

Consumer Buy-to-Let

Plan name	Prime			Light				Medium	Heavy
	RTSP:02	RTSP:21	RTSP:22	RTSL:02	RTSL:22	RTSL:23	RTSL:03	RTSL:04	RTSM:03
Maximum demerits	0 in 12			1		2	3	5	6
Maximum secured arrears	0 in 12			0 in 3 (1 in last 12)		1 in 3 (2 in 12)	1 in 3 (3 in 12)	2 in 3 (4 in 12)	4 in 12
Maximum CCJs / defaults	0 in 12			0 in 3 (1 in last 12)		2 in 12	3 in 12	4 in 12	6 in 12

Max LTV:	Remortgage:	70%	65%	60%	70%	65%	60%	65%	65%	65%	55%
	2nd Charge:	75%	70%	60%	70%	65%	60%	65%	65%	65%	55%

Max Loan:	Remortgage:	£250,000	£500,000	£2,000,000	£250,000	£500,000	£2,000,000	£500,000	£500,000	£200,000	£200,000
	2nd Charge:	£100,000	£250,000	£500,000	£150,000	£250,000	£500,000	£250,000	£250,000	£100,000	£100,000

*We will consider applications above maximum loan amounts by referral

≤65% LTV	Variable rate	5.99%	8.10%	10.10%	10.27%	12.00%	13.00%
≥65% LTV		6.49%	8.60%				
≤65% LTV	5 year fixed	6.99%	9.10%	11.10%	11.27%	13.00%	14.00%
>65%Ltv		7.49%	9.60%				
≤65% LTV	Reversionary Rate	BBR+5.74	BBR+7.85%	BBR+9.85%	BBR+10.02%	BBR+11.75%	BBR+12.75%
>65%Ltv		BBR+6.24	BBR+8.35%				
Loan Terms	Loan Terms: 4-30 years. Minimum fixed rate term: 5 years						
Interest only loans	0.5% premium to above rates						

Applicants	Properties	Affordability	Fees
<ul style="list-style-type: none"> No maximum age where rental income meets or exceeds the required interest coverage ratio (ICR) Employed, self-employed, contract workers, zero hour contracts, retired, benefits and DWP accepted Lending in retirement – accepted Lending into retirement – by referral 	<ul style="list-style-type: none"> Most property types are accepted Reduce max LTV by 5% if property value is below £125,000 Reduce max LTV by 5% if B type property Reduce max LTV by 10% if C type property See underwriting criteria overleaf for property type definitions 	<ul style="list-style-type: none"> Tiered ICR: <ul style="list-style-type: none"> 125% - Basic rate taxpayers 145% - Higher rate taxpayers 165% - Additional rate taxpayers Projected rents accepted If ICR not met an affordability assessment will be completed No minimum income requirements 	<ul style="list-style-type: none"> No early repayment charges Arrangement Fee: 3.5% of the net loan (loan amounts ≤£50,000; min £450); 2.5% of the net loan (loan amounts >£50,000) Commission: 2.25% (loan amounts ≤£100,000); 2.00% (loan amounts £100,001 to £200,000); 1.75% (loan amounts >£200,000)

Property types

A type - standard construction houses and bungalows including ex-council
B type – Reduce Max LTV by 5% (to a minimum of 50%)
 Flats and maisonettes (up to a maximum of 6 floors), ex-council flats and maisonettes (up to a maximum of 4 floors) and purpose built apartments (not ex-council)
C type – Reduce max LTV by 10% (to a minimum of 50%)
 All other property types, including ex-council flats and maisonettes (over 4 floors), non-standard construction, defective, high-rise (over 6 floors) or poor remarks on valuation

Maximum LTV may be reduced if there is more than a 10% difference between market value and the 90 day projected market valuation, a `cash` valuation has been supplied or `poor` is detailed on the valuation. Please refer.

Bypass schemes

Drive by valuation bypass:

Maximum Loan	£25k*	£50k	£100k
Maximum LTV	70%	65%	50%
Property Types	A B		
Valuation	£0 - £750k		

* Prime plans only
 100% residential properties only. Valuation bypass schemes are not available for new build properties.

Affordability

Buy to Let Rental Income

Rental Income (or Agent Assessed Rental Income) must meet the below criteria based on the customer's tax banding. In the case of joint applications the highest tax banding of the applicants is applicable.

125% - Basic rate taxpayers
 145% - Higher rate taxpayers
 165% - Additional rate taxpayers

If the rent does not meet the above tiers we will complete an enhanced affordability assessment, taking into account other forms of income and expenditure.

Credit profile & demerits

Product selection is based on demerits defined as a CCJ, default or arrears:

Individual CCJs and defaults:

- Ignore – all ≤£300 or satisfied ≤£3,000
- 1 demerit – unsatisfied £300 - £10,000; satisfied in last 12 month >£3,000
- Refer – unsatisfied >£10,000

Secured arrears:

Demerit points are defined as the highest number of arrears in the last 12 months on all first and second charge mortgages for the applicant(s)

Satisfactory explanations are required for arrears, defaults, CCJs and rent arrears
Bankruptcy, IVA, or similar: Subject to underwriter referral only

Debt Management Plans are considered by referral on medium/heavy plans with minimum 2 years satisfactory conduct.

Debt Management Schemes not accepted

Qualifying contracts

A mortgage is a consumer buy to let (CBTL) on the basis of the following statements.

The statements are in priority order, so if someone owns a BTL property already (4) and inherits a further property (7) the application will not be a CBTL.

1. If the borrower or a 'related person' does not occupy any part of the property
2. The borrower is an Individual, Partnership of 3 or less persons, or an unincorporated body
3. The loan purpose is not to purchase the security
4. The borrower does not own any other properties which are rented out
5. The transaction is a 'Let to Buy' transaction
6. The borrower or a 'related person' has lived in the property since it was last purchased
7. The property was inherited

Please see the Personal Lending Underwriting Guide for full details.

Other Information

The Loan:

- First charge mortgages available from £5,000 to £2,000,000
- Second charge mortgages available from £5,000 to £500,000
- Interest Only available on loans over £25,000
- Term: 4 to 30 years variable rate
- No affordability assessment where rental income meets the required interest coverage ratio

LTVs:

Based on open market value
 LTVs are based on the net loan.

Occupants:

An original or certified copy of a signed Assured Shorthold Tenancy (AST) required for Buy to Let properties.

If there isn't an occupant an agent's rental assessment is required and 90% of that rental assessment must meet the required ICR banding.

Further Information:

Please download our Personal Finance Underwriting Guide for full details of our underwriting criteria

Contact Us:



01403 27 26 25
www.atomltd.co.uk