

FT ADVISER

New specialist lender enters mortgage market



A new intermediary-only specialist mortgage lender is conducting a pre-launch lending pilot in the UK mortgage market.

Vida Homeloans is offering a range of residential and buy-to-let mortgages through three selected mortgage packagers - 3mc, the Buy to Let Club and RHL.

Guy Batchelor, sales and marketing director of Vida Homeloans, said the new lender, which gained FCA approval last month, is undertaking a 'test and learn' phase in advance of a wider launch into the market.

Mr Batchelor said Vida Homeloans has developed a wide range of criteria-driven mortgage solutions for the intermediary market by focussing on customers that are currently underserved by mainstream UK lenders.

The residential range includes specific products for the self-employed, contractors, short work histories, buy together for more than two applicants and borrowing in or into retirement.

On the buy-to-let range the lender will accept applications from individuals, limited companies and trading partnerships.

The criteria will also allow portfolios, houses in multiple occupation, UK expats investing in the UK and a rental top up option, allowing surplus earned income to be used in the rental calculation.

Residential customers and buy-to-let investors who have an impaired but improving credit record will also be considered.

Mr Batchelor said: "After 12 months building this new lender, it is a great feeling to finally tell the market what we have been working on and to confirm that our pre-launch pilot has begun.

"I would like to thank the mortgage intermediaries who have assisted us in this process and we're now looking forward to fully testing the Vida Homeloans proposition in the market before rolling out further to wider distribution over time.

"We also continue to look at the second charge market and will update our partners in due course."

Ray Boulger, senior technical manager at John Charcol, said: "It is really good news to see another new lender launching, particularly one which will focus on underserved sectors of the market.

"It is extremely important for borrowers whose situation is not straightforward to get good independent advice, which can help them understand both what is a realistic amount to borrow and the range of options available.

"From Vida's perspective, distributing its products solely through intermediaries gives it the benefit of someone else making an initial assessment of an application before it is submitted to the lender, with complex information often having to be considered.

"David and Guy both have many year's experience in the non-mainstream sectors of the market and so using their expertise to launch a new lender will bring benefits to both borrowers and intermediaries.

"Despite reservations expressed by the FCA in its competition review, a pilot launch for any new lender to 'test and learn,' prior to using the experience gained to progressively widen distribution, is a sensible way forward."