



Guidance Notes for Services Personnel Applying for a Mortgage

Key Principle

The secured lending industry has agreed to the following key principles when considering lending to service personnel:

Those who serve with the armed forces should not be disadvantaged because of their occupation. Mortgage applications will be treated fairly and consistently with civilian counterparts and will not be automatically rejected purely on the basis of a BFPO address.

Listed below are a number of items you should be ready to present when making your mortgage application. This list is not exhaustive and individual lenders will have specific requirements - please note that bringing all of this information does not guarantee your application will be successful, but will at least help you to be as prepared as possible before approaching a lender or broker.

1. If possible, make your mortgage application before you commence an overseas posting. It may be necessary to contact you during the application process which may not be practical if you are on the front line or in a different time zone. If, during the application process, you become un-contactable, it may not always be possible to complete your application.
2. Make sure you provide complete and accurate details on the application form to avoid unnecessary queries.
3. Ensure correct contact details are provided for your Payroll dept, Commanding Officer and Estate Agent (if applicable).
4. Bring with you proof of income via payslips (generally at least 3 months) and your most recent P60 along with details of any allowances paid while overseas.
5. Bring up to date bank statements, details of existing credit, and your most recent annual mortgage statement if you already own a property.
6. Provide details of your length of contract with the Services, the length of any posting and the term remaining
7. Provide complete previous address history (including clearly stated BFPO addresses and, where appropriate, relevant unit numbers) for 3 years, as well as details of where you are currently residing. A letter from your Commanding Officer confirming address history will assist here, and is required by some lenders.
8. Details of who will reside in the property you wish to purchase. Where services personnel have tied accommodation, clarification may be required as to who will reside in the property i.e. spouse/children. Confirmation may be required that the property will not be left empty when services personnel are posted overseas.

9. Make known any details of an impending overseas posting or any other reason which will mean that you do not reside in the property. If you intend to let the property, make the lender aware of this.

10. If the deposit for your proposed purchase is coming from your own resources then you should provide some evidence of that. If the deposit is coming from a long service award (such as the Long Service Advance of Pay) or another source, further information may be required by the lender to confirm that there will be no future requirements to repay all or some of the money. Lenders will need to assess any requirement to repay and this may reduce the amount of mortgage that you can obtain.

11. Be prepared to provide a realistic income and expenditure pattern that proves your income and expenditure, including taking into account any additional expenses partners or spouses may have while you are posted overseas. Bank statements may be requested by the lender.

12. Finally, please provide any other information which you feel may be relevant e.g. accumulated savings reserves, anticipated gratuity or details of any special services scheme or parental support.