

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.

Source of Funds

Broker Guide

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.*

Funds from Sale of Cryptocurrency

For funds from the sale of cryptocurrency to be acceptable, they must be evidenced via the following:

- Evidence of original source of funds for purchase prior to being transferred to the client's cryptocurrency exchange account.*
- Documentation of the cryptocurrency purchase and then sale, both within a recognised cryptocurrency exchange*
- Bank statement showing funds credited after the sale of the above evidenced cryptocurrency. There must be no exchange for another cryptocurrency.*

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.

Unacceptable Source of Funds

- × Unsecured loans or Credit Cards
- × Funds from a Child's bank account, a Trust the child is a beneficiary of, or a child's inheritance.
- × Deposits funded with a repayable loan from a relative/friend, or by ANY unsecured debt.

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.