

# CRITERIA GUIDE

Correct as of 20th May 2021

## ✓ BUY TO LET

- ✓ Portfolios up to £4,000,000
- ✓ HMOs and MUBs
- ✓ Flats above commercial properties
- ✓ Expats

## ✓ RESIDENTIAL

- ✓ Complex incomes and low credit scores
- ✓ Up to 4 applicants with combined incomes
- ✓ Purchase or remortgage available across all products
- ✓ First Time Buyers welcomed



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# RESIDENTIAL CRITERIA

## COVID-19 GUIDANCE

Temporary restrictions	Lending is not available to any applicants: <ul style="list-style-type: none"> <li>• Currently on furlough – applications accepted once returned to work and can provide a latest payslip.</li> <li>• Currently on a COVID-19 related payment holiday or deferral on either secured or unsecured debts</li> <li>• Self-employed applicants operating a business affected by the economic impacts of COVID-19 and have not returned to work/trading at the date of application.</li> </ul>
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## LOAN

Maximum LTV	85% LTV. Interest Only 70%
Minimum loan	£100,000
Maximum loan	£500k up to 85%, £750k up to 80%, £1m up to 75%, £1.5m up to 70%
Minimum term	5 years
Maximum term	40 years (Capital Repayment only)
Remortgage	No remortgage within 6 months of purchase unless from bridging finance provided by other lenders which may include roll up of interest and lender fees
Debt Consolidation	Available up to 75% LTV
Offer validity	4 months. New Build offers are valid for 6 months

## APPLICANT

Minimum age	21
Maximum age	Applicant's stated retirement age or age 70, whichever is sooner.
Maximum number of applicants	4 (all incomes considered)
Marital status	Applications from those who are married, in civil partnership, co-habiting or where there is a financial dependency should be submitted in joint names
FTBs	Accepted across the full product range
Allowable Adverse	Have a look at our product guides to see the level of adverse we can accept
Lending in or into Retirement	We do not currently lend in or into retirement

## INCOME & EVIDENCE

Minimum income	One applicant must earn at least £15,000
Employment history	Whilst there is no minimum time in current employment, applicants need to provide at least 3 months' employment history
Employed	Last 3 months' payslips, further information may be required upon assessment.
COVID-19	Applicants considered who have returned to work from furlough and can fully evidence annual income via their latest payslips. Where annual income has reduced due to employment contract changes, applicants will be assessed on the lower income as detailed on their latest payslips.

Other income	<p>100%</p> <ul style="list-style-type: none"> <li>• Investment income (supported by SA302)</li> <li>• Rental profit (supported by SA302)</li> <li>• Car, large town, shift, housing allowances</li> <li>• Court ordered maintenance</li> <li>• Income from 2nd jobs (12 months' record of employment required)</li> <li>• Pension income (where the customer is not retired or in receipt of state pension)</li> </ul> <p>75%</p> <ul style="list-style-type: none"> <li>• Annual or regular bonus, supported by the latest P60 and payslip for the month bonus was paid.</li> </ul> <p>50%</p> <ul style="list-style-type: none"> <li>• Overtime or commission</li> <li>• Non-regular bonus, profit related pay</li> <li>• Child Tax Credit, Working Tax Credit, Universal Credit (not as main source of income)</li> <li>• Mortgage subsidy</li> <li>• Trust Fund income</li> <li>• Foster care income</li> <li>• Disability/Carers allowance</li> <li>• Incapacity benefit</li> </ul>
Self-employed	Minimum 12 months trading with 1 years accounts or SA302. Income verified with one of following: One years accounts, latest SA302 dated within 12 months or accountant reference covering at least the last year. CIS Contractors to obtain the latest SA302 & Tax Year Overview to verify income, along with the last 3 months pay slips to verify the sustainability of income.
COVID-19	Self-employed applicants accepted once operating a business that is actively trading/ has returned to work. Where applicant has used any of the Government Financial Support Schemes, the proceeds cannot be considered as income
Acceptable income	Sole traders and partnerships - most recent net profit if stable or increasing Limited Co Directors - drawings and dividends. Net profit after tax can be considered

## NATIONALITY & RESIDENCY

Nationality and Residency	<ul style="list-style-type: none"> <li>• All applicants must provide 3 years address history showing at least 2 years continuous UK residency</li> <li>• Foreign nationals in addition must provide evidence of their permanent right to reside in the UK</li> </ul>
Acceptable documents for proof of ID	Valid UK Passport Valid UK Driving Licence - Photo Card Valid non-UK passport or National ID card HM Forces/Police Warrant Card Current firearms licence or shotgun certificate
Acceptable proof of current residential address	Utility bill not more than 3 months old (internet statements considered) Valid UK Driving Licence - Photo Card Bank/credit card statement showing full name and address (internet statements considered) Latest Council Tax bill Latest Mortgage Statement HMRC correspondence Where providing proof of a previous address we will need to see originals

## DEPOSIT CRITERIA

Gifted deposit	100% gifted deposits considered from the following family members: Parent, Child, Grandparent, Sibling, Uncles/Aunts, Cousins, Niece/Nephew Step relatives, Foster Parent, or Legal Guardian
Overseas deposit	Deposits from an overseas account can be considered on a case by case basis
Builders deposit	Acceptable up to 5% of the purchase price on new build properties
Purchase at undervalue	Acceptable where purchasing from a close relative, or a long term tenant buying from their landlord
Directors Loan	For self-employed applicants only (confirmation from an Accountant will be required confirming the loan will not adversely affect the business).
Government Financial Support Schemes	Where the applicant has used any of the schemes, (e.g., SEISS, CBILS or BBLs) the proceeds cannot be used towards deposit funds

# RESIDENTIAL CRITERIA

CONTRACTORS	
Contract length	Only a 1-year track record of employment within the same line of work required. Minimum 6 months remaining on current contract or a rolling 3-month contract which has been renewed at least once.
Income requirements	Day rate x 46 weeks for self employed Umbrella contractors considered
REPAYMENT METHOD Capital Repayment and Interest Only	
Overpayment	Up to 10% per annum without incurring an ERC
Interest Only re-payment vehicle	Cash ISA or other regular savings Regular investments (stocks and bonds) Pensions Sale of another property Downsizing provided equity at completion of at least £200,000 for properties in London & South East and £150,000 in the rest of the UK Other than downsizing, a combination of repayment vehicles can be used.
PROPERTY MINIMUM LOAN TEMPORARILY £100,000	
Minimum valuation	£70,000 Ex LA flats (max 80% LTV) £80,000 outside Greater London, £200,000 within
Locations	Mainland England, Scotland, Wales. Postcode restrictions may apply
Flats	Where security property is on the 4th floor or above, the block needs to have a lift. High quality flats in blocks of up to 20 floors can be considered.
Ex LA flats	No minimum private ownership percentage Deck access allowed Consideration given to blocks above 4 storeys with more than 50 units
Flats above commercial	Up to 75% LTV: Flats above or adjacent to commercial premises. Up to 60% LTV: Flats above or adjacent to restaurants, takeaways, dry cleaners, hair dressers, launderettes, tattoo, piercing or nail parlours.
Unsuitable properties	To find out more about unacceptable properties and Modern Methods of Construction please contact us.
TENURE	
Freehold	Houses only accepted
Leasehold	The lease must have an unexpired term of 40 years remaining at the end of the mortgage term for C&R loans, 70 years remaining for IO
NEW BUILD	
Offer validity	6 months. Extensions of up to 6 months can be considered
Builder deposit/incentive	Acceptable up to 5% of the purchase price
Building Warranty	A warranty should be in place from a suitable provider. See online for full list.

RIGHT TO BUY & ACQUIRE TEMPORARILY WITHDRAWN																			
	Purchase only applications from Local Authorities for Right to Buy and from Housing Associations for Right to Acquire. Available up to 100% of discounted purchase price and 75% of the open market value.																		
HELPING HAND/JOINT BORROWER SOLE PROPRIETOR																			
Definition	Parents and children (including step or adopted) assisting each other to buy or remortgage.																		
Income	Up to 4 applicants with all incomes considered in affordability																		
How it works	Only borrowers named on the title deeds will occupy the property as their main residence. Parent(s) will live elsewhere. All will be jointly and severally liable for the mortgage All borrower names (owner-occupiers & parents) will be on and sign the Mortgage Deed																		
HELP TO BUY TEMPORARILY WITHDRAWN																			
Availability	We will accept applications on the HTB England, Wales, and Scotland shared equity schemes for the purchase of new build properties																		
Max LTV	Purchase up to 75% LTV in England, London, and Wales, 80% in Scotland																		
	HTB England - new equity loan scheme 2021-2023 Each region has a maximum purchase price as detailed below:																		
	<table border="1"> <thead> <tr> <th>Region</th> <th>Price cap for Help to Buy Homes</th> </tr> </thead> <tbody> <tr> <td>North East</td> <td>£186,100</td> </tr> <tr> <td>North West</td> <td>£224,400</td> </tr> <tr> <td>Yorkshire &amp; the Humber</td> <td>£228,100</td> </tr> <tr> <td>East Midlands</td> <td>£261,900</td> </tr> <tr> <td>East of England</td> <td>£407,400</td> </tr> <tr> <td>London</td> <td>£600,000</td> </tr> <tr> <td>South East</td> <td>£437,600</td> </tr> <tr> <td>South West</td> <td>£349,000</td> </tr> </tbody> </table>	Region	Price cap for Help to Buy Homes	North East	£186,100	North West	£224,400	Yorkshire & the Humber	£228,100	East Midlands	£261,900	East of England	£407,400	London	£600,000	South East	£437,600	South West	£349,000
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HTB England - new equity loan scheme 2021-2023	Eligible first time buyers can borrow an equity of up to 20% or up to 40% in London, of the purchase cost of a new build home. Customers will need to provide a minimum 5% deposit from their own resources.																		
HTB Wales	<ul style="list-style-type: none"> <li>Available for both FTB and Homemovers purchasing a new build property.</li> <li>Maximum property valuation £250,000</li> </ul>																		
SCOTTISH FIRST HOME FUND TEMPORARILY WITHDRAWN																			
Availability	Up to £25k towards the purchase of both new build and existing stock. No upper limit on property value however, at least one applicant needs to be a FTB																		
Max LTV	80%																		

# BUY TO LET CRITERIA

## COVID-19 GUIDANCE

Payment Holiday	Applicants on a COVID-19 related payment holiday/deferral (either secured or unsecured debts) can apply once returned to original monthly payments.
First Time Buyer	We are unable to consider FTBs who have been furloughed or if they operate a self-employed business which has not returned to work/trading due to COVID-19.

## LOAN

Maximum LTV	80%
Minimum loan	£100,000
Maximum loan	£1.5m to 65%, £1m up to 75%, £750k up to 80%
Minimum term	5 years
Maximum term	40 years
Remortgage	No remortgage within 6 months of purchase. Bridging finance can be remortgaged within 6 months with capital raising considered where clear evidence of works carried out to improve the value of the property
Offer validity	4 months

## APPLICANT

Minimum age	21 years for primary applicant, 18 for other applicants if direct family members
Maximum age	Mortgage to finish before 85th birthday
Maximum number of applicants	4
First Time Buyer	Applicants who do not currently own any property are acceptable. Where LTV is below 80%, no income assessment required. We are unable to consider FTBs who have been furloughed or if they operate a self-employed business which has not returned to work/trading due to COVID-19.
Allowable adverse	Have a look at our product guides to see the level of adverse we can accept

## AFFORDABILITY

	Rental Cover Rates	HMO/MUB
Basic Rate	125%	130%
Higher Rate	140%	140%
SPV's	125%	130%
Expats	BRT 125%, HRT 140%	BRT 130%, HRT 140%
Rental calculation	5 or more years fixed rate products: initial rate. All other products a nominal rate (currently 5.5%) or the product rate + 2%, whichever is higher.	
Assessment rates	For 2 year fixed £ for £ remortgaging: product rate, 5% minimum	

## NATIONALITY & RESIDENCY

Nationality and Residency	<ul style="list-style-type: none"> <li>All applicants must provide 3 years address history showing at least 2 years continuous UK residency</li> <li>Foreign nationals in addition must provide evidence of their permanent right to reside in the UK</li> </ul>
Acceptable documents for proof of ID	Valid UK Passport Valid UK Driving Licence - Photo Card Valid non-UK passport or National ID Card HM Forces/Police Warrant Card Current firearms licence or shotgun certificate
Acceptable proof of current residential address	Utility bill not more than 3 months old (internet statements considered) Valid UK driving licence - Photo Card Bank/credit card statement showing full name and address (internet statements considered) Latest Council Tax Bill Latest Mortgage Statement HMRC Correspondence Where providing proof of a previous address, we will need to see originals.

## INCOME & EVIDENCE

Income	Applications must be self-funding, income top up no longer accepted.
Consumer BTL	We do not consider consumer BTL
Let to Buy	<b>Considered. Prior to completion, applicants will need to provide a mortgage offer for their onwards residential purchase. The Remortgage and Purchase must complete simultaneously.</b>
Government Financial Support Schemes	Where the applicants have used any of the schemes, (e.g. SEISS, CBILS or BBLs), proceeds cannot be considered as income.

## EXPAT

Eligibility	British Citizens living or working in over 180 FATF member countries or Confederations, excluding high risk countries (see FATF <a href="http://www.fatf-gafi.org/countries/#high-risk">http://www.fatf-gafi.org/countries/#high-risk</a> ) Minimum property value of £150,000 for non EEA landlords
LTV	Up to 75% LTV except Australia where maximum is 70%
SPV	Applications can be considered where one or more director(s) or shareholder(s) of an SPV registered in England, Wales or Scotland is resident overseas as an Expat
Existing Landlords	Need to own a BTL property in the UK and receive rental income Maximum loan £1,000,000
First Time Landlords <i>(must own a UK property)</i>	Evidence of a UK tax liability within the last 5 years required Maximum loan £500,000
Applicant profile	Applicants must be able to demonstrate they have at least three active credit accounts in the UK, e.g. UK bank account, mortgage (acceptable even if redeemed up to two years ago), other credit.

## MULTI UNIT BLOCKS

Applicant profile	At least one applicant must have 1 year's landlord experience.
Min valuation	£175,000 for the freehold block in London and SE, £125,000 in all other regions
Number of Unit	Up to 5 self-contained units on a single freehold title. Flats only, no mixed units.

## HOUSES OF MULTIPLE OCCUPANCY / STUDENT LETS

Applicant profile	At least one applicant must have 1 year's landlord experience
Min valuation	£100,000
Number of bedrooms	Up to 8 bedrooms
Licencing requirements	HMO licence is required if deemed appropriate from the Local Authority

## SPECIAL PURCHASE VEHICLES (SPVs) LIMITED COMPANY LENDING

Definition	Applications accepted from SPVs that have been formed for the sole purpose of holding residential Buy to Let properties as assets. Trading limited company lending is not permitted
Directors or shareholders	Up to 4 individuals. SPV must be registered in England, Wales or Scotland
Acceptable SIC codes	68100, 68209, 68320, 68201
Personal Guarantees	All directors and all classes of shareholder are required to provide joint and several guarantees unless under 18 and a dependent of a director
Holding Companies	The SPV must not be a holding company or subsidiary, or have any subsidiaries or holding companies
Connected transaction	Where the security property is registered in the personal name of one of the applicants, at least one of the current owners must also be a shareholder of the SPV named on the application.
Bounceback Loan	We are currently unable to lend to a SPV that has taken out a Coronavirus Bounceback Loan or financially linked to another entity which has.
Deed of Trust	We are unable to lend where a Deed of Trust is in place

## PORTFOLIO LANDLORDS

Definition	Having 4 or more mortgaged BTL properties
Experience	1 year's experience of owning a BTL property
Maximum value	Up to 20 properties with a maximum of £4,000,000 in a Vida portfolio No limit on overall portfolio size. Average LTV up to 80% Rental stressing will only be applied to mortgages held by Vida. Background portfolio required to meet a minimum ICR/applied stress of 125%.
Minimum valuation	£50,000 up to 70%, £70,000 above 70% Ex LA flats (max 80% LTV) £80,000 outside Greater London, £200,000 within
Locations	Mainland England, Scotland and Wales. Postcode restrictions apply

## PROPERTY **MINIMUM LOAN TEMPORARILY £100,000**

Flats	Where security property is on the 4th floor or above, the block needs to have a lift. High quality flats in blocks up to 20 floors can be considered
Ex LA Flats	No minimum private ownership percentage Deck access allowed Consideration given to blocks above 4 storeys and with more than 50 units
Flats above commercial	Up to 75% LTV: Flats above or adjacent to commercial premises. Up to 60% LTV: Flats above or adjacent to restaurants, takeaways, dry cleaners, hairdressers, launderettes, tattoo, piercing or nail parlours
EPC requirements	We require all BTL properties to have a valid Energy Performance Certificate (EPC) rating of E or above, unless a valid exemption has been registered. Any future legal change to the minimum EPC rating must be maintained for the full term of the mortgage.
Unsuitable properties	To find out more about unacceptable properties and Modern Methods of Construction please contact us.

## TENURE

Freehold	Houses only accepted
Leasehold	The lease must have an unexpired term of 40 years remaining at the end of the mortgage term for C&R loans, 70 years remaining for IO.
Tenancies	AST, Corporate lets, shared households and student lets. DSS accepted Assured, protected, statutory or 'sitting tenants' not accepted

## NEW BUILD Defined as one that has never been occupied

Offer validity	6 months, extendible for up to a further 6 months on the same product subject to credit search, affordability, and re-valuation
Building warranty	A warranty should be in place from a suitable provider. See online for full list

## DEPOSIT CRITERIA

Gifted Deposits	100% gifted deposits considered from the following family members: spouse/partner, parent, child, grandparent, sibling, step relatives, foster parent or legal guardian
Overseas Deposit	Deposits from an overseas account can be considered on a case by case basis
Builder Deposit/ incentive	Acceptable up to 5% of the purchase price on new build properties
Purchase at undervalue	Acceptable where purchasing from a close relative, or a long-term tenant buying from their landlord
Inter Co Loans	We are unable to consider intercompany loans as a source of deposit
Directors Loan	For self-employed applicants only (confirmation from an Accountant will be required confirming the loan will not adversely affect the business).
Government Financial Support Schemes	Where an Applicant has used any of the schemes, (e.g., SEISS, CBILS or BBLs), proceeds cannot be used towards deposit funds.

# VALUATION AND ASSESSMENT FEES

## RESIDENTIAL & BUY TO LET

Property Value	Valuation Fee	Assessment Fee (non-refundable)	Total Fee
Up to £100,000	£190	£180	£370
£100,001 - £200,000	£265	£180	£445
£200,001 - £300,000	£340	£180	£520
£300,001 - £400,000	£410	£180	£590
£400,001 - £500,000	£525	£180	£705
£500,001 - £600,000	£585	£180	£765
£600,001 - £700,00	£640	£180	£820
£700,001 - £800,000	£695	£180	£875
£800,001 - £900,000	£695	£180	£875
£900,001 - £1m	£745	£180	£925
Over £1m - £1.25m	£1100	£180	£1280
Over £1.25m - £1.5m	£1220	£180	£1400
Over £1.5m - £1.75m	£1325	£180	£1505
Over £1.75m - £2m	£1565	£180	£1745
Over £2m - £2.25m	£1835	£180	£2015
Over £2.25m - £2.5m	£1955	£180	£2135
Over £2.5m - £2.75m	£1995	£180	£2175
Over £2.75m - £3m	£2115	£180	£2295
Over £3m	By Negotiation		

'No search indemnity insurance' is now permitted for residential and BTL remortgages for properties in England and Wales using a specific Vida approved policy. This saves time and money for your client during conveyancing by not requiring certain property searches. Available on all owner occupied and BTL property types, including HMOs and Multi Unit Block. Full details in the UK Finance (CML) Handbook. Excludes unencumbered properties or Scotland.

## RESIDENTIAL & BUY TO LET FEE SAVER

Property Value	Valuation Fee	Assessment Fee (non-refundable)	Total Fee
Up to £500,000	Nil	£49	£49
£500,001 - £600,000	£585	£180	£765
£600,001 - £700,00	£640	£180	£820
£700,001 - £800,000	£695	£180	£875
£800,001 - £900,000	£695	£180	£875
£900,001 - £1m	£745	£180	£925
Over £1m - £1.25m	£1100	£180	£1280
Over £1.25m - £1.5m	£1220	£180	£1400
Over £1.5m - £1.75m	£1325	£180	£1505
Over £1.75m - £2m	£1565	£180	£1745
Over £2m - £2.25m	£1835	£180	£2015
Over £2.25m - £2.5m	£1955	£180	£2135
Over £2.5m - £2.75m	£1995	£180	£2175
Over £2.75m - £3m	£2115	£180	£2295
Over £3m	By Negotiation		

For properties up to £500,000, one free standard valuation and refund of the reduced £49 assessment fee paid at application within 30 days of completion into the mortgage direct debit account.

For properties valued above £500,000, the standard valuation and assessment fee is payable upon application, but is refunded (up to a maximum of £650) within 30 days of completion into the mortgage direct debit account. Available in England and Wales and Scotland.

### THIS DOCUMENT IS FOR THE USE OF PROFESSIONAL MORTGAGE INTERMEDIARIES ONLY.

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