b>Term</b>	5 - 30 years	5 - 30 years
<b>Monthly repayments</b>	Calculated of funds withdrawn	Calculated on full loan amount
<b>Interest paid</b>	Only paid on funds withdrawn	On full loan amount
<b>ERCs</b>	None	Product dependent

\*Minimum withdrawal at completion is equal to any fees added to the loan

# How it works: HELOC

## Flexible borrowing with a Home Equity Line of Credit



**HELOC balance**  
Can flex up and down as needed over the first 5 years

**Available funds**  
Interest paid on funds drawn down, not full credit limit

**Credit limit**  
Gradually reduces over the term (amortisation)

## Reasons a HELOC could be a great option for your customers

### Flexibility

Draw, repay and redraw funds during the first 5 years. Perfect for:

- School fees
- Large scale home improvements
- Business purposes
- Contingency

### Savings

Only pay interest on funds drawn down, not the full credit limit. Monthly repayments adjust up/down when customers draw/repay.

### Planning

Add some headroom on the HELOC. Draw additional funds if needed (e.g. going over budget on home renovations).

#### Notes:

Contingency purpose can be included subject to underwriting.



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# Product terms

## Property

Location	Minimum ownership	Minimum value	Second homes	Tenure	Referral
England, Wales, Mainland Scotland	No minimum	£100k, except where: <ul style="list-style-type: none"> <li>Flats with 5 or more floors: min value £150k</li> <li>Flats above commercial properties: min value of £150k and maximum LTV of 60%</li> </ul>	Accepted	<ul style="list-style-type: none"> <li>Freehold</li> <li>Leasehold (subject to 55 years remaining at end of the term)</li> </ul>	Non standard construction, properties requiring major renovation, and self builds

## Affordability

Income types accepted	Assessment
<p><b>Employed</b>            Guaranteed income: 100%            Bonus/overtime/commission: 100%            Zero-hour contract income (2nd job only): 100%</p> <p><b>Self-employed</b>            Contractor annualised day rate: 100%            Sole trader: 100% of net profit            Limited company: 100% director salary, dividends</p> <p><b>Pension:</b> 100%  <b>Property income:</b> 90%  <b>Acceptable benefits:</b> 100%</p>	<p><b>Minimum income</b>            No minimum income</p> <p><b>Max DTI</b>            45%</p> <p><b>Max LTI</b>            6.5x (6.0x for Status 1 applications)</p>

## Commission

Procuration fee	Clawbacks
<b>HELOC:</b> up to 2% on net drawdowns made in first 12 months	<b>Non-ERC products:</b> 100% on overpayments/early redemption in first 12 months
<b>Homeowner Loan:</b> up to 2% on net loan amount	<b>ERC products:</b> 100% on overpayments/early redemption in first 6 months; 50% in months 7-12

# Valuations

## Second charge

Property value	Hometrack confidence	Valuation and AVM criteria for LTVs up to					
		50%	65%	70%	75%	80%	85%
Up to £500k	<4	Full RICS inc drive-by					Full RICS only
	4 - 4.9	✔ Hometrack	Full RICS inc drive-by				
	5 - 5.9	✔ Hometrack			Full RICS inc drive-by		
	6+	✔ Hometrack					
Up to £1m	< 4	Full RICS inc drive-by					Full RICS only
	4 - 4.9	✔ Hometrack	Full RICS inc drive-by				
	5 - 5.9	✔ Hometrack			Full RICS inc drive-by		
	6+	✔ Hometrack					Full RICS inc drive-by
£1m+	< 5	Full RICS only					
	5 - 5.9	✔ Hometrack	Full RICS only				
	6+	✔ Hometrack				Full RICS only	

**Notes:**

Drive-bys accepted where Hometrack accepted except on £1m+ properties (can be referred if located within Inner London and valued no greater than £1.5m).

Where Hometrack confidence is up to 0.2 below the required level, we may accept the lowest value in the Hometrack valuation range on referral.



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