

BUY TO LET CRITERIA GUIDE

Applicant	
Number of applicants	Four. For Limited Company application details of up to four directors or shareholders as applicants will be captured. The applicants must cover a minimum of 75% of total shareholding.
Minimum age	21 years at application.
Maximum age	80 years at application, 95 years at end of term.
Nationality	Applications from UK nationals and EEA member states must be traceable at a UK address. We will not lend to applicants who are not UK nationals and do not reside in the UK.
Acceptable proof of ID & address	If we are unable to verify all applicants using Electronic ID, proof of ID and residency will be required for each applicant.
Impaired credit	Please refer to the product guide for product credit profile criteria. Credit profile refers to the individual personal applicants.
Consumer Buy to Let	We cannot accept applications for consumer buy-to-let. A consumer buy-to-let is defined as an applicant with no other buy-to-let properties wishing to obtain a mortgage on a property that has either been inherited or has previously been occupied by the applicant or a related person at any time.
First Time Landlord	At least one applicant or Director must have owned and still own at least one property (residential or Buy to Let) for a minimum of 12 months. Maximum loan amount for First Time Landlords £350,000.
COVID Payment Deferrals	If the application is from an existing customer, any unexpired payment deferral on an existing TML mortgage must either be brought up to date with the payment deferral ceased and the deferred interest paid in full before we can consider any further lending or the deferred interest capitalised. In both examples there must be 2 consecutive payments made post-expiry/cessation of the payment deferral.
Employment/Income	
Minimum income & Employment status	There is no minimum income requirement. One or more applicants must be employed/self-employed or be in receipt of pension income. Proof of income is not required in every case, but may be required at Underwriter discretion.
Employed	1 month's payslip required, or P60.
Self-employed	Latest accounts or Tax Calculation (SA302) with the corresponding Tax Year Overview.
Contractors	1 month's payslip or contract.
Retired	Latest pension statement or evidence of other income source.

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Loan	
Purpose	Purchase and remortgage.
Remortgage	Remortgages within 6 months of purchase can be considered. Please contact The Hub for more information.
Repayment method	Capital and Interest. Interest Only. Part & Part.
Minimum loan	£75,000
Porting	Our loans are not portable.
Offer validity	3 months. New build offers will be valid for 6 months.
Payment method	Payments must be made by direct debit. The direct debit mandate is required along with a bank statement for this account evidencing the account holder name and address.
Capital Raising	If capital raising more than £150,000, evidence may be required of use of remortgage funds. If you are seeking to capital raise more than 50% of the available value in your property, evidence of use of remortgage funds may be required.
Void Reserves	Please provide evidence that the applicant holds a minimum of 3 months of funds to meet mortgage payments in instances of rental voids. Please provide a full copy of a bank or deposit statement/bank data in an electronic format from an approved source demonstrating an acceptable level of savings is available.

Maximum loan and LTV	Standard		Specialist	
	Individuals LTV	Limited Companies/ LLP LTV	HMO & Multi-Unit Blocks LTV	New build and flats above commercial LTV
£600,000	75%	75%	75%	75%
£1,000,000	75%	75%	75%	70%
£1,500,000	75%	75%	60%	70%
£3,000,000	70%	70%	N/A	N/A
Minimum Term	5 years			
Maximum Term	35 years			

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Deposit				
Deposit	Deposits are required to be evidenced.			
Acceptable deposits	Individual savings. Limited Company/LLP reserves or working capital. Sale of property or pending sales. Sale of shares or investment. Inheritance. Equity from another property.			
Vendor/builder gifted deposit	New build properties can have up to 5% builder gifted deposit. Converted properties up to 5% considered on a case by case basis.			
Gifted Deposit	Gifted deposits are allowed from family members i.e. parents, grandparents, spouse, gifts from wider family members will be considered on a case by case basis. Gifts from non-family members will be considered on a case by case basis. All gifted deposits must be disclosed. Subject to a TML Gifted Deposit/Equity Form being provided from the deposit provider together with all required identification and evidence of funds being submitted.			
Family gifted equity	Up to a maximum 75% LTV and satisfaction that the transaction does not constitute Consumer BTL. Gifted deposits are allowed from family members i.e. parents, grandparents, spouse, gifts from wider family members. Gifts from non - family members will be considered on a case by case basis. All gifted deposits must be disclosed. Subject to TML Gifted Deposit/Equity Form from deposit provider and identification.			
Affordability				
Interest coverage rate (ICR) test applies to all cases on an interest only basis	5 or more years fixed rate products: initial rate. All other products: a nominal rate (currently 5.5%) or the initial rate + 2%, whichever is higher. All ICR tests are exclusive of any fees that can be added to the loan.			
ICR	Individuals LTV	Limited Companies/LLP	HMO & Multi-Unit Blocks	New build and flats above commercial
Basic rate tax payer	125%	125%	140%	125%
Higher rate tax payer	140%	125%	140%	140%
Proof of basic rate tax status - All applicants	Where all applicants are declared as basic rate tax status during application, proof of basic rate tax status will be required. Where the ICR meets 140%, we will assess the cases as such and will not require proof of tax status. Acceptable proof is a tax code status letter/payslip/P60/tax calculation plus tax year overview. Other items may be acceptable on a case by case basis.			
Property				
Minimum valuation	£100,000. For converted properties, HMO or any in London and the South East £120,000.			
Maximum valuation	None.			
Tenure	Freehold or leasehold in England and Wales, absolute ownership or freehold in Scotland. Multi-unit blocks must be freehold only.			
Locations	We will consider lending on residential properties in mainland England, Wales & Scotland. We will also consider properties on the Isle of Wight & Anglesey. Applications in relation to properties in Northern Ireland are not acceptable.			
Acceptable tenancies	AST of either 6 or 12 months if the property is in England. Private Residential Tenancy, or Short Assured Tenancy (if prior to 1st December 2017) if the property is in Scotland. Occupation Contract or Standard Contract if the property is in Wales. Shared households and student lets. Corporate lets. Standard format tenancy.			
Unacceptable tenancies	Assured, protected or statutory tenancies. Holiday lets.			

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HMO	
Maximum bedrooms	6
Minimum valuation	£120,000
Maximum LTV	75%
Licence	HMO licence is required if deemed appropriate from the Local Authority.
Property ownership	At least one applicant or Director must have owned, let and still own one or more Buy to Let property for a minimum of 12 months.
Limited Companies/LLP	
Applications	We will only accept applications from Special Purpose Vehicle (SPV) Ltd Companies.
Acceptable Standard industrial Classification (SIC) codes	68100 Buying and selling of own real estate. 68209 Other letting and operating of own or leased real estate. 68320 Management of real estate on a fee or contract basis. 68201 Renting and operating of Housing Association real estate.
Directors or shareholders	For Limited Company applications we will accept up to 4 directors or shareholders. They must cover a minimum of 75% shareholding. If the company has less than 4 directors or shareholders, all must be included in the mortgage application.
Personal guarantees	Personal guarantees are required from all directors and shareholders.
Portfolio lending	
Definition	Applicants with 4 or more mortgaged Buy to Let properties.
Maximum number of properties	No maximum.
Maximum portfolio value	£5,000,000 with The Mortgage Lender.
Evidence requirements	For 4-10 properties: Business plan, Portfolio schedule. On request by underwriting, or for more than 10 properties: Business plan, Portfolio schedule, Cashflow statement, Assets and Liabilities declaration.
Unencumbered properties	Details of all properties held by applicants should be included in the Portfolio Schedule, including unencumbered properties