

# BUY TO LET CRITERIA GUIDE

<b>Applicant</b>	
<b>Number of applicants</b>	Four. For Limited Company application details of up to four directors or shareholders as applicants will be captured. The applicants must cover a minimum of 75% of total shareholding.
<b>Minimum age</b>	21 years at application.
<b>Maximum age</b>	80 years at application, 95 years at end of term.  Applicants (including any Directors) older than 80 years at the end of the mortgage term should have a clear succession plan in place. Please provide confirmation of this.
<b>Nationality</b>	Applications from UK nationals and EEA member states must be traceable at a UK address. We will not lend to applicants who are not UK nationals and do not reside in the UK.  Non-EEA nationals can be considered on a case by case basis if they have a permanent right to reside in the UK.  Diplomatic immunity is not allowed.
<b>Acceptable proof of ID &amp; address</b>	If we are unable to verify all applicants using Electronic ID, proof of ID and residency will be required for each applicant. For all non-UK nationals, a certified copy of a passport is required.
<b>Impaired credit</b>	Please refer to the product guide for product credit profile criteria. Credit profile refers to the individual personal applicants.
<b>Consumer Buy to Let</b>	We cannot accept applications for consumer buy-to-let. A consumer buy-to-let is defined as an applicant with no other buy-to-let properties wishing to obtain a mortgage on a property that has either been inherited or has previously been occupied by the applicant or a related person at any time. Prior to submitting an application, the Intermediary is required to establish and confirm that the application is not a consumer buy-to-let.
<b>First Time Landlord</b>	At least one applicant or Director must have owned and still own at least one property (residential or Buy to Let) for a minimum of 12 months. Maximum loan amount for First Time Landlords £350,000.
<b>COVID Payment Deferrals</b>	If the application is from an existing customer, any unexpired payment deferral on an existing TML mortgage must either be brought up to date with the payment deferral ceased and the deferred interest paid in full before we can consider any further lending or the deferred interest capitalised. In both examples there must be 2 consecutive payments made post-expiry/cessation of the payment deferral. prior to any new application being submitted from an existing applicant.

<b>Employment/Income</b>	
<b>Minimum income &amp; Employment status</b>	There is no minimum income requirement except for Ex-pat BTL applications (See Ex-pat Criteria Guide). One or more applicants must be employed/self-employed or being in receipt of pension income.

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<b>Loan</b>	
<b>Purpose</b>	Purchase and remortgage.
<b>Remortgage</b>	Remortgages within 6 months of purchase can be considered. Please contact The Hub for more information.
<b>Repayment method</b>	Capital and Interest. Interest Only. Part & Part.
<b>Minimum loan</b>	£25,001 - see product guide as loan amounts may vary.
<b>Maximum loan</b>	Up to £3,000,000 per single asset exposure with Aggregated exposure limited to £5,000,000.
<b>Minimum term</b>	5 years
<b>Maximum term</b>	35 years.
<b>Porting</b>	Our loans are not portable.
<b>Offer validity</b>	90 days. New build offers will be valid for 6 months subject to valuation / reinspection, if required.
<b>Payment method</b>	Payments must be made by direct debit. The direct debit mandate is required along with a bank statement for this account evidencing the account holder name and address.
<b>Capital Raising</b>	If capital raising more than £150,000, evidence may be required of use of remortgage funds. If you are seeking to capital raise more than 50% of the available value in your property, evidence of use of remortgage funds may be required.
<b>Void Reserves</b>	TML may request evidence that the applicant holds a minimum of 3 months of funds to meet mortgage payments in instances of rental voids. A full copy of a bank or deposit statement/bank data in an electronic format from an approved source demonstrating an acceptable level of savings may also be required.

Maximum loan and LTV	Standard		Specialist			
	Individuals LTV	Limited Companies/ LLP LTV	HMO LTV	Multi-Unit Blocks (including Mini MUBs) LTV	New build & flats above commercial LTV	Holiday & Short-Term lets LTV
<b>£600,000</b>	80%	80%	75%	75%	75%	75%
<b>£1,000,000</b>	75%	75%	75%	75%	75%	75%
<b>£1,500,000</b>	75%	75%	70%	70%	75%	N/A
<b>£2,000,000</b>	70%	70%	70%*	70%	70%	N/A
<b>£3,000,000</b>	70%	70%	N/A	70%	N/A	N/A

\*Only applies to London and South East of England.

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<b>Deposit</b>				
<b>Deposit</b>	Deposits are required to be evidenced.			
<b>Acceptable deposits</b>	Individual savings. Limited Company/LLP reserves or working capital. Sale of property or pending sales. Sale of shares or investment. Inheritance. Equity from another property. Please contact The Hub to discuss.			
<b>Vendor/builder gifted deposit</b>	New build properties can have up to 5% builder gifted deposit. Converted properties up to 5% considered on a case by case basis.			
<b>Gifted Deposit</b>	Gifted deposits are allowed from family members i.e. parents, grandparents, spouse, gifts from wider family members will be considered on a case by case basis. Gifts from non-family members will be considered on a case by case basis. All gifted deposits must be disclosed. Subject to a TML Gifted Deposit/Equity Form being provided from the deposit provider together with all required identification and evidence of funds being submitted.			
<b>Family gifted equity</b>	Up to a maximum 75% LTV and satisfaction that the transaction does not constitute Consumer BTL. Gifted deposits are allowed from family members i.e. parents, grandparents, spouse, gifts from wider family members. Gifts from non-family members will be considered on a case by case basis. All gifted deposits must be disclosed. Subject to TML Gifted Deposit/Equity Form from deposit provider and identification.			
<b>Affordability</b>				
<b>Interest coverage rate (ICR) test applies to all cases on an interest only basis</b>	5 or more years fixed rate products: initial rate. All other products: a nominal rate (currently 5.5%) or the initial rate + 2%, whichever is higher. All ICR tests are exclusive of any fees that can be added to the loan.			
<b>ICR</b>	<b>Individuals LTV</b>	<b>Limited Companies/LLP</b>	<b>HMO &amp; Multi-Unit Blocks</b>	<b>New build and flats above commercial</b>
<b>Basic rate tax payer</b>	125%	125%	140%	125%
<b>Higher rate tax payer</b>	140%	125%	140%	140%
<b>Proof of basic rate tax status - All applicants</b>	Where all applicants are declared as basic rate tax status during application, proof of basic rate tax status will be required. Where the ICR meets 140%, we will assess the cases as such and will not require proof of tax status. Acceptable proof is a tax code status letter/payslip/P60/tax calculation plus tax year overview. Other items may be acceptable on a case by case basis.			
<b>Property</b>				
<b>Minimum valuation</b>	£50,000. For HMO / MUBs or any in London and the South East £120,000. (unless stated otherwise at a product level).			
<b>Maximum valuation</b>	None.			
<b>Tenure</b>	Freehold or leasehold in England and Wales, absolute ownership or freehold in Scotland. Multi-unit blocks must be freehold only.			
<b>Locations</b>	We will consider lending on residential properties in mainland England, Wales & Scotland. We will also consider properties on the Isle of Wight & Anglesey. Applications in relation to properties in Northern Ireland are not acceptable.			
<b>Acceptable tenancies</b>	AST of either 6 or 12 months if the property is in England. Private Residential Tenancy, or Short Assured Tenancy (if prior to 1st December 2017) if the property is in Scotland. Occupation Contract or Standard Contract if the property is in Wales. Shared households and student lets. Corporate lets. Standard format tenancy.			
<b>Unacceptable tenancies</b>	Assured, protected or statutory tenancies. Holiday & Short term lets where no sustainable AST demand or the specific the product is not selected.			

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<b>HMO</b>	
<b>Maximum bedrooms</b>	6
<b>Minimum valuation</b>	£120,000
<b>Maximum LTV</b>	75%
<b>Licence</b>	HMO licence is required if deemed appropriate from the Local Authority.
<b>Property ownership</b>	At least one applicant or Director must have owned, let and still own one or more Buy to Let property for a minimum of 12 months.

<b>Holiday &amp; Short Term Let</b>	
<b>Minimum loan</b>	£50,000 (the property is valued on a standard BTL basis only ).
<b>Maximum LTV</b>	75%
<b>Licencing and other approvals</b>	<p>All necessary licensing and planning consent requirements should be in place.</p> <p>The Property must not be subject to any planning or licensing restrictions or any other restrictions (including, if the Property is leasehold, any restrictions in the lease) which preclude the letting out of the Property on short-term or holiday lets. Our legal adviser must ensure that the Property has any required Planning Permission for short-term and holiday lets.</p>
<b>AST</b>	<p>The property must be capable of being let on a sustainable AST basis meeting our minimum ICR%.</p> <p>The valuation must confirm that the property is capable of being let on an AST basis with an acceptable level of demand being evidenced by way of rental comparables. This demand should cover a minimum 6 / 12-month period.</p> <p>If no rental demand can be established with comparative evidence provided, the application will not be allowed to proceed.</p> <p>Note: We will assess applications on the basis that the property will be let out under a residential tenancy agreement, however we will permit the property to be let on a short term or holiday let basis. Additional special conditions apply to Holiday and Short Term Let products which are detailed in the Acceptable Tenancies document.</p>
<b>Exclusions</b>	<p>The applicant (including as owner or any shareholders of any TML funding) or immediate family is not permitted to occupy or use this as their main residence at any time over the period of the lend.</p> <p>First Time Landlords are not allowed. At least one applicant or Director must have owned, let and still own one or more Buy to Let property for a minimum of 12 months.</p> <p>New builds, MUBS or HMOs properties are not acceptable. No Expats, albeit these may be considered by exception.</p> <p>Regional and property exclusions may apply including concentration and flood risk. Properties in holiday parks / village or sharing of communal facilities with other properties are not acceptable.</p> <p>Any property where planning or occupancy restrictions apply are excluded (i.e. you must vacate the property for one month of the year). No timeshare arrangements are acceptable.</p> <p>For any property that may be operating as a B&amp;B or hotel type accommodation, the application will not be allowed to proceed.</p>

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<b>Limited Companies/LLP</b>	
<b>Applications</b>	We will only accept applications from Special Purpose Vehicle (SPV) Ltd Companies.
<b>Acceptable Standard industrial Classification (SIC) codes</b>	68100 Buying and selling of own real estate. 68209 Other letting and operating of own or leased real estate. 68320 Management of real estate on a fee or contract basis. 68201 Renting and operating of Housing Association real estate. 55100 Provision of accommodation for short term stay. 55209 Other holiday and other collective accommodation.
<b>Directors or shareholders</b>	For Limited Company applications we will accept up to 4 directors or shareholders. They must cover a minimum of 75% shareholding. If the company has less than 4 directors or shareholders, all must be included in the mortgage application.
<b>Personal guarantees</b>	Personal guarantees are required from all directors and shareholders.
<b>Portfolio lending</b>	
<b>Definition</b>	Applicants with 4 or more mortgaged Buy to Let properties.
<b>Maximum number of properties</b>	No maximum.
<b>Maximum portfolio value</b>	Aggregate exposure limited to £5,000,000 with The Mortgage Lender.
<b>Evidence requirements</b>	For 4-10 properties: Business plan, Portfolio schedule.  On request by underwriting, or for more than 10 properties: Business plan, Portfolio schedule, Cashflow statement, Assets and Liabilities declaration.
<b>Unencumbered properties</b>	Details of all properties held by applicants should be included in the Portfolio Schedule, including unencumbered properties