

# tipton intermediaries buy to let

October 2016

## New product launches

### OUR 3 YEAR DISCOUNTS

| Product code | Initial rate | Product <sup>1</sup>                                | Revert to rate         | The overall cost for comparison is | Maximum LTV | Maximum loan | Product rate floor <sup>2</sup> | Product fees  |
|--------------|--------------|---|------------------------|------------------------------------|-------------|--------------|---------------------------------|---|
| BD015        | 2.68%        | 2.56% discount from our BTLVR until 31 October 2019 | BTLVR, currently 5.24% | <b>4.8% APRC</b>                   | 70%         | £350,000     | 2.68%                           | No fees   |
| BD016        | 2.38%        | 2.86% discount from our BTLVR until 31 October 2019 | BTLVR, currently 5.24% | <b>4.7% APRC</b>                   | 70%         | £350,000     | 2.38%                           | £199 booking fee <sup>3</sup> and £1,799 arrangement fee <sup>4</sup> |

### OUR 5 YEAR DISCOUNT WITH NO EARLY REPAYMENT CHARGES

| Product code | Initial rate | Product   | Revert to rate         | The overall cost for comparison is | Maximum LTV | Maximum loan | Product rate floor <sup>2</sup> | Product fees | Additional product incentives |
|--------------|--------------|---|------------------------|------------------------------------|-------------|--------------|---------------------------------|--------------|-------------------------------|
| BD017        | 2.98%        | 2.26% discount from our BTLVR until 31 October 2021 | BTLVR, currently 5.24% | <b>4.5% APRC</b>                   | 70%         | £350,000     | 2.98%                           | No fees      | No Early Repayment Charges    |

### OUR 3 YEAR DISCOUNT REMORTGAGES

| Product code | Initial rate | Product <sup>1</sup>                                | Revert to rate         | The overall cost for comparison is | Maximum LTV | Maximum loan | Product rate floor <sup>2</sup> | Product fees  | Additional product incentives  |
|--------------|--------------|---|------------------------|------------------------------------|-------------|--------------|---------------------------------|---|--|
| BRD15        | 2.78%        | 2.46% discount from our BTLVR until 31 October 2019 | BTLVR, currently 5.24% | <b>4.8% APRC</b>                   | 70%         | £350,000     | 2.78%                           | £199 booking fee <sup>3</sup>   | Free standard valuation <sup>5</sup> and free standard legal fees <sup>6</sup> |
| BRD16        | 2.48%        | 2.76% discount from our BTLVR until 31 October 2019 | BTLVR, currently 5.24% | <b>4.7% APRC</b>                   | 70%         | £350,000     | 2.48%                           | £199 booking fee <sup>3</sup> and £1,799 arrangement fee <sup>4</sup> | Free standard valuation <sup>5</sup> and free standard legal fees <sup>6</sup> |

### OUR 5 YEAR DISCOUNT REMORTGAGE WITH NO EARLY REPAYMENT CHARGES

| Product code | Initial rate | Product   | Revert to rate         | The overall cost for comparison is | Maximum LTV | Maximum loan | Product rate floor <sup>2</sup> | Product fees                  | Additional product incentives   |
|--------------|--------------|---|------------------------|------------------------------------|-------------|--------------|---------------------------------|-------------------------------|---|
| BRD17        | 3.08%        | 2.16% discount from our BTLVR until 31 October 2021 | BTLVR, currently 5.24% | <b>4.6% APRC</b>                   | 70%         | £350,000     | 2.99%                           | £199 booking fee <sup>3</sup> | Free standard valuation <sup>5</sup> , and free standard legal fees <sup>6</sup> and no Early Repayment Charges |

<sup>1</sup> Early Repayment Charges apply during the discount product term. A maximum of 10% of the original loan can be repaid each year without charge. If the loan is redeemed or switched to another product during the discount product term then the full amount of the Early Repayment Charge will apply. For further details contact a member of the team.

<sup>2</sup> The interest rates on our discount products are floored and cannot fall below the rate shown.

<sup>3</sup> The booking fee is non-refundable and non-transferable and must be paid on application.

<sup>4</sup> The arrangement fee can be deducted from the advance or added to the loan. Where this fee is a percentage value, the amount of the fee is calculated as a percentage of the loan amount.

<sup>5</sup> We will cover the cost of one standard mortgage valuation on the property. The customer may choose to have a RICS Homebuyers Report, however they will have to cover the difference in cost between a standard mortgage valuation and the RICS Homebuyers Report.

<sup>6</sup> If the customer chooses to use our own conveyancers they will only act for the Society, and not for the customer, during the remortgage transaction. If the customer needs to add or remove a name on the mortgage they must appoint their own solicitors, in which case they will receive £250 cashback towards their costs

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Rates correct at 1 October 2016 and can be withdrawn without notice.

## Getting in touch



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## Lending criteria

### Essential loan criteria

- Maximum 70% loan to value;
- Minimum loan amount of £50,000;
- Minimum valuation of £75,000 (£250,000 for properties located within the M25 corridor).

### Essential applicant criteria

- Must be aged 25 or over;
- Term cannot extend past the eldest borrowers 85<sup>th</sup> birthday;
- Minimum £20,000 income;
- Must own their own residential property.

### Portfolio size

- No limit on the number of properties within a portfolio, subject to a maximum overall exposure held with the Society of £1million (includes residential lending);
- Minimum rental coverage of 140% across the portfolio.

### Acceptable landlord types

- Self-employed professional landlords:
  - Minimum rental coverage of 140% at a reference rate of 5.5%;
  - Rental income can be accepted as a suitable source of income.
- Experienced landlords:
  - Minimum rental coverage of 140% at a reference rate of 5.5%;
  - Must currently hold, or have held during the previous 12 months, at least one property on a BTL basis;
  - Rental income will not be accepted as a suitable source of income.
- First time landlords:
  - Minimum rental coverage of 145% at a reference rate of 5.5%;
  - Applicant's main residential property must be the highest valued property asset;
  - Applications where all borrowers are first time buyers will not be considered;
  - A first time landlord is defined as any landlord that has not held a property on a BTL basis during the previous 12 months.

## Mortgage packaging

Before you submit an application it's always beneficial to complete a decision in principle (DIP) application form first. You can download a copy of the form from our [website](#).

On receipt of a DIP, a member of our team will advise whether or not we can assist. We aim to respond to all DIPs within 24 hours.

To help us reduce the time it takes to issue your clients with their mortgage offer, the following items are required as standard for all new Buy To Let mortgage applications:

- certified proof of identification and proof of address;
- their last three months, salary fed, bank statements;
- their last three months payslips and most recent P60;
- their last years' accounts if they are self-employed;
- proof of deposit; and
- full schedule of any existing BTL portfolio.

We aim to issue a mortgage offer within 14 working days of receipt of a fully packaged mortgage application.

## Assessing affordability

Affordability is based on satisfactory rental income. As an indication, for experienced landlords, rental income must cover 140% of the mortgage payment at a reference rate of 5.5%. For first time landlords, rental income must cover 145% of the mortgage payment at the 5.5% reference rate.

A copy of our rental income calculator can be downloaded directly from our [website](#) and provides you with an indication of how much rental income the property must generate in order for us to lend to your client.

Your clients must earn a minimum of £20,000. For self-employed professional landlords, rental income can be accepted as a suitable source of income. For all other landlord types, the minimum income requirement **excludes** rental income. In the case of joint applications, one applicant must earn at least £20,000.

To verify if your clients meet our criteria, please contact a member of the team directly.