

Source of Funds Broker Guide

Acceptable sources of funds to complete and a guide to docs required for each.

Regular Savings

Evidence of savings from salary depends on amount of time to build vs, being held long term.

A. If the client has **built up their savings gradually** from retaining a portion of their salary each month and the balance has increased a reasonable amount each month:

- last 3 months bank statements showing salary savings*

B. If the savings **have been built in the last 12 months**:

- Statements to show the increases to the account during this period*

C. If the balance is **not increasing** and funds have been **held long term**:

- 12 month old bank statement and most recent bank statement provided to show that the balance has been held for at least 12 months*

Gifted funds

Where funds **will be gifted** to the client:

- signed gift letter (Annexure 3)*
- a recent statement of the gifter's bank account to show the funds are still available*

If the funds **have already been gifted** to the client:

- signed gift letter (Annexure 3)*
- a recent bank statement showing the funds still available in the client's account*

Sale of Shares

Where funds to complete will come from the sale of shares, evidence varies depending on how long the shares have been held.

- a recent trading statement showing the client's portfolio*

PLUS:

If their investments have been **held for more than 12 months**, or where their overall portfolio balance has remained similar for the last 12 months, we will also require:

- one account statement that is at least 12 months old*

OR

Where the funds have been in the trading account **less than 12 months**:

- Evidence of original source of funds prior to being transferred to the client's trading account*
- a recent trading statement showing the client's portfolio*

NB: During completions, the conveyancers will confirm that the funds used to settle the property have come from the sale of the shares shown in the trading statement provided.

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Funds from a Directors Loan

Where deposits have been paid or funds will be **paid from a Directors Loan**:

- Bank statement showing available funds in the business*
- Confirmation via companies house (or similar government company register) that the applicant is a majority shareholder*
- Board Minutes / Resolution that confirms*
 - *Board approves terms of mortgage*
 - *Directors have no beneficial interest in the property*
 - *T&Cs of the directors loan does NOT require repayment of the loan during the term of the mortgage*

Funds from a Dividend

Where deposits have been paid or funds will be **paid via a Dividend** from a company that the applicant is shareholder of:

- Business bank statement confirming funds available, or funds have been transferred*
 - Personal bank statement to confirm funds received from Company.*
 - Letter to confirm payment will not negatively affect company trading capability*
- OR
- Letter from company to confirm funds transferred were for the purpose of paying dividend to shareholders.*

Deposit Letters

For Deposit Letters from Solicitors to be acceptable, they must be:

- on Solicitor letterhead, dated and signed.*
- Include details of deposit amounts and corresponding dates*
- Notes that AML checks have been completed.*

If deposit was paid within the last 12 months, we also need evidence to confirm the source of funds as per applicable category above.

This is not a complete Doc Checklist, it is only intended as a guide for Docs relating to Source of Funds.
Evidence provided will be reverified during completion process by Solicitor.