

Self employed & Contractors

mortgage guide



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Self-employment has increased significantly since 2008 – now up to around 5 million of the UK work-force. But this growing population is finding it more and more difficult to get a mortgage because of irregular income patterns, especially since 2020.

As a classic specialist segment and fast growing sector, this is only likely to be boosted further by a pandemic that enables people to re-evaluate their options. Specialist lenders like Vida assess each individual on their own merits using experienced underwriters rather than the 'computer says no' approach often associated with mainstream lenders.

Highlights

- ✓ 2 years accounts or SA302 and tax year overview for the latest 2 years depending on self employment type
- ✓ For limited companies, Vida will consider last year's net profit after tax if 100% shareholders are on the mortgage (last 2 years' account will need to show stable or improving business profile)
- ✓ Those who may have incurred complex credit blips
- ✓ Self-employed contractors or those under an umbrella company structure
- ✓ Those who have recently chosen to go down the contracting route, or who are more established and have been contracting for a longer period of time
- ✓ Workers in construction receiving variable and/or cash payments including CIS
- ✓ Those who have zero hours contract but a good track record, 2nd jobs and variable income which excludes them from consideration by mainstream lenders
- ✓ Recent freelancers with a track record in a similar role



General and Credit Criteria

Income and Evidence

Self employed	For Sole Trader, LLP or Partnership: We will require one of the following: Latest 2 years SA302 and supporting Tax Year Overview (TYO) or Accountant's reference covering last 2 years income from a suitably qualified accountant or 2 years accounts certified by a suitably qualified accountant
Limited companies	For limited companies: Vida will consider last year's net profit after tax if 100% shareholders are on the mortgage (last 2 years' accounts will need to show stable or improving business profile)
Self-Employed Contractors	Day 1 contractors considered with a minimum of 1-years track record of employment within the same line of work. Minimum 3 months remaining on current contract
CIS	Last years SA302/Tax Calculations with corresponding TYOs, along with the latest 3 months pay-slips or invoices
Day rate	Weekly rate x 48 weeks for self employed. Umbrella contractors considered

Application Criteria

Minimum age	21
Minimum income	£15k
Repayments	Available on capital repayment or interest only
Property types	Specialist properties accepted (including flats over commercial)
Locations	Mainland England, Scotland and Wales. Postcode restrictions apply in Scotland

Contact us

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Or get in touch with our helpful team
at enquiries@vidahomeloans.co.uk



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