

# BUY TO LET CRITERIA GUIDE

<b>Applicant</b>	
<b>Number of applicants</b>	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.
<b>Minimum age</b>	21 years at application.
<b>Maximum age</b>	80 years at application, 95 years at end of term.
<b>Nationality</b>	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.
<b>Acceptable proof of ID &amp; address</b>	If we are unable to verify all applicants using Electronic ID, proof of ID and residency will be required for each applicant.
<b>Impaired credit</b>	Please refer to the product guide for product credit profile criteria. Credit profile refers to the individual personal applicants.
<b>Consumer Buy to Let</b>	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.
<b>First Time Landlord</b>	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.
<b>COVID Payment Deferrals</b>	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.
<b>Employment/Income</b>	
<b>Minimum income &amp; Employment status</b>	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.
<b>Employed</b>	1 month's payslip required, or P60.
<b>Self-employed</b>	Latest SA302, accounts or Tax Calculation with corresponding Tax Summary.
<b>Contractors</b>	1 month's payslip or contract.
<b>Retired</b>	Latest pension statement or evidence of other income source.

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<b>Loan</b>	
<b>Purpose</b>	Purchase and remortgage.
<b>Remortgage</b>	Remortgages within 6 months of purchase can be considered. Please contact The Hub for more information.
<b>Repayment method</b>	Capital and Interest. Interest Only. Part & Part.
<b>Minimum loan</b>	£25,001
<b>Porting</b>	Our loans are not portable.
<b>Offer validity</b>	3 months. New build offers will be valid for 6 months.
<b>Payment method</b>	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.
<b>Capital Raising</b>	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.
<b>Void Reserves</b>	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
<b>£1,000,000</b>	75%	75%	75%	70%
<b>£1,500,000</b>	75%	75%	60%	70%
<b>£3,000,000</b>	70%	70%	N/A	N/A
<b>Minimum Term</b>	5 years			
<b>Maximum Term</b>	35 years			

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<b>Deposit</b>				
<b>Deposit</b>	Deposits are required to be evidenced.			
<b>Acceptable deposits</b>	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.			
<b>Vendor/builder gifted deposit</b>	New build properties can have up to 5% builder gifted deposit. Converted properties up to 5% considered on a case by case basis.			
<b>Gifted Deposit</b>	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, identification and evidence of funds.			
<b>Family gifted equity</b>	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.			
<b>Affordability</b>				
<b>Interest coverage rate (ICR) test applies to all cases on an interest only basis</b>	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.			
<b>ICR</b>	Individuals LTV	Limited Companies/LLP	HMO & Multi-Unit Blocks	New build and flats above commercial
<b>Basic rate tax payer</b>	125%	125%	140%	125%
<b>Higher rate tax payer</b>	140%	125%	140%	140%
<b>Proof of basic rate tax status - All applicants</b>	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.			
<b>Property</b>				
<b>Minimum valuation</b>	£50,000. For converted properties, HMO or any in London and the South East £120,000.			
<b>Maximum valuation</b>	None.			
<b>Tenure</b>	Freehold or leasehold in England and Wales, absolute ownership or freehold in Scotland. Multi-unit blocks must be freehold only.			
<b>Locations</b>	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.			
<b>Acceptable tenancies</b>	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.			
<b>Unacceptable tenancies</b>	Assured, protected or statutory tenancies. Holiday lets.			

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<b>HMO</b>	
<b>Maximum bedrooms</b>	6
<b>Minimum valuation</b>	£120,000
<b>Maximum LTV</b>	75%
<b>Licence</b>	HMO licence is required if deemed appropriate from the Local Authority.
<b>Property ownership</b>	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.
<b>Limited Companies/LLP</b>	
<b>Applications</b>	We will only accept applications from Special Purpose Vehicle (SPV) Ltd Companies.
<b>Acceptable Standard industrial Classification (SIC) codes</b>	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.
<b>Directors or shareholders</b>	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.
<b>Personal guarantees</b>	Personal guarantees are required from all directors and shareholders.
<b>Portfolio lending</b>	
<b>Definition</b>	Applicants with 4 or more mortgaged Buy to Let properties.
<b>Maximum number of properties</b>	No maximum.
<b>Maximum portfolio value</b>	£5,000,000 with The Mortgage Lender.
<b>Evidence requirements</b>	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.
<b>Unencumbered properties</b>	Details of all properties held by applicants should be included in the Portfolio Schedule, including unencumbered properties