

# Criteria Guide

## Residential

- ✓ Complex incomes and low credit scores
- ✓ Up to 4 applicants with combined incomes
- ✓ Purchase or remortgage available across all products
- ✓ First Time Buyers welcomed

## Buy to Let

- ✓ Portfolios up to £4m
- ✓ HMOs and MUBs
- ✓ Flats above commercial properties
- ✓ Expats



# RESIDENTIAL

Loan	
Maximum LTV	90% LTV. Interest Only 70%
Minimum Loan	£100,000
Maximum Loan	£1.5m up to 70%, £1m up to 75%, £750k to 80%, £500k to 85%, £400k to 90%
Minimum Term	5 years
Maximum Term	40 years (Capital Repayment only)
Remortgage	No remortgage within 6 months of purchase unless from bridging finance provided by other lenders which may include roll up of interest and lender fees
Debt Consolidation	Available up to 75% LTV
Offer validity	4 months. New Build offers are valid for 6 months. Extensions considered.
Applicant	
Minimum age	21
Maximum age	Applicant's stated retirement age or age 70, whichever is sooner
Maximum number of applicants	4 (all incomes considered)
Marital status	Applications from those who are married, in civil partnership, co-habiting or where there is a financial dependency should be submitted in joint names
FTBs	Accepted across the full product range
Allowable Adverse	Have a look at our product guides to see the level of adverse we can accept
Lending in or into retirement	We do not currently lend in or into retirement
Income & Evidence	
Minimum income	One applicant must earn at least £15,000
Employment history	Whilst there is no minimum time in current employment, applicants need to provide at least 3 months' employment history
Employed	Last 3 months' payslips, further information may be required upon assessment
Other income	<p><b>100%</b></p> <ul style="list-style-type: none"> <li>• Investment income (supported by SA302)</li> <li>• Rental profit (supported by SA302)</li> <li>• Car, large town, shift, housing allowances</li> <li>• Court ordered maintenance</li> <li>• Pension income (where the customer is not retired or in receipt of state pension)</li> <li>• Mortgage subsidy</li> <li>• Trust Fund income</li> <li>• Foster care income</li> <li>• Income from 2nd jobs (12 months' record of employment required)</li> </ul> <p><b>75%</b></p> <ul style="list-style-type: none"> <li>• Annual or regular bonus, supported by the latest P60 and payslip for the month bonus was paid.</li> </ul> <p><b>50%</b></p> <ul style="list-style-type: none"> <li>• Overtime or commission</li> <li>• Non-regular bonus, profit related pay</li> <li>• Child Tax Credit, Working Tax Credit, Universal Credit (not as main source of income)</li> <li>• Disability/Carers allowance</li> <li>• Incapacity benefit</li> </ul>
Self-employed	The latest 2 years verification of self-employed income, via either: 2 years accounts or accountants reference covering the latest 2 years. Where the applicant is a sole trader or in a partnership we will accept the latest 2 years SA302/Tax Calculations and the corresponding Tax Year Overviews. CIS Contractors to provide the latest 2 years SA302/Tax Calculations with corresponding TYOs to verify income, along with the latest 3 months pay-slips to evidence income is continuing at a similar level.
Acceptable income	Sole traders and partnerships - most recent net profit if stable or increasing Limited Co Directors - drawings and dividends. Net profit after tax can be considered
Nationality & Residency	
Nationality and Residency	<ul style="list-style-type: none"> <li>• All applicants must provide 3 years address history showing at least 2 years continuous UK residency</li> <li>• Foreign nationals in addition must provide evidence of their permanent right to reside in the UK</li> </ul>
Acceptable documents for proof of ID	<ul style="list-style-type: none"> <li>• Valid UK Passport</li> <li>• Valid UK Driving Licence - Photo Card</li> <li>• Valid non-UK passport or National ID card HM Forces/Police Warrant Card</li> <li>• Current firearms licence or shotgun certificate</li> </ul>

# RESIDENTIAL

<b>Acceptable proof of current residential address</b>	<ul style="list-style-type: none"> <li>• Utility bill not more than 3 months old (internet statements considered)</li> <li>• Valid UK Driving Licence - Photo Card</li> <li>• Bank/credit card statement showing full name and address (internet statements considered)</li> <li>• Latest Council Tax bill</li> <li>• Latest Mortgage Statement</li> <li>• HMRC correspondence</li> <li>• Where providing proof of a previous address we will need to see originals</li> </ul>
<b>Deposit Criteria</b>	
<b>Gifted deposit</b>	100% gifted deposits considered from the following family members: Parent, Child, Grandparent, Sibling, Uncles/Aunts, Cousins, Niece/Nephew, Step relatives, Foster Parent, or Legal Guardian
<b>Overseas deposit</b>	Deposits from an overseas account can be considered on a case by case basis
<b>Builders deposit</b>	Acceptable up to 5% of the purchase price on new build properties
<b>Purchase at undervalue</b>	Acceptable where purchasing from a close relative, or a long term tenant buying from their landlord
<b>Directors Loan</b>	For self-employed applicants only (confirmation from an Accountant will be required confirming the loan will not adversely affect the business)
<b>Government Financial Support Schemes</b>	Where the applicant has used any of the schemes, (e.g., SEISS, CBILS or BBLs) the proceeds cannot be used towards deposit funds
<b>Contractors</b>	
<b>Contract length</b>	Only a 1-year track record of employment within the same line of work required. Minimum 6 months remaining on current contract or a rolling 3-month contract which has been renewed at least once
<b>Income requirements</b>	Day rate x 46 weeks for self employed. Umbrella contractors considered
<b>Repayment Method - Capital Repayment and Interest Only</b>	
<b>Overpayment</b>	Up to 10% per annum without incurring an ERC
<b>Interest Only repayment vehicle</b>	<ul style="list-style-type: none"> <li>Cash ISA or other regular savings</li> <li>Regular investments (stocks and bonds)</li> <li>Pensions</li> <li>Sale of another property</li> <li>Downsizing provided equity at completion of at least £200,000 for properties in London &amp; South East and £150,000 in the rest of the UK</li> <li>Other than downsizing, a combination of repayment vehicles can be used</li> </ul>
<b>Property</b>	
<b>Minimum valuation</b>	With minimum loan size £100,000, minimum valuation is £110,000. For Ex-LA flats, £125,000 outside Greater London and £200,000 within
<b>Locations</b>	Mainland England, Scotland, Wales. Postcode restrictions apply in Scotland
<b>Flats</b>	Where security property is on the 4th floor or above, the block needs to have a lift. High quality flats in blocks of up to 20 floors can be considered
<b>Ex-LA flats</b>	<ul style="list-style-type: none"> <li>No minimum private ownership percentage</li> <li>Deck access allowed</li> <li>Consideration given to blocks above 4 storeys with more than 50 units</li> </ul>
<b>Flats above commercial</b>	<ul style="list-style-type: none"> <li>Up to 75% LTV: Flats above or adjacent to commercial premises.</li> <li>Up to 60% LTV: Flats above or adjacent to restaurants, takeaways, dry cleaners, hairdressers, launderettes, tattoo, piercing or nail parlours</li> </ul>
<b>Unsuitable properties</b>	To find out more about unacceptable properties and Modern Methods of Construction, please contact us
<b>Tenure</b>	
<b>Freehold</b>	Houses only accepted
<b>Leasehold</b>	The lease must have an unexpired term of 40 years remaining at the end of the mortgage term for C&R loans, 70 years remaining for IO
<b>New Build</b>	
<b>Offer validity</b>	6 months. Extensions of up to 6 months can be considered
<b>Builder deposit/incentive</b>	Acceptable up to 5% of the purchase price
<b>Building Warranty</b>	A warranty should be in place from a suitable provider. See online for full list

# RESIDENTIAL

Helping Hand/Joint Borrower Sole Proprietor																			
<b>Definition</b>	Parents and children (including step or adopted) assisting each other to buy or remortgage																		
<b>Income</b>	Up to 4 applicants with all incomes considered in affordability																		
<b>How it works</b>	Only borrowers named on the title deeds will occupy the property as their main residence. Parent(s) will live elsewhere. All will be jointly and severally liable for the mortgage. All borrower names (owner-occupiers & parents) will be on and sign the Mortgage Deed																		
Help to Buy																			
<b>Availability</b>	We will accept applications on the HTB England and Wales shared equity schemes for the purchase of new build properties																		
<b>Max LTV</b>	Purchase up to 75% LTV in England, London and Wales																		
<b>HTB England - new equity loan scheme 2021-2023</b>	HTB England - new equity loan scheme 2021-2023. Each region has a maximum purchase price as detailed below:																		
	<table border="1"> <thead> <tr> <th>Region</th> <th>Price cap for Help to Buy Homes</th> </tr> </thead> <tbody> <tr> <td>North East</td> <td>£ 186,100</td> </tr> <tr> <td>North West</td> <td>£224,400</td> </tr> <tr> <td>Yorkshire &amp; the Humber</td> <td>£228,100</td> </tr> <tr> <td>East Midlands</td> <td>£261,900</td> </tr> <tr> <td>East of England</td> <td>£407,400</td> </tr> <tr> <td>London</td> <td>£600,000</td> </tr> <tr> <td>South East</td> <td>£437,600</td> </tr> <tr> <td>South West</td> <td>£349,000</td> </tr> </tbody> </table>	Region	Price cap for Help to Buy Homes	North East	£ 186,100	North West	£224,400	Yorkshire & the Humber	£228,100	East Midlands	£261,900	East of England	£407,400	London	£600,000	South East	£437,600	South West	£349,000
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Eligible first time buyers can borrow an equity of up to 20% or up to 40% in London, of the purchase cost of a new build home. Customers will need to provide a minimum 5% deposit from their own resources																			
<b>HTB Wales</b>	<ul style="list-style-type: none"> <li>• Available for both FTB and Homemovers purchasing a new build property</li> <li>• Maximum property valuation £250,000</li> </ul>																		

# BUY TO LET

Loan		
Maximum LTV	85%	
Minimum Loan	£100,000	
Maximum Loan	£1m up to 75%, £750k up to 80%, £500k up to 85%	
Minimum Term	5 years	
Maximum Term	40 years	
Remortgage	No remortgage within 6 months of purchase. Bridging finance can be remortgaged within 6 months with capital raising considered where clear evidence of works carried out to improve the value of the property	
Offer validity	4 months. New Build offers are valid for 6 months. Extensions considered.	
Applicant		
Minimum age	21 years for primary applicant, 18 for other applicants if direct family members	
Maximum age	Mortgage to finish before 85th birthday	
Maximum number of applicants	4	
First Time Buyer	Applicants who do not currently own any property are acceptable. Where LTV is below 80%, no income assessment required. We are unable to consider FTBs who have been furloughed or if they operate a self-employed business which has not returned to work/trading due to COVID-19	
Allowable Adverse	Have a look at our product guides to see the level of adverse we can accept	
Affordability		
Rental Cover Rates	Single Units	HMO/MUB
Basic Rate	125%	130%
Higher Rate	140%	140%
SPV's	125%	130%
Expats	BRT 125%, HRT 140%	BRT 130%, HRT 140%
Rental calculation	5 or more years fixed rate products: initial rate. All other products a nominal rate (currently 5.5%) or the product rate + 2%, whichever is higher	
Assessment rates	For 2 year fixed £ for £ remortgaging: product rate, 5% minimum	
Nationality & Residency		
Nationality and Residency	<ul style="list-style-type: none"> <li>• All applicants must provide 3 years address history showing at least 2 years continuous UK residency</li> <li>• Foreign nationals in addition must provide evidence of their permanent right to reside in the UK</li> </ul>	
Acceptable documents for proof of ID	<ul style="list-style-type: none"> <li>• Valid UK Passport</li> <li>• Valid UK Driving Licence - Photo Card</li> <li>• Valid non-UK passport or National ID card HM Forces/Police Warrant Card</li> <li>• Current firearms licence or shotgun certificate</li> </ul>	
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Income & Evidence		
Income	Applications must be self-funding, income top up no longer accepted	
Consumer BTL	We do not consider consumer BTL	
Let to Buy	Considered. Prior to completion, applicants will need to provide a mortgage offer for their onwards residential purchase. The Remortgage and Purchase must complete simultaneously	

# BUY TO LET

<b>Government Financial Support Schemes</b>	Where the applicants have used any of the schemes, (e.g, SEISS, CBILS or BBLS), proceeds cannot be considered as income
<b>Expat</b>	
<b>Eligibility</b>	British Citizens living or working in selected EEA or Worldwide countries (refer to Expat Flyer for list of countries). Minimum property value of £150,000 for non EEA Landlords
<b>LTV</b>	Up to 75% LTV except Australia where maximum is 70%
<b>SPV</b>	Applications can be considered where one or more director(s) or shareholder(s) of an SPV registered in England, Wales or Scotland is resident overseas as an Expat
<b>Existing Landlords</b>	Need to own a BTL property in the UK and receive rental income. Maximum loan £1,000,000
<b>First Time Landlords (must own a UK property)</b>	Evidence of a UK tax liability within the last 5 years required. Maximum loan £500,000
<b>Applicant profile</b>	Applicants must be able to demonstrate they have at least three active credit accounts in the UK, e.g, UK bank account, mortgage (acceptable even if redeemed up to two years ago), other credit
<b>Multi Unit Blocks</b>	
<b>Applicant profile</b>	At least one applicant must have 1 year's landlord experience
<b>Minimum valuation</b>	£175,000 for the freehold block in London and SE, £125,000 in all other regions
<b>Number of Units</b>	Up to 5 self-contained units on a single freehold title. Flats only, no mixed units
<b>Houses of Multiple Occupancy/Student Lets</b>	
<b>Applicant profile</b>	At least one applicant must have 1 year's landlord experience
<b>Minimum valuation</b>	£125,000
<b>Number of bedrooms</b>	Up to 8 bedrooms
<b>Licensing requirements</b>	HMO licence is required if deemed appropriate from the Local Authority
<b>Special Purchase Vehicles (SPVs) Limited Company Lending</b>	
<b>Definition</b>	Applications accepted from SPVs that have been formed for the sole purpose of holding residential Buy to Let properties as assets. Trading limited company lending is not permitted
<b>Directors or shareholders</b>	Up to 4 individuals. SPV must be registered in England, Wales or Scotland
<b>Acceptable SIC codes</b>	68100, 68209, 68320, 68201
<b>Acceptable SPV Deposits</b>	Deposit confirmed by way of equity (where SPV is purchasing property from the applicant) or cash deposit - these would be classed as Director's loans to the SPV. Gifted equity/deposits, purchase at undervalue or intercompany loans are not accepted
<b>Personal Guarantees</b>	All directors and all classes of shareholder are required to provide joint and several guarantees unless under 18 and a dependent of a director
<b>Holding Companies</b>	The SPV must not be a holding company or subsidiary, or have any subsidiaries or holding companies
<b>Connected transaction</b>	Where the security property is registered in the personal name of one of the applicants, at least one of the current owners must also be a shareholder of the SPV named on the application
<b>Bounceback Loan</b>	We are currently unable to lend to a SPV that has taken out a Coronavirus Bounceback Loan or financially linked to another entity which has
<b>Deed of Trust</b>	We are unable to lend where a Deed of Trust is in place
<b>Portfolio Landlords</b>	
<b>Definition</b>	Having 4 or more mortgaged BTL properties
<b>Experience</b>	1 year's experience of owning a BTL property
<b>Maximum value</b>	Up to 20 properties with a maximum of £4,000,000 in a Vida portfolio No limit on overall portfolio size. Average LTV up to 80% Rental stressing will only be applied to mortgages held by Vida. Background portfolio required to meet a minimum ICR/ applied stress of 125%
<b>Minimum valuation</b>	With a minimum loan size of £100,000, minimum valuation is £115,000. Ex LA flats £125,000 outside Greater London, £200,000 within
<b>Locations</b>	Mainland England, Scotland and Wales. Postcode restrictions apply in Scotland

# BUY TO LET

Property	
<b>Flats</b>	Where security property is on the 4th floor or above, the block needs to have a lift. High quality flats in blocks up to 20 floors can be considered
<b>Ex LA Flats</b>	No minimum private ownership percentage Deck access allowed Consideration given to blocks above 4 storeys and with more than 50 units
<b>Flats above commercial</b>	Up to 75% LTV: Flats above or adjacent to commercial premises. Up to 60% LTV: Flats above or adjacent to restaurants, takeaways, dry cleaners, hairdressers, launderettes, tattoo, piercing or nail parlours
<b>EPC requirements</b>	We require all BTL properties to have a valid Energy Performance Certificate (EPC) rating of E or above, unless a valid exemption has been registered. Any future legal change to the minimum EPC rating must be maintained for the full term of the mortgage
<b>Unsuitable properties</b>	To find out more about unacceptable properties and Modern Methods of Construction, please contact us
Tenure	
<b>Freehold</b>	Houses only accepted
<b>Leasehold</b>	The lease must have an unexpired term of 40 years remaining at the end of the mortgage term for C&R loans, 70 years remaining for IO
<b>Tenancies</b>	AST, Corporate lets, shared households and student lets DSS accepted. Assured, protected, statutory or 'sitting tenants' not accepted
New Build – Defined as one that has never been occupied	
<b>Offer validity</b>	6 months, extendible for up to a further 6 months on the same product subject to credit search, affordability, and re-valuation
<b>Building warranty</b>	A warranty should be in place from a suitable provider. See online for full list
Deposit Criteria	
<b>Gifted Deposits</b>	100% gifted deposits considered from the following family members: Parent, Child, Grandparent, Sibling, Uncles/Aunts, Cousins, Niece/Nephew, Step relatives, Foster Parent, or Legal Guardian
<b>Overseas Deposit</b>	Deposits from an overseas account can be considered on a case by case basis
<b>Builder Deposit/incentive</b>	Acceptable up to 5% of the purchase price on new build properties
<b>Purchase at undervalue</b>	Acceptable where purchasing from a close relative, or a long-term tenant buying from their landlord
<b>Inter Co Loans</b>	We are unable to consider intercompany loans as a source of deposit
<b>Directors Loan</b>	For self-employed applicants only (confirmation from an Accountant will be required confirming the loan will not adversely affect the business)
<b>Government Financial Support Schemes</b>	Where an Applicant has used any of the schemes, (e.g., SEISS, CBILS or BBLs), proceeds cannot be used towards deposit funds

**THIS DOCUMENT IS FOR THE USE OF PROFESSIONAL MORTGAGE INTERMEDIARIES ONLY.**

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