FLEET MORTGAGES

Buy to Let Lending Criteria

13th MAY 2019

Standard
(Individual)

Limited Company
(SPV)

HMOs and MUBs
(Multi Unit Block)

Complete FS
Your Specialist Packager Distributor

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The Loan

Legal Charge	Fleet Mortgages will take an all monies 1st legal charge. Fleet Mortgages will also register a charge at Companies House where the customer is a corporate.
Loan Purpose	Purchase or Re-mortgage (except Paying Tax and Gambling Debts). Payment of Inheritance Tax or Capital Gains Tax may be considered where the proposal does not suggest a position of financial stress for the borrower.
Repayment Methods	Capital & Interest Repayment. Part Interest & Part Repayment. Interest Only.
Mortgage Term	Minimum 5 years, Maximum 30 years.
Loan Size	Between £25,001 and £1,000,000 on a single property, subject to LTV restrictions.
Loan to Value	Maximum 80% for loans up to £750,000 (HMO 80% = £500,000 HMO 75% = £750,000). Maximum 70% for loans up to £1,000,000 (including HMO).
Portfolio Aggregate Exposure	Maximum 80% LTV up to £1,000,000 Maximum 75% LTV on loans between £1,000,001 and £2,000,000. Maximum 70% LTV on loans between £2,000,001 and £4,000,000. Maximum 65% LTV on loans between £4,000,001 and £5,000,000.
Monthly Repayment	Only Direct Debit allowed.
Deposits	Documentary evidence of the source of deposit is required, for example, bank statements showing a build up of savings or completion statements showing sale of property. Gifts from immediate family members (spouse, mother, father, sibling, or grandparent) are allowed but deposits from overseas sources are not accepted.
Offer Validity	Up to 3 months.
Valuation Validity	Valid for 6 months from the date of inspection. If a valuation expires, the case should be rekeyed so a new valuation can be instructed. The new case may require a new product and will be subject to underwriting and scoring.

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Registered office: Flagship House, Reading Road North, Fleet, Hampshire, GU51 4WP. Registered in England No: 08663979.

The Applicant

Requirements	Primary applicant must be a current property owner for at least 12 months.
First Time Buyers	No.
First Time Landlords	Subject to strict lending criteria, underwriting and no exceptions allowed.
Identity Verification (AML)	Impersonation checks will be carried out.
Limited Company (SPV) **SIC Codes: 68100 68209 68320 68201**	Limited Companies must be Special Purpose Vehicles registered within England and Wales, with specific SIC codes. Max of 4 directors/shareholders. Full personal guarantees, on a joint and several basis, from all directors and shareholders required. All guarantors will require face-2-face independent legal advice. All Directors must be resident and have full credit history in the UK. Fleet Mortgages will consider applications where individuals are 'transferring' (selling) properties to an SPV limited company they own. We would class this as a purchase. Please call us for more information.
Customer Age	Minimum 21 years. **(First time landlords 25 years).** Maximum 95 years at the end of the mortgage term.
Personal Income	The Primary Applicant must be able to evidence income in excess of £15,000 pa. **(Except for first time landlords where minimum income is £25,000). Reducing future income unacceptable.** Fleet Mortgages will verify the income of the Primary applicant using one of the following: - latest 3 months' payslips - latest SA302 (HMRC) - latest Signed Accounts or latest Pension Statement
Bank Statements	Up to 3 months Personal Bank Statements may be required subject to Underwriter discretion.
Employment Status	The Primary applicant must be: - Employed: In continuous employment for at least 12 months and have passed their probation period - Self-employed & Contractors: Trading for at least 2 years in their current business - Retired: Receiving income in excess of £15,000. **(Except for first time landlords where minimum income is £25,000).**
Residential Status	All applicants must be resident in the United Kingdom for at least three years, liable to UK tax and have permanent rights to reside. (Tier 1 and Tier 2 visas are unacceptable). All applicants must have a National Insurance number and a full credit history at their current, previous, or linked addresses for the last three years.
Adverse Credit	Fleet Mortgages do not generally consider adverse credit, although where it is less than £100, or more than 3 years ago, it may be considered and is subject to Underwriter discretion. Fleet Mortgages will not consider any applicants who currently, or within the last 6 years, have had a petition or declaration of bankruptcy against them. Where Fleet become aware that an applicant is a Director or Shareholder of a company that has gone into, or is due to go into, Creditors' Voluntary Liquidation or Compulsory Liquidation, we will not lend.
Credit Reference	A full consumer and limited company search (if applicable) will be completed on all applicants.

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The Property

Location	England and Wales.
Valuation	A full valuation, instructed by Fleet Mortgages is required on all properties. The property value will be valued on a comparable evidence basis, not on a rental yield basis (rent multiplication). Properties valued between £75,000 and £5,000,000. Valuations are valid for 6 months from the date of inspection. In some exceptional instances we may require a second audit valuation (at no extra cost to the borrower).
Tenure	Freehold or Leasehold. Commonhold is not accepted. Lease must have at least 75 years unexpired term on completion.
Rental Income	12 months sustainable rental income will be confirmed from valuation only.
Rent Cover	Please see product guide.
Acceptable Tenancies	Assured Shorthold tenancies (AST) up to three years. Student Lets. Corporate Lets (prior approval required). Local Authority & Housing Association Lets (prior approval required). Standard format of Private Sector Lease as per the UK Finance Mortgage Lenders' Handbook.
Acceptable Security	Residential Property. If re-mortgage, property must be owned for at least 6 months. Shared Houses (maximum 4 sharing) are acceptable on a standard mortgage product providing: the property is not a HMO as per Fleet Mortgages definition; is of a standard layout that would sell as a family home without alteration; has at least one communal room that will be maintained and valued as such; can sell as a single residential unit; and let on a furnished basis. Properties with up to 6 bedrooms. Gross external floor area in excess of 35sqm. Flats in blocks with up to 5 residential storeys (up to 10 residential storeys are acceptable within the M25). (Please refer to our list of unacceptable properties).
Acceptable Construction Types	Standard construction types are acceptable (Please refer to unacceptable properties list for our definition of non standard construction types).
New Builds	New builds are defined as properties constructed within the last 12 months or properties that have never been occupied. Up to 70% LTV on new build flats. Up to 75% LTV on new build houses.
Converted Freehold Properties	Minimum valuation £100,000 outside London & South East regions, or £150,000 within London & South East regions. The entire freehold property must form part of the Fleet Mortgages Security.
Houses in Multiple Occupancy (HMO) & Multi Unit Blocks (MUB)	Standard letting criteria. Plus primary applicant must have at least 2 years experience as a landlord. Up to 80% LTV. (Lending limits apply). Minimum valuation £100,000 outside London & South East regions, or £150,000 within London & South East regions. HMOs must be licenced where required.
Developments	Up to 20% exposure to a development.
Ex-local authority	Maximum LTV 70%. Minimum valuation £75,000 outside London & South East regions, or £150,000 within London & South East regions.

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Other

Credit Scoring	Yes.
Excluded	Properties in Northern Ireland and Scotland. Right to Buy | Self build | Freehold Flats | Let to Buy | Sub Sales | Back to Back Transactions | Consumer Buy to Let | Conversions in Commercial or Non-Residential Locations | Properties Let or Occupied by a Family Member or Any Related Party to this Mortgage | Ex-Pats | Unemployed | Temporary Employed | Transactions Between Connected Parties. Please refer to Fleet Mortgages for full list of exclusions.
Decision to Lend	We reserve the absolute discretion to decline any mortgage application.
Features Excluded	Portability | Flexible Features | Further Advances.
Conveyancers Panel	All Conveyancers are to be registered on our panel, managed by Lender Exchange. Please refer to the Conveyancers Panel in the Literature section for more information. We also operate a separate Limited Company Panel.
Product Switch/Transfer	Only available to mortgages written on or after 09th April 2019 (after fixed rate period ends).

Definitions and terms

Primary Income	For the employed: Primary income is 100% of basic salary. For the self-employed: Primary income is 100% of net profit. For the contractor: Primary income is 100% of basic salary. For the director of a Limited Company application: Primary income is 100% of basic salary. For the retired applicant Primary income is 100% of pensions or other income.
Full Credit History	Three years payment profile history at current, previous or linked addresses.
Adverse Credit	No CCJs or defaults (either satisfied or unsatisfied) greater than £100 for the last three years. No credit file to be, at any point in the last three years, more than two payment (>2months) in arrears.
HMO	- Properties with mandatory or discretionary HMO licence as required by the local council or - A property that would not sell as a family home without alteration or - A property with a non-standard layout .e.g. sinks in bedrooms or - A property classified as a HMO by our Panel Valuer.
Multi Unit Block (MUB)	Freehold property split into 2 or more self-contained units.
First Time Landlord	An individual who does not currently own a Buy-to-Let property.
Consumer Buy to Let	A mortgage regulated by the Mortgage Credit Directive Order 2015.
Shared Accommodation	Dwellings that have not been significantly altered, with at least one communal room that will be maintained and valued as such. The property must be saleable as a family home. See previous page 'Acceptable Securities' for further details. Maximum of 4 people.

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Valuation Fees

Valuation up to	Buy to Let	HMO & MUB Buy to Let
£100,000	£325	£500
£150,000	£350	£500
£200,000	£395	£585
£300,000	£475	£745
£400,000	£525	£895
£500,000	£600	£950
£600,000	£695	£1100
£700,000	£795	£1200
£800,000	£845	£1300
£900,000	£900	£1400
£1,000,000	£1000	£1500
£1,500,000	£1350	£1650
£2,000,000	£1695	£2100
£2,000,000 +	Please Refer	Please Refer

None of the following services are available for existing loans*	- Consent to second charges. - Agreement to deeds of priority. - Further advances. - Product switches. - Transfer of equity.

*In each case it will be necessary for the borrower to remortgage to achieve any of these outcomes.

This guide is for intermediary use only.

All information is correct at time of going to press. No responsibility can be taken for information held within any mortgage sourcing system. Fleet Mortgages reserve the right to withdraw any of the products in this brochure at anytime, or to change or vary the actual rate quoted.

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Additional Fees

Application fee (payable with valuation fee. A further fee may be charged if there is a significant change to the application.)	**£150**
Funds transfer fee	**£35**
Completion fee Please see individual product details.	
Buy to Let Re-Inspection	**£150**
Shared House I HMO Buy to Let Re-Inspection	**£250**
Retention funds transfer	**£20**

For further fees, please refer to our Tariff of Mortgage Charges.

DIP Submission

To submit your applications online visit;

www.fleetmortgages.co.uk

and select **Intermediary Portal.**

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