



Applying a High-Net-Worth Exemption

When appropriate, we have the flexibility to apply a High Net Worth Exemption where conventional affordability calculations mean lending criteria may not otherwise be met. We do this by understanding a client's wider income, assets and background.

The client's requirements	A senior financial services industry professional with 35 years' experience working in both the UK and abroad and who had now retired wished to buy a new home in London. The property was valued at circa £4.25m and he was seeking to borrow just under £3m.
Their financial situation	The client had an investment portfolio and his income in retirement was derived from this, however the amount drawn annually was insufficient to meet our affordability calculations.
Our assessment and solution	<p>Using the High-Net-Worth exemption, we were able to consider the client's liquid assets, together with his income for affordability purposes.</p> <p>On the basis that additional income could be derived from the investment portfolio, or if necessary, part of the portfolio could be liquidated, we were satisfied that the client had sufficient liquid assets to repay the borrowing either in full or during the mortgage term.</p>
The outcome	<p>A loan of just under £3m was agreed, as required, on an Interest Only basis over 10 years.</p> <p>The client is satisfied that he has been able to borrow money in this way and to purchase a new home without the need to liquidate some of his investment portfolio.</p>

All borrowing is subject to status and is available to persons of 18 or over. Security might be required for borrowing in the form of a charge or standard security over land, or other forms of security over your investments or other assets. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT.

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