



Mortgages for Business Compliance

Guidance / Expectations of AR's under the Mortgages for Business Mortgage network

Although the area of Buy to Let mortgage finance is currently non-regulated, the ethos of the Mortgages for Business Network is to follow closely FSA principles and guidance for regulated products both for the benefit of clients and its Appointed Representatives.

Overall the Network needs to consider whether the product recommended is evidenced as suitable for the client and to demonstrate the ongoing competence of its AR's.

In order for the Network to do this it is essential to monitor the suitability of advice given.

Each of your case files should contain the following documentation that will be made available to the Network within a reasonable timescale, if required:-

- **Terms of business**
- **Evidence of research undertaken**
- **Anti Money Laundering documentation**
- **Key facts illustration/Indicative Terms**
- **Application form to lender**
- **Suitability letter**
- **Mortgage offer**
- **Any file notes relevant to the case**



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When checking for the suitability of advice we will be looking for the following:-

- **A structured advice process has been followed**
- **Product/s recommended are in line with clients requirements and sufficient rent to cover mortgage interest-only payments / yield of property**
- **Considerations given to any “vacant” periods and emergency funds**
- **Reason for recommendation (i.e. product cost, acceptable lenders due to types of property, size of property portfolio etc.)**
- **Mortgage offer matches KFI/Indicative Terms on file**

It is envisaged that the majority of documentation will be produced by the Mortgage Flow sourcing system so it is important that, where relevant, documents are saved and stored correctly.

The first 5 cases will be checked by the Network. If these files are deemed satisfactory then the AR will revert to standard supervision of 10% of cases written per month (minimum 3 per quarter).

If any issues are raised as a result of file reviews these will be discussed on an individual basis with the AR and monitoring may be amended outside of standard supervision

If unable to store documentation on Mortgage Flow then copies will need to be provided manually to the Network by the AR.

If an unacceptable percentage of files checked are not of an acceptable standard then the AR's network status will be reviewed which could lead to exclusion from the Network.