

Our Buy to Let (BTL) and Holiday Let Criteria

Interest Coverage Ratio (ICR) and Affordability Stress Test

- Minimum Interest Cover Ratio of 140%.
- Stress rate of 5.5% for purchase and capital raising remortgages, 5% for non-capital raising remortgages.
- When assessing background rental properties our ICR is 140% and stress test rate is 5%.

The Property

- Minimum property valuation is £50,000 irrespective of location.
- Maximum individual loan is £500,000.
- BTL: Properties must be let on an Assured Shorthold Tenancy agreement with no maximum tenancy period required.
- Holiday let: Rental income must be independently verified¹.

Affordability

- BTL: No minimum income requirements, however proof of income is still required.
- Holiday let: Minimum income £40k.
- Portfolio landlords (4+ mortgaged rental properties) will need to detail their assets and liabilities, as well as future portfolio intentions. In more complex cases the Society may request additional information, such as a cash flow.

Minimal Documentation Requirements

Landlords with 3 or less mortgaged rental properties are only required to provide their last monthly bank statement and proof of income, in addition to minimum documentation requirements e.g. proof of identity².

Portfolio landlords are required to provide their last monthly bank statement, evidence of last 3 months rental payments and proof of income, in addition to minimum documentation requirements e.g. proof of identity².

Dedicated Team

We have a dedicated BTL, Portfolio BTL and Holiday Let underwriting team.

The Applicant

- At least one applicant should be an existing residential property owner.
- Maximum number of mortgaged rental properties (irrespective of lender) is 10. Maximum number of mortgaged rental properties with The Society is 4.

Products Available

- Purchase and remortgage products.
- Up to 70% LTV.
- Interest only.
- Maximum age at the end of the term is 85 years.

Information correct as of November 2018. 1 Verification must be by either the Society's valuers (standard AST or on a holiday letting basis), or confirmed by an actual letting history for at least 12 months, or HMRC tax confirmation (i.e. SA302 and tax year overview), confirmed by an accountant/set of accounts. 2 Income verification: employed – latest month or 4 weekly payslips; self-employed – an accountants certificate, last year's full accounts from a qualified accountant or last year's SA302 and tax year overview.

