

Buy to Let Criteria



<u>Application</u>	
Rental Income	The rental income must cover at least 125% of the mortgage payment based on a pay rate of 5%
Minimum Loan	£30,000
Maximum Loan	£500,000 (if above £500,000 please refer)
Minimum Property Value	£125,000
Maximum Property Value	No maximum
Maximum LTV	Product specific – up to 80% LTV (65% for flats)
Term	5-35 years
Maximum number of properties	Your client can apply for up to 5 buy to let properties with the Marsden up to a combined total of £750,000.
Acceptable Tenants	No family members, no DWP, no multiple tenancies, holiday lets or student lets. All subject to assured Shorthold tenancy agreements- 12 months maximum.
The Deposit	Applicants own deposit (we do not accept gifted deposit).
<u>The Applicant</u>	
Minimum Age	25
Maximum Age	75 (at the end of the mortgage term)
Residency and property ownership	The applicants must currently own and occupy their own property in the UK. Non EEA Nationals – The applicants must have resided in the UK for the past two years and have permanent right to reside. Applicants who own existing BTL properties will be required to supply; <ul style="list-style-type: none"> • Details of mortgage payments/rental payments.
Unacceptable applications	Lending to Limited Companies is not accepted

<u>Credit History</u>	
Impaired	An application from discharged bankrupts/IVA's not acceptable.
CCJ's & Defaults	<p>County Court Judgement and Defaults</p> <ul style="list-style-type: none"> • If an applicant has one or more CCJ/Defaults with a total less than £500 within the previous 3 years, the case can proceed subject to satisfactory explanation and the CCJ/Default has been satisfied/cleared 12 months prior to application. • Any CCJ/Defaults beyond the 3 year period are acceptable subject to a satisfactory explanation and must have been satisfied/cleared 12 months prior to application. • No other adverse entries must show on credit file.
Missed/Late payments	<ul style="list-style-type: none"> • Missed/late payments on loans and mortgages are not acceptable. • A maximum of 5 status 1s in the previous 24 months on a credit card/phone bill/mail order are acceptable if we are satisfied with the explanation. Within those five late payments a maximum of 3 status 2s on phone bills/mail order are acceptable if under £100. • No other adverse entries must show on the credit file within last 3 years. • Status 2 – credit card, hire purchase or mail order - Ok to proceed subject to the commitment being up to date for a minimum of 12 months prior to application. The acceptance of applications with missed payments is on the basis that applicants have isolated occurrences and the current credit file should show no missed or late payments or balances being above bank or credit card limits. • Status 3 or above – refer to underwriting if there is considered merit in the overall application.
<u>Income</u>	
Income Type	<ul style="list-style-type: none"> • The annual earned income must be at least £25,000. This can be joint where applications are for applicants living together (partners). If the application is for friends or relatives, then each must earn £25,000. • Pension income is acceptable. • Income must be evidenced by payslips/tax assessments./accounts.
Employed	<ul style="list-style-type: none"> • At the time of the application, applicants should be in permanent employment. • We may consider applicants who have recently taken up new employment, providing it is the same occupation and no employment gaps have occurred. • Contract workers will be considered where the contract has been renewed at least once with the same employer.

	<ul style="list-style-type: none"> • Agency or Temporary workers are not considered.
Self-Employed	<ul style="list-style-type: none"> • We assess the applicant's income based on the most recent years' income (or salary and dividends in the case of shareholding directors). • We require the latest tax assessment and accounts.
<u>Tenure</u>	
Tenure	<ul style="list-style-type: none"> • Both freehold and leasehold are acceptable. • For leasehold, there must be a minimum of 85 years unexpired lease at the start of the mortgage and 55 years remaining at the end. • Freehold flats/maisonettes are not acceptable. • Flying freeholds – refer.
<u>The Property</u>	
Acceptable Properties	<ul style="list-style-type: none"> • Properties in England and Wales • Minimum Property value is £125,000. • The property must be let on an Assured Shorthold Tenancy (AST) – 12 months maximum. • All tenants must be named on AST. • We do not allow sub-letting (e.g. the applicant lets the property to the local authority who in turn offers the property for social housing).
Unacceptable Properties	<ul style="list-style-type: none"> • Commercial Properties. • Flats, Maisonettes and apartments above 65% LTV. • Properties built <2 years and which have not yet been occupied. • Ex-local authority flats/maisonettes. • Flats/apartments more than 4 storeys – if above 4 storeys, they must be serviced by at least 1 lift. If above 10 storeys, referral to underwriting required. • Flats above commercial properties. • Properties let or to be let to DWP tenants. • Properties in multiple occupation or converted into bedsits with shared kitchen/bathroom at the time of application. • Ex-commercial properties/guesthouses/hotels. • Properties that are not in a suitable condition for letting. • Properties where the applicant is buying in their personal name from their own limited company. • Sale and rent back scenarios and distressed sales, including remortgage where the original vendor is residing in the property. • Purchases – properties that the vendor has owned for less than 12 months. • Remortgaged properties that have been owned for less than 12

	months at the time of the application.
<u>Repayment methods</u>	
Repayment methods	<ul style="list-style-type: none"> • Your client can apply for a mortgage on a wholly repayment basis, wholly interest only basis or a mixture of the two. • BTL's will be stressed on I/O even if the application is on a repayment basis, providing the applicant appears to have the means to support the higher monthly payment (monthly surplus and a good credit file/ evidence maintained a repayment mortgage with their current lender.

<u>Supporting Documents</u>	
With each application	<ul style="list-style-type: none"> • 3 months bank statements. • Latest payslip/ tax assessment & accounts. • Purchase; - evidence of savings equivalent to 3 months mortgage payments • Remortgage; - buildings insurance schedule. • Personal ID for each applicant; UK or EU passport. Full UK or EU driving licence (not provisional) Armed forces ID card/police warrant card. • Address ID for each applicant; Recent utility bill.

Any questions please get contact our Intermediary Team on 01282 440583 or intermediaries@themarsden.co.uk