

Intermediaries

mortgage product update

**85% LTV rates
now available from
4.59%
Plus exciting
changes to our
BTL range**

This description of Northern Rock's mortgages is directed at professional intermediaries who are authorised or exempt by the Financial Services Authority.

The products described in this guide are available through professional intermediaries only. This is not a financial promotion and should not be displayed as such. People who do not have professional experience of mortgage products should not rely on this guide.

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What has changed

- Everyday 2 Year Fixed rates to start from **4.15%** up to 80% LTV.
- Everyday 2 Year Fixed rates to start from **4.59%** up to 85% LTV
- Everyday 3 Year Fixed rates to start from **4.99%** up to 85% LTV.
- Everyday 5 Year Fixed rates to start from **5.29%** up to 85% LTV.
- BTL Everyday 2 Year Fixed rates to start from **5.59%** up to 70% LTV with a **£1,995** fee.

Key features

Residential mortgages key features

- **Fast Track Service** for qualifying residential cases - see page 8 for further details.
- Product fees (where applicable) can be added to the loan on completion.
- **Fee Saver Option** - no product fee payable. Valuation required as per fee scale on purchase cases.
- Maximum loan size of £1m.
- Daily interest.
- Incentive of free basic valuation and free standard legal fees for remortgages.

Everyday Mortgages

- 10% overpayments each calendar year.
- Payment holiday options, subject to our prior consent.
- Early Repayment Charge applies to the outstanding secured loan balance at the time of redemption. Any overpayments in excess of the 10% annual allowance will also be subject to the Early Repayment Charge.

Flexible Mortgages

- **Fully Flexible Features** - overpayments, underpayments, borrow back and payment holidays, subject to Northern Rock's prior agreement.
- Early Repayment Charge applies to the original secured loan balance, payable on full redemption only.

Buy To Let key features

- Rental calculation based on 120% at pay rate. See page 5 for full details.
- Product fees (where applicable) can be added to the loan on completion.
- Rapid Remortgage service available.
- Fee Saver Option - no product fee payable. Valuation required as per fee scale on all Buy To Let cases.
- Maximum loan size of £1m.
- Daily interest.

Everyday Mortgages

- 10% overpayments each calendar year.
- Payment holiday options, subject to our prior consent.
- Early Repayment Charge applies to the outstanding secured loan balance at the time of redemption. Any overpayments in excess of the 10% annual allowance will also be subject to the Early Repayment Charge.

Please note that once you have submitted an application for a particular product, we will reserve funding for your client's mortgage at the interest rate you have selected. After this point, you will only be allowed to change products if the subsequent choice comes from the same range of products. Once a product range is replaced, your client will not be allowed to switch to a product from a later range.

Standard Variable Rate

At the end of the promotional rate all loans will revert to Northern Rock plc's Standard Variable Rate (SVR) which is currently 4.79%.

Everyday Mortgage Rates

Everyday Fixed Rate Purchase and Remortgage Range

Product	Max LTV	£995 Product Fee	The Overall Cost for Comparison is (APR)		Fee Saver Option	The Overall Cost for Comparison is (APR)		Until	Reverting Rate	Early Repayment Charge
			Purchase	Remortgage		Purchase	Remortgage			
2 Year Fixed Rate	70%	3.15%	4.6%	4.6%	3.99%	4.6%	4.6%	1 November 2012	Following the fixed rate period, the loan will revert to Northern Rock's Standard Variable Rate (currently 4.79%) for the life of the loan.	4% until 1 November 2012
	75%	3.64%	4.7%	4.7%	4.59%	4.7%	4.7%			
	80%	4.15%	4.7%	4.7%	4.99%	4.8%	4.8%			
	85%	4.59%	4.8%	4.8%	5.39%	4.9%	4.8%			
3 Year Fixed Rate	70%	4.10%	4.7%	4.7%	4.69%	4.8%	4.8%	1 November 2013	Following the fixed rate period, the loan will revert to Northern Rock's Standard Variable Rate (currently 4.79%) for the life of the loan.	4% until 1 November 2013
	75%	4.29%	4.7%	4.7%	4.99%	4.8%	4.8%			
	80%	4.69%	4.8%	4.8%	5.29%	4.9%	4.8%			
	85%	4.99%	4.9%	4.8%	5.69%	5.0%	4.9%			
5 Year Fixed Rate	70%	4.39%	4.7%	4.7%	5.59%	5.0%	5.0%	1 November 2015	Following the fixed rate period, the loan will revert to Northern Rock's Standard Variable Rate (currently 4.79%) for the life of the loan.	4% until 1 November 2015
	75%	4.49%	4.7%	4.7%	5.79%	5.1%	5.1%			
	80%	4.99%	4.9%	4.8%	5.99%	5.2%	5.1%			
	85%	5.29%	5.0%	4.9%	6.39%	5.3%	5.3%			

Everyday Tracker Purchase Range

Product	Max LTV	£995 Product Fee	The Overall Cost for Comparison is (APR)	Fee Saver Option	The Overall Cost for Comparison is (APR)	Until	Reverting Rate	Early Repayment Charge
2 Year Tracker Rate	70%	2.59% (BoE + 2.09%)	4.5%	3.19% (BoE + 2.69%)	4.5%	1 November 2012	Following the tracker rate period, the loan will revert to Northern Rock's Standard Variable Rate (currently 4.79%) for the life of the loan.	4% until 1 November 2012
	75%	2.84% (BoE + 2.34%)	4.6%	3.49% (BoE + 2.99%)	4.6%			
	80%	3.79% (BoE + 3.29%)	4.7%	4.99% (BoE + 4.49%)	4.8%			
3 Year Tracker Rate	70%	2.79% (BoE + 2.29%)	4.4%	3.19% (BoE + 2.69%)	4.5%	1 November 2013	Following the tracker rate period, the loan will revert to Northern Rock's Standard Variable Rate (currently 4.79%) for the life of the loan.	4% until 1 November 2013
	75%	2.89% (BoE + 2.39%)	4.4%	3.49% (BoE + 2.99%)	4.5%			
	80%	3.79% (BoE + 3.29%)	4.6%	4.99% (BoE + 4.49%)	4.8%			

Everyday Tracker Remortgage Range

Product	Max LTV	£995 Product Fee	The Overall Cost for Comparison is (APR)	Fee Saver Option	The Overall Cost for Comparison is (APR)	Until	Reverting Rate	Early Repayment Charge
2 Year Tracker Rate	70%	2.75% (BoE + 2.25%)	4.5%	3.19% (BoE + 2.69%)	4.5%	1 November 2012	Following the tracker rate period, the loan will revert to Northern Rock's Standard Variable Rate (currently 4.79%) for the life of the loan.	4% until 1 November 2012
	75%	2.84% (BoE + 2.34%)	4.5%	3.49% (BoE + 2.99%)	4.6%			
	80%	4.49% (BoE + 3.99%)	4.7%	4.99% (BoE + 4.49%)	4.8%			
3 Year Tracker Rate	70%	2.79% (BoE + 2.29%)	4.4%	3.19% (BoE + 2.69%)	4.4%	1 November 2013	Following the tracker rate period, the loan will revert to Northern Rock's Standard Variable Rate (currently 4.79%) for the life of the loan.	4% until 1 November 2013
	75%	2.89% (BoE + 2.39%)	4.4%	3.49% (BoE + 2.99%)	4.5%			
	80%	4.49% (BoE + 3.99%)	4.7%	4.99% (BoE + 4.49%)	4.8%			

Incentive of free basic valuation fee and free standard legal fees for remortgage customers

Everyday Mortgages

Limited overpayments

Your clients are able to make overpayments of up to 10% of their outstanding balance per calendar year without incurring an Early Repayment Charge. Any overpayments will immediately reduce the loan outstanding, resulting in a saving in the amount of interest charged.

Payment holidays

Your clients may apply for a one month payment holiday for every nine consecutive full monthly payments they make. The maximum payment holiday period is three months, which can be applied for once your client has made 27 consecutive full monthly payments.

When deciding if we will allow a payment holiday, we will assess your client's ability to repay the revised total mortgage balance and the associated monthly payments, based on their individual circumstances at the time. This will include an affordability assessment, which may require income verification. All payment holidays are subject to Northern Rock plc's prior agreement.

Interest will continue to be charged during a payment holiday. Taking a payment holiday will also increase the outstanding balance upon which future loan interest charges are calculated.

Please note that underpayments and borrow back features are not available on our Everyday mortgages.

Flexible Mortgage Rates

Flexible Purchase Range

Product	Max LTV	£995 Product Fee	The Overall Cost for Comparison is (APR)	Fee Saver Option	The Overall Cost for Comparison is (APR)	Until	Reverting Rate	Early Repayment Charge
Flexible 2 Year Tracker Rate	70%	2.99% (BOE+2.49%)	4.6%	3.55% (BOE+3.05%)	4.6%	1 November 2012	Following the tracker rate period, the loan will revert to Northern Rock's Standard Variable Rate (currently 4.79%) for the life of the loan.	4% until 1 November 2012
	75%	3.29% (BOE+2.79%)	4.6%	3.79% (BOE+3.29%)	4.6%			
	80%	5.09% (BOE+4.59%)	4.8%	5.29% (BOE+4.79%)	4.8%			

Flexible Remortgage Range

Product	Max LTV	£995 Product Fee	The Overall Cost for Comparison is (APR)	Fee Saver Option	The Overall Cost for Comparison is (APR)	Until	Reverting Rate	Early Repayment Charge
Flexible 2 Year Tracker Rate	70%	2.99% (BOE+2.49%)	4.6%	3.55% (BOE+3.05%)	4.6%	1 November 2012	Following the tracker rate period, the loan will revert to Northern Rock's Standard Variable Rate (currently 4.79%) for the life of the loan	4% until 1 November 2012
	75%	3.29% (BOE+2.79%)	4.6%	3.79% (BOE+3.29%)	4.6%			
	80%	5.09% (BOE+4.59%)	4.8%	5.29% (BOE+4.79%)	4.8%			

Incentive of free basic valuation fee and free standard legal fees for remortgage customers

Flexible Mortgages

Our Flexible mortgages are the fully flexible alternative to our Everyday mortgages. If your client takes a product from our Flexible range they will be able to take advantage of a full range of mortgage features including unlimited overpayments, the ability to borrow back previous overpayments, underpayments and payment holidays.

When using flexible features, we will assess your clients' ability to repay any revised total mortgage balance and associated monthly payments, based on their individual circumstances at the time. This will include an affordability assessment, which may require income verification. The use of flexible features is subject to Northern Rock's prior agreement.

Overpayments

Unlimited regular or lump sum overpayments can be made, penalty free, on Northern Rock Flexible mortgages provided the account is not redeemed in full.

Making overpayments could save your clients thousands of pounds in interest, helping them to pay off their mortgage earlier.

Borrow Back

With Northern Rock Flexible mortgages, your clients can apply to borrow back any previous overpayments. As a responsible lender, we will ask customers for details of their current income and outgoings when they apply to use the flexible features of their mortgage.

We will assess customers' ability to repay any revised mortgage balance and associated monthly payments, based on their individual circumstances at the time. This will include an affordability assessment, which may require income verification.

Underpayments

If your clients have chosen to overpay on their Flexible mortgage, then they also have the option to apply to make a lower monthly payment or stop their monthly payment.

This would suit clients who know they will have periods of greater disposable income (e.g. seasonal overtime) and would like to benefit from lower payments at a later date.

Payment Holidays

Your client may apply for a one month payment holiday for every nine consecutive full monthly payments they make. The maximum payment holiday period is three months, which can be applied for once your client has made 27 consecutive full monthly payments.

Please note that the number of consecutive monthly payments is reset to zero if your client does not make a full monthly payment in the month it is due or we agree for an underpayment to be made on their Flexible mortgage.

When deciding if we will allow a payment holiday, we will assess your client's ability to repay the revised total mortgage balance and the associated monthly payments, based on their individual circumstances at the time. This will include an affordability assessment, which may require income verification. All payment holidays are subject to Northern Rock plc's prior agreement.

Interest will continue to be charged during a payment holiday. Taking a payment holiday will also increase the outstanding balance upon which future loan interest charges are calculated.

Buy To Let Rates

Everyday BTL Range

Product	Max LTV	£1,995 Product Fee	The Overall Cost for Comparison is (APR)	£995 Product Fee	The Overall Cost for Comparison is (APR)	Fee Saver Option	The Overall Cost for Comparison is (APR)	Reverting Rate	Until	Early Repayment Charge
2 Year Fixed Rate	60%	5.49%	5.1%	5.79%	5.1%	6.29%	5.1%	Following the fixed rate period, the loan will revert to Northern Rock's Standard Variable Rate (currently 4.79%) for the life of the loan.	1 November 2012	4% until 1 November 2012
	70%	5.59%	5.1%	5.89%	5.1%	6.39%	5.2%			
3 Year Fixed Rate	60%	5.59%	5.2%	5.89%	5.2%	6.39%	5.3%	Following the fixed rate period, the loan will revert to Northern Rock's Standard Variable Rate (currently 4.79%) for the life of the loan.	1 November 2013	4% until 1 November 2013
	70%	5.69%	5.2%	5.99%	5.2%	6.49%	5.3%			
5 Year Fixed Rate	60%	5.89%	5.4%	6.19%	5.5%	6.69%	5.6%	Following the fixed rate period, the loan will revert to Northern Rock's Standard Variable Rate (currently 4.79%) for the life of the loan.	1 November 2015	4% until 1 November 2015
	70%	5.99%	5.4%	6.29%	5.5%	6.79%	5.6%			

Rental Calculation based on pay rate

Northern Rock calculates the level of rental income required according to the product pay rate. The borrower must expect to receive at least 120% of the monthly mortgage payment in rent. This is calculated as if on an interest-only basis, at the pay rate of the selected product.

Rapid Remortgage - Buy To Let

We will aim to ensure that your client's remortgage completes within one month from receipt of a fully completed application form and valuation fee. This is subject to access to the property on request in order to complete a valuation and the customer returning promptly any documents or requests for further information from either our solicitor or us.

Please note that the Buy To Let Rapid Remortgage offer is only available when a solicitor firm from our remortgage panel is instructed.

Panel of Solicitors

We can instruct a firm of solicitors from our panel to act on our behalf in Rapid Remortgage transactions. We have a dedicated panel of solicitors who are conveyancing specialists with proven service levels and fast turnaround times.

For Rapid Remortgage cases your client will have the option of either paying the legal fees direct to the panel solicitor, or adding these fees to their mortgage account. The fees charged will be at the following standard rates (inclusive of VAT and standard disbursements):

England & Wales	£250
Northern Ireland	£335
Scotland	£400

Please note that the fees mentioned above are for standard Buy To Let remortgage transactions and relate to the legal costs incurred by the solicitor working on our behalf only. Any extra legal work or additional disbursements will be agreed in advance and must also be paid for. Extra work could include, but is not limited to, change of parties, purchase of land, or change of name, whilst additional disbursements could include any first registration fee and landlord's registration fee. Home purchase customers may also use the panel of solicitors. Prices will be agreed on an individual basis.

No Minimum Income Requirement

Whilst there is currently no minimum income requirement, Northern Rock will routinely carry out affordability checks at application stage. Customers with a lower income or high debt to income ratio may need to provide supporting documentation in relation to contingency funding, deposit monies or income.

General Policy Information

- A credit check will be made on all applicants and the loan will be declined where an adverse credit history is revealed, for example if a County Court Judgement is registered. In addition, statistical techniques (credit scoring) will be used as part of the decision making process.
- Monthly mortgage payments must be made by Direct Debit otherwise an annual charge of £25 will be made to the mortgage account.
- Purchase and Buy To Let applicants will be responsible for all legal and valuation fees, whether or not the loan completes.
- The maximum number of applicants is four.
- The minimum age for all applicants is 18. For Buy To Let applications the minimum age for the main applicant is 21.
- The maximum age for applicants at the end of the mortgage term is 75 years. Please note that, as Northern Rock's minimum term is seven years, applicants will no longer be accepted if they are over 68 years of age. For any applicant requiring a mortgage term that extends beyond their stated retirement age, we will require evidence of pension arrangements which must be registered with HMRC. The applicants' ability to afford the mortgage over the full term will be assessed.

Mortgage Terms

- The mortgage term for Residential mortgages (excluding BTL) must be between seven and 35 years.
- The mortgage term for Buy To Let mortgages must be between seven and 25 years.
- For products with an Early Repayment Charge period longer than seven years, the minimum loan term is the length of the Early Repayment Period.

Repayment Methods

- All Northern Rock Residential and Buy To Let products are available on either a repayment, interest-only or part and part basis. If the borrower chooses to take their mortgage on an interest-only basis, it is their responsibility to put in place and maintain an appropriate repayment vehicle which is expected to provide a lump sum sufficient to repay the loan balance at the end of the term.

Please note that Northern Rock plc do not accept the following repayment vehicles: inheritance dividends, regular overpayments, remuneration and intention to convert to repayment at a future date.

Please note for Residential mortgages Northern Rock plc do accept the following repayment vehicles: investment plan, ISA, personal pension plan, endowment, share portfolio, sale of second property with equity and sale of Residential property. In addition, the acceptance of sale of main property as a repayment vehicle will be limited to cases with a maximum of 60% LTV and a £150,000 minimum equity.

- The maximum LTV for customers taking a mortgage on an interest-only basis is now capped at 75%.
- Sale of property as a repayment vehicle on BTL applications remains unchanged at up to 70% LTV.

New Build Policy

Please see below for details of the maximum LTV available for new build properties. Please note that the maximum LTV is based on the lower of the valuation or purchase price.

- All Residential products:
 - New build flats - maximum LTV is 70%
 - New build houses - valuation/purchase price up to and including £500,000 - maximum LTV is 85%
- valuation/purchase price over £500,000 - maximum LTV is 80%
- All Buy To Let products:
 - New build flats and new build houses - maximum LTV is 70%

Any incentives offered by the housebuilder will be deducted from the purchase price before the maximum LTV limit is applied. The product fee can be added to the loan, and is allowed to take the maximum LTV above that which is determined by Northern Rock's lending policy.

Purchases by way of sub-sale agreement are not usually acceptable. Refer to Northern Rock if further guidance is required. We do not accept builders' incentives.

Procuration Fees

Procuration fees are available for mortgage completions up to and including 85% LTV.

There is no cap on our maximum procuration fee amount.

Contact your local Business Development Manager for details.

Insurance Procuration Fees

We offer a single £50 insurance procuration fee, payable for each referral that results in a sale.

The £50 insurance procuration fee will be payable for sales of the following types of insurance:

Buildings and Contents - Home Insurance (Buildings and/or Contents).

Buy To Let - Buildings and/or Contents cover for mortgage linked or standalone products - £50 paid per property.

The procuration fee will be paid following the completion of the sale. If the client subsequently cancels their policy within 11 months from the completion date, we reserve the right to recover the procuration fee paid. No renewal procuration fee will be paid.

Lending Policy

Residential Loan to Value Limits

Home Purchase/Remortgage Valuation or Purchase price, whichever is lower	Maximum Loan to Value	
	Repayment	Interest-only
£0 to £500,000	85%	75%
£500,001 +	80%	75%

The maximum loan for Right to Buy, Sitting Tenants and remortgages is based on valuation. There is a maximum loan size of £1m on all products.

Income Multiples For All Residential Products

The table below sets out the income multiples that will apply, subject to credit score, for all Residential applications.

Gross Basic Income Band	High Credit Score		Medium Credit Score		Low Credit Score	
	Single income	Joint income	Single income	Joint income	Single income	Joint income
Over £32,500	4.5	4.2	4.2	4.0	3.6	3.0
£17,501 - £32,500	4.0	3.7	3.8	3.5	3.4	2.8
£0 - £17,500	3.5	3.2	3.3	2.8	2.9	2.1

Please note that it is only the applicant's gross basic income that will determine which income multiple their application will receive. However, all acceptable income (i.e. including 50% of bonuses and overtime) will be used with the multiplier. Please see below for an example of how this would work:

Single Applicant - High Credit Score	
Applicant's gross basic income	£30,000
Applicant's additional income (e.g. 50% of £10,000 bonus or overtime)	£5,000
Total Income used to calculate borrowing	£35,000
Income multiple available assuming high credit scoring	4.0
Maximum Borrowing available	£140,000

Joint customers can combine their income and use the joint multiple. Alternatively, joint applicants also have the option of taking the single income multiplier x the higher income and adding 1 x the lower income. The table below shows an example of this:

Joint Applicant - Medium Credit Score	Joint Multiple	Single Multiple + 1 x secondary applicant
Primary applicant's income	£110,000	£110,000
Secondary applicant's income	£10,000	£10,000
Total Income used to calculate borrowing	£120,000	£110,000 + £10,000
Income multiple available assuming medium credit scoring	4.0	4.2 + £10,000
Maximum Borrowing available	£480,000	£472,000

We will be happy to advise you what we would be prepared to offer your clients for cases outside standard policy. Multiple applicants will be considered on application. All income multiples will be subject to credit scoring and affordability checks. If you have any queries please call the Intermediary Support Unit on **0845 600 1516**.

Property

If, for any reason, the application does not proceed on the original property the applicants must reapply for a new product available at that time.

The property offered as security must be in England, Scotland, Wales or Northern Ireland, residential, owner-occupied and of conventional construction.

Leasehold properties must have an unexpired term of at least 30 years at the end of the mortgage term.

Northern Rock requires a first legal charge over the property offered as security.

Additional Case Information - Residential

This table provides details of the documents we will require to verify income. Please ensure that all paperwork, including fees, are in order and forms are signed and dated by submission. This will help us process the application quickly.

Customer Credit Score	Customers with an LTV up to and including 70%	Customers with LTV greater than 70% (including all applications for First Time Buyers and where property is worth less than £100,000)
High Credit Score	<p>Fast Track Service for eligible high score customers (see below for further details).</p> <p>Confirmation of identity and affordability is required. For online and paper applications you must complete the confirmation of identity and affordability sections of the application form. For Northern Rock Online applications you must tick the relevant boxes on submission of a full application.</p>	<p>Employed: last monthly payslip or two weeks' payslips.</p> <p>Self Employed: accountant certificate or last two years' accounts or last two years' tax assessments.</p>
Medium Credit Score	<p>Employed: two of the last six monthly payslips plus last P60. If paid weekly, four of the last eight week's payslips plus last P60.</p>	<p>Self Employed: accountant certificate or last two years' accounts or last two years' tax assessments.</p>
Low Credit Score	<p>Employed: three of the last six months' payslips plus last P60. If paid weekly, four of the last eight weeks' plus last P60.</p>	<p>Self Employed: accountant certificate or last three years' accounts or last three years' tax assessments. In addition, last mortgage statement or lender reference.</p>

The Additional Case Information required for low credit scores will also be required for all First Time Buyers. Customers with low and medium credit scores are not eligible for the Fast Track Service.

For loans over £500,000, a high credit score will be required.

For customers employed for less than six months, an employer's reference will be required.

Please note that we will require full verification of income as detailed in the table above for all First Time Buyer applications and any loan where the property is worth less than £100,000.

For Buy To Let additional case information see pages 5 and 10.

Fast Track Service - Residential Only

Residential 'next time buyer' and remortgage applications that achieve a high score may be eligible for our **Fast Track Service**. Where an applicant meets our fast track criteria we may not require additional documentation to verify an applicants income in the majority of cases. The case must meet the following criteria at Decision In Principle:

- The application is accepted.
- The application is for an Everyday Fixed Rate, Everyday Tracker or Flexible Tracker rate product.
- The application is for an LTV up to and including 70%.
- The property being remortgaged or purchased is worth at least £100,000.

Once submitted, for the case to proceed on a Fast Track basis, the application must meet the following criteria:

- The case must satisfy all other aspects of our lending criteria.
- You must confirm your client's identity and their ability to afford the loan by providing the relevant information as detailed in the table above.
- No applicant or case details have been materially changed between Decision In Principle and Full Application submission.
- The case must achieve a high credit score.

We continue to reserve and exercise the right to contact intermediaries to confirm that any submitted details are correct. In these instances we will ask you to provide appropriate evidence of the income stated on the application form.

Please note, our usual requirements for verification of identity remain unchanged.

Please note that our Fast Track Service is not available for First Time Buyers or 'Next Time Buyers' and remortgage customers borrowing over 70% LTV.

Northern Rock reserves the right to seek additional information where we believe the lending risk requires further investigation. Northern Rock reserves the right to carry out occupation and income reasonability checks on any case at application stage. Following completion, Northern Rock will, from time to time, seek retrospective confirmation of income for loan performance monitoring purposes. This is in accordance with FSA Best Practice guidelines. These application and post completion checks will involve contacting employers in some instances.

Additional Information

Free basic valuation & free legal work for residential remortgages

Remortgage customers taking one of our residential products (excluding BTL) will be entitled to a free basic valuation report and free standard legal costs. Purchase customers will be required to pay the valuation fee as per fee scale below.

Free basic valuation

Remortgage customers will be entitled to a free basic valuation report and will not be required to pay the £250 application fee. The valuation must be instructed by Northern Rock. If it is instructed by any other party, the cost of the basic valuation, including application fee, will not be covered by Northern Rock. If a Homebuyer's Valuation Report is chosen your client will be required to meet all costs relating to this survey, including the £250 application fee.

Free standard legal work

Northern Rock will appoint a solicitor from its panel who will act on Northern Rock's behalf to undertake the legal work involved. Northern Rock will cover all standard legal costs but your client will be responsible for paying the costs of any additional or non-standard legal work that may be required e.g. transfer of equity, Land Registry fees, etc. If the client wishes to appoint their own solicitor to act in this transaction they will be required to meet all legal costs.

Valuation Fees

Valuation/Purchase Price	Basic valuation report fee	Homebuyer's fee
Up to £60,000	£360	£515
£60,001 - £100,000	£380	£555
£100,001 - £150,000	£410	£595
£150,001 - £200,000	£435	£640
£200,001 - £250,000	£460	£685
£250,001 - £500,000	£520	£750
£500,001 - £750,000	£575	£800
£750,001 - £1,000,000	£620	£850
£1,000,001 - £1,500,000	£750	£1,050
£1,500,001 - £2,000,000	£900	£1,250
£2,000,001 - £2,500,000	£1,050	£1,450
£2,500,001 - £3,000,000	£1,200	£1,750
Over £3,000,000	By Negotiation	By Negotiation

The Basic Valuation Report fee is exempt from VAT. It consists of a non-refundable £250 application fee and the gross cost of the valuation to Northern Rock.

The Homebuyers Report fee is made up of two elements:

1. the Basic Valuation Report fee (including the £250 application fee) which is exempt from VAT.
2. the additional cost of the Homebuyers Report, on which VAT is applicable.

When the valuer is not instructed by Northern Rock, for example in Scotland, the £250 application fee will be debited to the mortgage account on completion. This policy applies across residential, BTL applications.

Please note that the Valuation Fee(s) above are based on the actual property valuation.

If the instructed valuer values the property at a figure which differs from the purchase price/estimated value stated on your mortgage application form, the fee payable may change in accordance with the table above.

In the event the property is valued at a figure higher than that stated on the mortgage application form, the difference between the Valuation Fee payable and the actual amount paid prior to the valuation will be payable prior to the issue of an Offer of Loan.

In the event the property is valued at a figure lower than the figure stated on the mortgage application form, the difference will be refunded to you.

Loyalty Discount

Once a customer has had their mortgage with us for seven years, a Loyalty Discount is available provided that:

- They do not continue to benefit from a special rate (such as a product discount, a guaranteed rate, or fixed rate) or other product benefit (such as a cashback).
- They are not within an Early Repayment Charge period.

The loyalty discount will be at least 0.25% off Northern Rock's Standard Variable Rate for the rest of the life of the loan. The current loyalty rate is 4.54% (with effect from 1 March 2009).

If a customer moves home and takes a new mortgage product with Northern Rock (or they transfer their existing mortgage to their new home) they will lose the benefit of any time that has accrued towards the calculation of the seven years. On completion of the new mortgage the seven year period will begin again from year 0.

If a customer transfers to a new mortgage product without moving home the accrual of the seven year period will continue (provided they meet all other eligibility criteria).

Customers can choose to move to the loyalty rate (provided they meet all other eligibility criteria) even when they are within an Early Repayment Charge period but they will have to repay the Early Repayment Charge applicable to their current mortgage product.

Please note: the loyalty discount does not apply to Buy To Let mortgages.

Buy To Let Lending Policy

Product Terms

- Buy To Let mortgages are available on the following terms: interest-only, repayment, part interest and part repayment basis.
- Buy To Let mortgages are available on loan terms of seven to 25 years.
- Buy To Let products are held per property, not per application, which allows you and your clients to choose the most appropriate product for each property.

Applicant Criteria

- Buy To Let products are available to individuals only.
- Joint applications of up to four applicants are acceptable.
- Applicants must be at least 21 years old. Where there is more than one applicant, the main applicant must be 21 or over and the additional applicants must be at least 18 years old.
- If the applicant's proposed Buy To Let borrowing with Northern Rock is more than £1m, we will require information on any Buy To Let properties not mortgaged with Northern Rock, e.g. details of property values, rental income, outstanding mortgage commitments etc.
- For applicants where total Buy To Let borrowings with Northern Rock are in excess of £500,000, a Medium or High credit score is required. Additional underwriter discretion will be used for exposures over £1.5m.

Property Criteria

- Minimum property valuation of £40,000. Maximum Buy To Let borrowing with Northern Rock is £3 million (up to a maximum of 10 properties).
- Borrower must have (or have plans in place for) an Assured Shorthold Tenancy Agreement (or equivalent in Scotland and Northern Ireland). We will not lend where the applicant intends to let the property back to the seller at completion.
- Any property not recommended as suitable security by our panel of valuers or underwriters will be excluded.
- For Buy To Let mortgages we will only lend on up to 20% of any development - for example, blocks of flats or a housing estate. Further restrictions may apply to larger developments or where the application involves a number of adjacent properties within a development or block.
- The maximum LTV available for New Build flats is 70% LTV. This 70% LTV limit excludes the cost of any mortgage product fee.

Loan To Value Limits

- The maximum Loan To Value on any individual property with Northern Rock is 70% LTV. This will be based on the lower of the valuation or the purchase price.
- The maximum Loan To Value on total borrowing with Northern Rock (including proposed changes to an existing portfolio) is 70% LTV.

Northern Rock reserves the right to seek additional information where we believe the lending risk requires further investigation. Northern Rock reserves the right to carry out reasonability checks on any case at application stage. Following completion, Northern Rock will, from time to time, seek retrospective confirmation of income for loan performance monitoring purposes.

Existing Northern Rock plc Customer Information

Existing Northern Rock plc Customer Moving Home

When your clients are moving home, they have the option to take a new mortgage product from our current range for their new property. Provided their new loan completes within three months of redemption they will receive a reduction of up to 50% off any applicable Early Repayment Charge (subject to the original terms and conditions).

Alternatively your client may choose to transfer the remaining terms and conditions of their current product to their new property. Providing the loan completes within three months of redemption they will be entitled to a refund off any applicable ERC.

Please note: If the new loan amount required is lower than the outstanding balance, at the time of transfer, the customer will be required to pay any applicable Early Repayment Charge on the reduction in balance.

Porting Cases - Products available before 12 May 2008

Northern Rock will allow customers who completed onto products launched before 12 May 2008 to take additional borrowing when porting, as long as the case fits our current lending policy including credit score, income multiples, maximum loan and maximum LTV limits. The Porting Additional Borrowing Fee is currently £495.

Customers with accounts outside of our policy will only be able to port their product if they transfer their existing balance only or reduce their balance (subject to lending policy).

Porting Cases - Products available after 12 May 2008

Customers who have completed onto products launched after 12 May 2008 will be able to port their existing mortgage balance or a reduced balance only (subject to any applicable ERC). These customers will not be eligible for additional borrowing.

Customers taking a product launched after 12 May 2008, who want to move home and increase their mortgage balance, will only be able to do so by applying for a new product from our prevailing range at that point in time. The new product will be for the value of the entire loan. They will pay any applicable ERC on the original product, but will be eligible for an ERC refund of up to 50%, subject to terms and conditions.

Procuration Fees

If your clients choose to take a new mortgage product from our current range, then you will be entitled to the full procuration fee for that product. For porting cases, where your clients choose to transfer the remaining terms and conditions of their current product to their new property, we will pay a flat procuration fee.

Conditions apply, please refer to your club or network for details of Northern Rock's procuration fee package.

Intermediary Returning Home Mover Contact Centre

Call our Intermediary Returning Home Mover Contact Centre on 0845 604 4898.

To validate that you have the authority to discuss a client's current mortgage, you will need to provide the following security information:

- Your name and Northern Rock P Number or your firm's FSA Register number.
- Your client's name and current mortgage account number.
- Verbal confirmation that you have gained your client's authority to discuss their current mortgage arrangements and future options.

Existing Customer Not Moving Home

Existing customers who are not moving home may be offered a new product from Northern Rock.

Additional Borrowing For Existing Customers

We offer Personal Secured Loans (PSLs) exclusively to our existing mortgage customers. These could suit clients that you have already placed with Northern Rock who may wish to release additional equity without remortgaging.

Product	Rate	Availability	Admin Fee	ERC
Standard Variable PSL	currently 9.79% (SVR + 5.00%)	All Residential and BTL customers	£349	None

Our PSLs have the following key features:

- Borrowing available from five to 35 years, but must not exceed the term of the main mortgage.
- A minimum loan of £3,000.
- Borrowing is allowed up to 85% LTV, subject to terms and conditions.
- Flexible features (if applicable to main mortgage).

For more information or to obtain a KFI please contact our PSL Sales Team on 0845 602 2106.

Online and Contact Information

Northern Rock Online

Visit www.northernrock.co.uk/intermediaries

Applications for all Northern Rock products, including Buy To Let can be submitted online.

Key Benefits

- Instant decisions.
- Valuations instructed immediately.
- Improved case tracking and management services.
- Input data offline or online.
- Outbound email update service keeping you up to date on the progress of your cases.
- Full pre-population of data between KFI, Decision in Principle and full applications.

- Archiving and storage facilities to support compliance.
- Immediate registration.
- Available for all Northern Rock products.

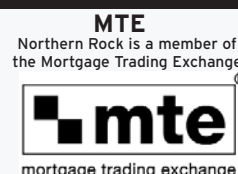
Installation

The Northern Rock Online system can be installed onto your desktop or laptop by contacting our online support team on 0845 602 8348. They will provide you with a link to download the software, and guide you through registration.

Mortgage Trading Exchange

Key benefits include:

- Instant decision.
- Pre-population of full application form.
- Full case tracking facility.



TCF

- TCF Info is supported by Northern Rock and other major mortgage lenders, offering intermediaries practical, free guidance on the FSA principle of 'treating customers fairly' (TCF).
- Visit www.tcfinfo.co.uk to receive the TCF Info e-Newsletter which will provide updates on TCF and TCF Info initiatives.



How to contact us

For further information or mortgage application forms, please contact your local Business Development Manager.

For details of your nearest Business Development Manager please call our Intermediary Support Unit on: 0845 600 1516

For a Decision In Principle, please use a Northern Rock online system. Alternatively call your local mortgage helpline.

If you do not know your local number, please call our Intermediary Support Unit (telephone number as above).

ISU Opening Hours are: 9.00am - 5.00pm Monday to Friday.

For Buy To Let information, queries and processing updates call:

0845 602 8323

All post relating to mortgage applications should be sent to Northern Rock Plc, New Mortgages, Doxford 1, Grayling Court, Doxford International Business Park, Sunderland SR3 3XG.

Any 0845 telephone numbers will be charged at your service provider's prevailing rate. All calls may be monitored and recorded.

Complaints Procedure

In the event of a complaint or dispute, a copy of our complaints procedure can be obtained from the following address; Customer Support Manager (Indirect Sales), Customer Support Team, Ref: CSTSales01, Northern Rock plc, Northern Rock House, Gosforth, Newcastle upon Tyne NE3 4PL.

It is an offence to knowingly make a false, inaccurate or misleading declaration when applying for a mortgage. If you make such a declaration you may face criminal prosecution and/or civil action for recovery of any losses incurred by Northern Rock.

Registered Office: Northern Rock House, Gosforth, Newcastle upon Tyne NE3 4PL. Telephone: 0191 285 7191. northernrock.co.uk. Branches throughout the UK. Licensed Credit Broker.

This description of Northern Rock's mortgages is directed at professional intermediaries who are authorised or exempt by the Financial Services Authority. The products described in this guide are available, through professional intermediaries only. This is not a financial promotion and should not be displayed as such. People who do not have professional experience of mortgage products should not rely on this guide.

Our products may be withdrawn without notice. Please check availability of these products with your local Business Development Manager.

A written quotation on loans can be obtained on request. A Life Assurance policy may be required.

Only available to persons of 18 years of age or over (or aged 21 or over for main applicant for Buy to Let Products). Subject to status.

Northern Rock plc - Registered in England and Wales (Company No. 6952311).

Registered Office - Northern Rock House, Gosforth, Newcastle upon Tyne NE3 4PL. Authorised and regulated by the Financial Services Authority.

NRB0215V19

Valid from 13.08.2010