

Buy-to-let product guide

Portfolio - England, Wales and Scotland

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3.40% 2 YEAR FIXED

SCC - nil product fee - 75% LTV
Free mortgage valuation and £250 cashback

LIMITED
EDITION

PAGE 3

3.84% 5 YEAR FIXED

HMO/MUB - 0.50% product fee - 75% LTV
Free mortgage valuation and £500 cashback

LIMITED
EDITION

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3.89% 5 YEAR FIXED

HMO/MUB - 0.50% product fee - 80% LTV
Free mortgage valuation and £500 cashback

LIMITED
EDITION


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3.76% 5 YEAR FIXED

Remortgage only
SSC. Nil product fee - 75% LTV
No application fee
Free mortgage valuation and £400 cashback

LIMITED
EDITION

FOR INTERMEDIARY USE ONLY

 0345 849 4040

 0345 849 4041

@ btlenquiries@paragonbank.co.uk

 www.paragonbank.co.uk

Applies to all products

APR calculated using an illustrative loan of £150,000.

A non refundable application fee of £150, unless otherwise stated.

All products are subject to availability of funds and withdrawal at any time.

After the fixed period, if the mortgage is interest only, it may be converted to capital and interest repayment, subject to 28 days' written notice.

Please refer to the Mortgage Conditions for full details.

All products are funded by Paragon Bank PLC.

Where our 5 year fixed rate products revert to Paragon SVR (currently 5.35%) less 0.75% = 4.60%, a minimum rate of 3.00% applies after the fixed rate period.

Interest coverage ratio (ICR)

The gross rental income from the property should equal or exceed the ICR as determined using a combination of the tax band applicable to an applicant's income and the property type. The tax band applicable to the applicant with the highest income will be used. This will be calculated using the amount requested, at either the product charging rate plus 2% or 5.5%, whichever is the greater. The exception to this rule will be 5 year fixed rate products, which will be calculated using the amount requested, at either the product charging rate or 4.00%, whichever is the greater. The applicable ICR rate will be shown against each product. For limited liability partnerships, the tax band appropriate to the applicant (member) with the highest income will be used.

		PROPERTY TYPE	
		Single self contained unit (SSC)	House in multiple occupation (HMO), Multi-unit block (MUB) and all other property types
TAX STATUS	Limited company	125%	130%
	Basic rate tax payer (20%)	125%	130%
	Higher rate tax payer (40%)	140%	145%
	Additional rate tax payer (45%)	140%	145%

We must be satisfied that the applicant(s) are able to withstand increases in mortgage interest rates, cover rental voids and be able to afford the mortgage now and after any fixed period expires.

Future affordability

To cater for the PRA affordability regulation, we've made some changes to our mortgage application system. We've kept the changes to a minimum, but we will now require a fully completed property schedule on all applications before we can carry out our underwriting assessment. Depending on the profile of the case, we may also ask for a business plan and cash flow forecast (PDF versions of these documents can be found on our website). We will also need to ask for more information about your customer's income to enable us to apply the appropriate tax band and ICR to the affordability assessment. This product guide sets out how all future applications will be assessed, and at what rate and ICR.

Advance

Up to 80% LTV	Up to 70% LTV	Up to 65% LTV	Minimum loan	Maximum aggregate loan	Minimum age	Minimum term	Maximum term
£500,000	£1,000,000	£2,000,000	£30,000	£5,000,000 may be advanced to an applicant on a property portfolio	21	5 years	25 years

Consumer buy-to-let

We will not consider portfolio applications that qualify as consumer buy-to-let mortgage contracts.

Limited edition products

- Free mortgage valuation
- Cashback
- Application fee of £150 to apply, unless otherwise stated
- All products are subject to availability of funds and withdrawal at any time

Fixed rates

2 YEAR FIXED RATES (75% LTV)



Code	Property type	Initial rate	Product fee	Early repayment charge	APR	Reversion rate	ICR rate	Product specific criteria
2BM045	SSC	3.40%	NIL	3% for 2 years	5.20%	Paragon SVR (currently 5.35%)	5.50%	Free mortgage valuation £250 cashback*
2BM046	HMO/MUB	3.60%	NIL	3% for 2 years	5.20%	Paragon SVR (currently 5.35%)	5.60%	Free mortgage valuation £250 cashback*

5 YEAR FIXED RATES (75% LTV)



Code	Property type	Initial rate	Product fee	Early repayment charge	APR	Reversion rate	ICR rate	Product specific criteria
2BM059	SSC	3.74%	0.50%	5% for years 1 and 2 4% for years 3 and 4 3% for year 5	4.50%	4.60%** (Paragon SVR 5.35% less 0.75%)	4.00%	Free mortgage valuation £500 cashback*
2BM060	HMO/MUB	3.84%	0.50%	5% for years 1 and 2 4% for years 3 and 4 3% for year 5	4.50%	4.60%** (Paragon SVR 5.35% less 0.75%)	4.00%	Free mortgage valuation £500 cashback*

5 YEAR FIXED RATES (80% LTV)



Code	Property type	Initial rate	Product fee	Early repayment charge	APR	Reversion rate	ICR rate	Product specific criteria
2BM063	SSC	3.79%	0.50%	5% for years 1 and 2 4% for years 3 and 4 3% year 5	4.50%	4.60%** (Paragon SVR 5.35% less 0.75%)	4.00%	Free mortgage valuation £500 cashback*
2BM064	HMO/MUB	3.89%	0.50%	5% for years 1 and 2 4% for years 3 and 4 3% for year 5	4.50%	4.60%** (Paragon SVR 5.35% less 0.75%)	4.00%	Free mortgage valuation £500 cashback*

5 YEAR FIXED RATES (75% LTV) - Remortgage only



Code	Property type	Initial rate	Product fee	Early repayment charge	APR	Reversion rate	ICR rate	Product specific criteria
2BM065	SSC	3.76%	NIL	5% for years 1 and 2 4% for years 3 and 4 3% year 5	4.40%	4.60%** (Paragon SVR 5.35% less 0.75%)	4.00%	No application fee Free mortgage valuation £400 cashback*
2BM066	HMO/MUB	3.86%	NIL	5% for years 1 and 2 4% for years 3 and 4 3% year 5	4.50%	4.60%** (Paragon SVR 5.35% less 0.75%)	4.00%	No application fee Free mortgage valuation £400 cashback*

*Cashback amount will be released to the appointed solicitor at completion

**Where our 5 year fixed rate products revert to Paragon SVR (currently 5.35%) less 0.75% = 4.60%, a minimum rate of 3.00% applies after the fixed rate period

Please refer to Paragon's Portfolio lending guidelines and submission requirements for full criteria.

Single self contained unit

Fixed rates

2 YEAR FIXED RATES (75% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	ICR Rate
2BM025	SSC	2.99%	1.00%	3% for 2 years	5.20%	Paragon SVR (currently 5.35%)	5.50%
2BM036	SSC	3.40%	NIL	3% for 2 years	5.20%	Paragon SVR (currently 5.35%)	5.50%

2 YEAR FIXED RATE (80% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	ICR Rate
2BM038	SSC	3.49%	0.50%	3% for 2 years	5.30%	Paragon SVR (currently 5.35%)	5.50%

5 YEAR FIXED RATES (75% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	ICR Rate
2BM053	SSC	3.65%	0.50%	5% for years 1 and 2 4% for years 3 and 4 3% for year 5	4.50%	4.60%** (Paragon SVR 5.35% less 0.75%)	4.00%
2BM054	SSC	3.85%	NIL	5% for years 1 and 2 4% for years 3 and 4 3% for year 5	4.50%	4.60%** (Paragon SVR 5.35% less 0.75%)	4.00%

5 YEAR FIXED RATE (80% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	ICR Rate
2BM055	SSC	3.70%	1.00%	5% for years 1 and 2 4% for years 3 and 4 3% for year 5	4.50%	4.60%** (Paragon SVR 5.35% less 0.75%)	4.00%

**Where our 5 year fixed rate products revert to Paragon SVR (currently 5.35%) less 0.75% = 4.60%, a minimum rate of 3.00% applies after the fixed rate period

Please refer to Paragon's Portfolio Lending guidelines and submission requirements for full criteria.

HMO / MUB

Fixed rates

↓ 2 YEAR FIXED RATES (75% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	ICR Rate
2BM027	HMO / MUB	3.20%	1.00%	3% for 2 years	5.30%	Paragon SVR (currently 5.35%)	5.50%
2BM037	HMO / MUB	3.60%	NIL	3% for 2 years	5.30%	Paragon SVR (currently 5.35%)	5.60%

↓ 2 YEAR FIXED RATE (80% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	ICR Rate
2BM039	HMO / MUB	3.69%	0.50%	3% for 2 years	5.30%	Paragon SVR (currently 5.35%)	5.69%

↓ 5 YEAR FIXED RATES (75% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	ICR Rate
2BM056	HMO / MUB	3.75%	0.50%	5% for years 1 and 2 4% for years 3 and 4 3% for year 5	4.50%	4.60%** (Paragon SVR 5.35% less 0.75%)	4.00%
2BM057	HMO / MUB	3.90%	NIL	5% for years 1 and 2 4% for years 3 and 4 3% for year 5	4.50%	4.60%** (Paragon SVR 5.35% less 0.75%)	4.00%

**Where our 5 year fixed rate products revert to Paragon SVR (currently 5.35%) less 0.75% = 4.60%, a minimum rate of 3.00% applies after the fixed rate period

↓ 5 YEAR FIXED RATE (80% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	ICR Rate
2BM058	HMO / MUB	3.80%	1.00%	5% for years 1 and 2 4% for years 3 and 4 3% for year 5	4.50%	4.60%** (Paragon SVR 5.35% less 0.75%)	4.00%

**Where our 5 year fixed rate products revert to Paragon SVR (currently 5.35%) less 0.75% = 4.60%, a minimum rate of 3.00% applies after the fixed rate period

Please refer to Paragon's Portfolio Lending guidelines and submission requirements for full criteria.

Fees

Application fee	Re-inspection fee	Product fee
A non refundable application fee on all submissions, unless otherwise stated	If a re-inspection of the property becomes necessary at any time after the original valuation, a fee is charged and will be added to the loan unless it is paid in advance.	This fee can be added to the loan but is excluded from the LTV calculation.
⇒ £150	⇒ £100	⇒ See individual product details
Funds transfer fee	Property insurance contingency fee	Revised documents fee
Charges for the telegraphic transfer of funds to the solicitor will normally be added to the loan on completion of the mortgage.	Where building insurance is not arranged with Paragon a fee will be charged and is normally added to the loan on completion of the mortgage.	This fee is payable where revision of an offer of loan is required. This fee will be added to the loan unless it is paid in advance.
⇒ £25	⇒ £25	⇒ £50

Forward funding facility

When making an application, professional portfolio landlords can also apply for a forward funding facility free of charge. A facility will help to provide certainty for future business plans, and allows repeat business to be written on a simplified basis. The facility letter will be issued for a specific amount, and will be valid for a six month period. Applications made under the facility will benefit from an abbreviated subsequent property application form, which helps to reduce the amount of information required. Please see our Forward funding facility information sheet in the documents section of our website for more details.

Valuation fee scale

Combined application fee and valuation fee.

Purchase price / remortgage estimated valuation	Combined application fee and valuation fee
£75,000 to £100,000	£430
£100,001 to £150,000	£450
£150,001 to £200,000	£490
£200,001 to £300,000	£545
£300,001 to £400,000	£600
£400,001 to £500,000	£640
£500,001 to £600,000	£720
£600,001 to £700,000	£800

Purchase price / remortgage estimated valuation	Combined application fee and valuation fee
£700,001 to £800,000	£840
£800,001 to £900,000	£900
£900,001 to £1,000,000	£965
£1,000,001 to £1,500,000	£1,150
£1,500,001 to £2,000,000	£1,400
£2,000,001 to £2,500,000	£1,650
£2,500,001 plus	Refer to lender (RTL)

The above table includes a non refundable application fee of £150.

The mortgage valuation report is a Security Assessment carried out for the benefit of Paragon Banking Group to determine if a property provides acceptable security for mortgage purposes. A valuation fee will be charged at application stage in accordance with the fee scale shown above. Where an internal inspection has been carried out and the proposed security is subsequently declined, a valuation report will not be made available although a summary will be given advising why the property is deemed to be unsuitable. In these circumstances the valuation fee is non-refundable.

In conjunction with other criteria, we will assess the affordability of a mortgage based on the expected monthly income generated from letting the property to a tenant. The actual income generated may be different and can be influenced over time by changes within the rental market. The applicant(s) will remain responsible for meeting the costs of the mortgage and the additional costs associated with letting property for the duration of ownership.

Please refer to Paragon's Portfolio Lending guidelines and submission requirements for full criteria.

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PARAGON 51 HOMER ROAD, SOLIHULL, WEST MIDLANDS B91 3QJ

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0345 849 4040

0345 849 4041

@ btlenquiries@paragonbank.co.uk

www.paragonbank.co.uk