FOR INTERMEDIARIES ONLY

ZEPHYR HOMELOANS

Complete FS
Your specialist packager distributor
023 8045 6999 (Option 2)
btl@complete-fs.co.uk
www.complete-fs.co.uk

Buy-to-let lending solutions for individuals & limited companies

- Broad criteria to fit your clients' needs
- Telephone BDM team
- Online case submission and tracking
- Expert support from end-to-end

Latest updates

- Standard products and Specialist HMO & MUFB products available up to 75% LTV, with Max Loan size of £1.5m to 70% LTV and £1m to 75% LTV.
- Specialist New Build & Flats Above Commercial products available up to 75% LTV, with Max Loan size of £750k.

Criteria highlights...

- **No upfront application fees* across our entire product range**
- **Flats above commercial properties**
- **Max. age 95 years at end of mortgage term**
- **60% minimum shareholding for Ltd companies**
- **No minimum income for Standard applications, £25k gross for professional landlords**
- **Modern construction types considered**
- **No height restriction on flats & Deck Access**
- **Unlimited background portfolio with no background portfolio stress test**
- **Income top-ups acceptable**

*Other fees & costs apply. We reserve the right to withdraw and amend our products at any time without notice.

Please note - this is a guide to our criteria and in certain situations our underwriters may have discretion to consider exceptions to our lending policy. Each application is considered on its merits and we do not guarantee acceptance of all cases which meet our headline criteria. Please contact us to discuss the specific circumstances of your case.

Summary Ranges	
'Standard'	Individual(s) or Limited Companies purchasing or remortgaging buy-to-let residential properties - excluding HMOs, MUFB or Flats above Commercial premises.
'Specialist'	Individual(s) or Limited Companies purchasing or remortgaging buy-to-let residential properties - HMOs, MUFBs or Flats above Commercial premises.
'New Builds'	We will consider both Standard and Specialist New Build properties. However, from a product point of view, New Builds form part of our Specialist Range and we have bespoke products available for them. Please see our Product Range document available on the Zephyr website for more details.
All applicants with 4 or more mortgaged buy-to-let properties (including current purchase or remortgage) will be required to submit a Business Plan including cash flow to demonstrate the sustainability of the portfolio over the previous and future 12 month periods.	

Loan	**'Standard'** Individuals or Limited Company		**'Specialist'** Individuals or Limited Company		
			HMO & MUFB		**Flats above Commercial**
Maximum Loan To Value	75%				
Maximum Loan	Standard products and Specialist HMO & MUFB products available up to 75% LTV, with Max Loan size of £1.5m to 70% LTV and £1m to 75% LTV.				Specialist New Build & Flats Above Commercial products available up to 75% LTV, with Max Loan size of £750k
	Maximum LTV for portfolios with aggregate loans of more than £2,000,000 is 70% We may require proof of the source of deposits				
Applicant Exposure limits	The maximum we will lend to any unique mix of customers is £5m and the maximum aggregate loan is £7.5m. For example, a customer may have £5m in the same joint names and a further £2.5m in sole name or different set of joint names or Limited company. Any borrower wishing to borrow an aggregate amount above £3m is subject to mandated approval by the Lender.				
Purpose	Purchase or Remortgage (remortgages not permissible within 6 months of purchase)				
Minimum Term	5 years	Maximum Term	35 years	Minimum Loan	£50,000
Repayment types accepted	Capital repayment or Interest only or combination of both				

Credit Status	
General	The credit status requirements listed apply to all applicants and Company Directors
Mortgage / secured loan arrears	No missed payments per mortgage account in last 12 months and no more than 1 missed payment in the last 24 months
Defaults	No defaults must have been registered within the last 24 months
Unsecured loan arrears	No more than 1 month in arrears in last 24 months and no arrears in the last 6 months
Credit Cards	No more than 1 month in arrears in last 24 months and no arrears in the last 6 months
County Court Judgements (CCJ)	Maximum up to £250 in the last 3 years (0 in last 12 months). CCJs must be satisfied
Company Liquidations, Administration/winding Up Orders & Receiverships	None in last 3 years
Bankruptcy / Sequestration Individual Voluntary Arrangement (IVA) / Trust Deed Corporate Voluntary Arrangement (CVA) Debt Relief Order (DRO)	None in last 6 years

Payday loans	None in last 6 years		
Forced or Voluntary Possessions or Assisted Voluntary Sale	None in last 6 years		
Underwriting	Full consumer credit checks and Limited Company searches (if applicable) will be completed on all applicants/ Limited Company Directors		
Applicants			
Applicant types	Individuals & Limited Companies (LTD) set up as SPVs with SIC codes. 68100, 68209, or 68320 No Power of Attorney applications		
Guarantees	For limited companies personal guarantees are required on a joint and several basis		
Charges	All Monies Charge		
Max number of Applicants	4 applicants or 4 Limited Company Directors as guarantors Only acceptable if directors hold at least 60% of company shares. Limited companies only acceptable with no more than 4 Directors		
Minimum Age	21 years	Maximum Age	Maximum age 95 years (at end of mortgage term)
Nationality	**'Standard'**	**'Specialist'**	
Nationality and Residency Status	All applicants, including directors of SPV applications, must be a UK national or have permanent Rights to Reside in the UK with the exception of the armed forces. This will be validated either from mortgage statements, CRA output or a Land Registry search. Armed Forces personnel may apply providing we can confirm correspondence address and UK bank account		
Landlord Experience	**'Standard'**	**'Specialist'**	
Existing Property Ownership / First Time Landlords	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	For HMOs & MUFBs at least one applicant or director must have owned and still own one or more BTL properties for a minimum of 12 months	
Employment Status	Employed in permanent position for at least 6 months and not under notice of termination Self Employed & Contractors - 1 full year evidence of income from accounts or accountants certificate Evidence of regular income required if not in paid employment e.g. retirement income		
Income	Proof of income required on all applications. See our Underwriting Guide for required documents		
Affordability	**'Standard'**	**'Specialist'**	
Interest Coverage Ratio (ICR)	**Individuals** High rate taxpayers -140% based on higher of Pay rate +2%, reversion rate or 5.5%. Pay rate for 5 year fixed rates Basic rate taxpayers- 125% based on higher of Pay rate +2%, reversion rate or 5.5%. Pay rate for 5 year fixed rates **Limited Company** 125% based on higher of Pay rate +2%, reversion rate or 5.5%. Pay rate for 5 year fixed rates	**Individuals** 150% based on higher of Pay rate +2%, reversion rate or 5.5%. Pay rate for 5 year fixed rates **Limited Companies** 135% based on higher of Pay rate +2%, reversion rate or 5.5%. Pay rate for 5 year fixed rates	
New Builds	We will consider both Standard or Specialist New Build properties and our loan Interest Coverage Ratio (ICR) is the same as the equivalent non-New Build property type.		
Business Plan	All applicants with 4 or more mortgaged buy to let properties (including current purchase or remortgage) are required to submit a Business Plan including cash flow to demonstrate the sustainability of the portfolio over the previous and future 12 month periods		
Property	**'Standard'**	**'Specialist'**	
General	Lender must have a first charge over the property and the security must be used for Residential Buy-to-Let purposes		
Property Location	England & Wales Only but excluding Channel Islands and Isle of Man		
Tenure	Freehold or Leasehold – with minimum term of 70 years left on the lease at the planned end of the mortgage term Ground rent and Service Charges must be included in cash flow projections (portfolio landlords only) for leasehold properties Applicants for leasehold properties should not hold a controlling interest in the Freehold		

Minimum Valuation	£75,000	£100,000 for HMOs, Multi-Unit Freehold Blocks & £75,000 for Flats above Commercial premises
Development Exposure	Maximum of a single unit in developments of up to 7 properties, or 25% of units in developments of between 8 and 50 properties and 15% where the development comprises of 50 properties or more A maximum of 20% of properties within any individual full postcode area	
House in Mulitiple Occupation (HMO)	**'Standard'**	**'Specialist'**
Definition	N/A	In England & Wales, a HMO is defined as a property which is let to three or more tenants, (five or more tenants for a 'large HMO'), who form two or more households and who share a kitchen, bathroom or toilet.
HMO Specific Requirements	N/A	Applications on HMO property will only be considered for existing landlords with at least 1 years' experience of letting property. For joint applications one of the applicants must be an existing landlord with at least 1 years' experience of letting property
HMO No. of Bedrooms, Planning & Permissions	N/A	Maximum of 6 bedrooms Current HMO licence must be valid
Multi-Unit Freehold Block	**'Standard'**	**'Specialist'**
Definition	N/A	A property that has more than one residence within it but with facilities not shared between occupants. Can be purpose built (such as a block of flats) or converted (such as a house converted to flats)
MUFB Specific Requirements	N/A	Applications on MUFB properties will only be considered for existing landlords with at least one years' experience of letting property. For joint applications one of the applicants must be an existing landlord with at least 1 years' experience of letting property
MUFB No. of Units	N/A	Maximum of 6 units in any one development
Flats above Commercial Premises	**'Standard'**	**'Specialist'**
Definition	N/A	We will consider applications relating to flats above commercial premises subject to a maximum LTV of 75% and recommendation from our valuer that the property forms a suitable security Flats above restaurants, takeaways or pubs are subject to underwriting discretion and a favourable valuer's report
New Builds	**'Standard'**	**'Specialist'**
Definition	A new build property is one that has been recently constructed or converted and is being sold for the first time as completed and ready for occupation or, has been previously sold for on this basis within the last twelve months Builders deposits/gifts will be deducted from the purchase price before calculating the available loan amount and deposit required	
Property Exclusions		
	Houseboats. Holiday Lets. Mobile Homes. Shared Ownership. Commercial Properties. Serviced & Retirement flats. Farms & Agricultural dwellings. Properties with more than 10 storeys (unless approved in principle prior to DIP submission). Properties let on a commercial basis. Right to Buy still within discount period. Flats with a total floor area of less than 30 sq. meters. Properties not recommended by our appointed valuer. Flying Freeholds covering more than 10% of the property. Non-traditional construction such as pre fabricated buildings and Concrete or timber constructions where structural defects are likely to be apparent. Other property exclusions apply – please check with our Business Development Managers if needed. Freehold Flats. Live / Work Units. Mixed use properties.	
Other Points		
Payment Methods Accepted	Direct Debit only – must be from borrower's own bank account. For Limited Companies the Direct Debit must be from the company bank account	

Offer Validity	90 days
Assured Shorthold Tenancy (AST) Period	An AST for a period of between 6-36 months can be considered or Contractual Tenancy if required by law Single or Multiple ASTs for Student and HMOs Multiple AST only for Multi-Unit Freehold Block properties
Fees	Product fees of up to 2.5% or £2,500 (whichever is the greater) may be added to the loan or deducted from the mortgage advance Where fees are added they will be excluded from the LTV calculation Application and valuation fees must be paid up- front and are non- refundable Fees added to the loan will attract interest over the mortgage term
Overpayments	Up to 10% of the outstanding balance can be repaid in any 12 month period without incurring an Early Repayment Charge
Solicitors	
Lender Panel	Applicants must appoint a solicitor from our panel. We will appoint a solicitor for all Limited Company applications and they can also act for the Limited Company if required Applicants will need to instruct a solicitor to sign a Declaration to confirm the Limited Company Directors understand the implications of the purchase or remortgage and the Personal Guarantees

Income	Acceptable Sources	% of income taken in to account
This section provides detail of acceptable sources and proof of personal income. See our Underwriting Guide for full details on how an applicant may verify their employment status.	PAYE - basic gross salary, large town allowance, guaranteed shift allowance, car allowance, mortgage subsidy, second job salary, pension income Self Employed - net profit if sole trader or partner, applicants share of annual net undrawn retained profit, foster income, self employed contractors/Agency workers, gross salary/ dividends if director in Limited Company Retired – pension income	100%
	Investment income (excluding rental income), Guardians allowance, Disabled benefits, Maintenance income, Carers Allowance, trust Income	50%
	Unacceptable Sources	
	Expenses, Bonus Income, Mileage/fuel Allowance, First aid Allowance, Broadband & phone allowance, Educational Grants/Bursaries, Foreign Currency Income, Housing Benefit, Income Support, Job Seekers Allowance, Bereavement allowance, Income from casual employment (other than Zero Hours contracts), Income from lodgers (i.e. income which is not subject to a formal AST/SAT Tenancy Agreement)	
	Proof of Personal Income	
	There is a requirement for **all** applicants to validate their employment and employment income. Where two applicants are partners, form a single household and share an address, it is only necessary for **one applicant** to meet this criterion. The employed applicant must be entered on to the system as the first named / primary borrower. Employed/retired - Last 3 payslips required to evidence 6 months earnings via YTD figure with name and address of employer. Where these payslips do not demonstrate six months earnings, via the YTD figures, the most recent P60 or further payslips must be provided to evidence the 6 month history Self employed – Applicants not looking to use earned income to cover a rental shortfall, a minimum trading period of one full year is required which we will evidence via income from accounts, an accountants certificate or an SA302 in conjunction with a tax year overview. For those who do wish to use earned income to cover a rental shortfall, two year's history is required. Also require last 3 months business bank statements Investment Income – Lower of average of last 2 year's income or the latest year's figures and evidence of the source e.g. dividend vouchers or 2 years P60 and confirmation that the intention is to retain the capital for investment purposes Maintenance Income – Original Maintenance Agreement AND 3 months bank statements AND confirmation that at least 5 years left on the arrangement Benefits Specifically for the Disabled – Original latest award letter OR Most recent Full or Amended award notice for the current tax year – showing at least 5 years remaining	

Approved Valuers Panel and Fees

Our approved valuers are Connells Survey & Valuation Limited, one of the Country's leading national firms of Chartered Surveyors and part of the Connells Group.

Valuation up to	BTL valuations (including new builds and flats above commercial premises)	MUFB / HMO valuation
£100,000	£190	£465
£150,000	£220	£465
£200,000	£255	£480
£300,000	£315	£550
£400,000	£345	£610
£500,000	£370	£670
£600,000	£430	£735
£700,000	£515	£795
£800,000	£570	£905
£900,000	£635	£980
£1,000,000	£725	£1,050
£1,250,000	£815	£1,450
£1,500,000	£900	£1,450
£1,750,000	£990	£1,850
£2,000,000	£1,075	£1,850
£2,500,000	£1,911	£3,015
£3,000,000	£2,225	£3,015
£3,500,000	£2,425	£4,015
£4,000,000	£2,625	£4,015
£4,500,000	£3,025	£5,015
£5,000,000	£3,325	£5,015
£6,000,000	£4,125	£6,015
£7,000,000	£4,725	£7,015
£8,000,000	£5,325	£8,015
£9,000,000	£5,925	£9,015
£10,000,000	£6,425	£10,015
Re-valuations	£120	N/A
Re-inspections	£75	£250
Re-type (If within 3 months of original inspection)	£35	£70

ICR & Income top slicing

Borrower Type		Standard Property. ICR	HMO, MUFB, FAC. ICR	Stressed Rate
Limited Company		125%	135%	5 Year + fixed rate - Product Rate Other - Higher of Payrate +2%, Reversion Rate or 5.5%
Individual	Higher Rate Taxpayer	140% *	150%	
	Like for Like remortgage and / or lower rate taxpayer	125%	150%	
• No IDR loading for new build properties. They now use the same ICR as their non-new build equivalents.				

* Top slicing or Portfolio Cross Subsidisation may be utilised subject to criteria

- **Stressed ICR for 5 year fixed 0%**
- **Pay rate loading for non-5-year fixed 2%**
- **Stressed Rate for non 5-year fixed 5.50%**
- **Minimum ICR for income top up calculation 125%**

Get in touch, we're here to help you...

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