

Mortgage Lending Criteria

In some situations our underwriting team may request additional information, this is for guidance purposes only.

Personal Details	
Type	Requirement
Min Age	21 years
Max Age	No limit
Residency	Applicant to confirm current residency (last 3 months)
Visa	We will be able to offer you a mortgage as long as you can prove you have indefinite rights to reside in the UK, and that you currently residing in the UK
Ex-Pat	Not acceptable
Guarantor	Not acceptable
Number of Applicants	We can consider up to 4 applicants per application.

Limited Company	
Type	Requirement
SIC Codes accepted	64305, 64910, 68100, 68209, 68310, 68320
Length of time SPV needs to be open	Your SPV must be incorporated at the point of application, no minimum length required
Maximum number of Directors on SPV	Maximum of 4 directors on the mortgage
Maximum number of shareholders on SPV	Maximum of 4 shareholders on the mortgage, all significant shareholders must be party to the mortgage (none significant / below 25% share not required)
Maximum number of Mortgage Charges on SPV	Maximum 3 on application. For purchases we allow you to purchase your 4th property

Employment/Income Details

Type	Requirement
Income	£20,000 for primary individual, or significant shareholder (unable to combine multiple applicants to meet minimum income requirement)
Bonus/ Commission/ Overtime	Considered if consistent over 3 months payslips / If annual bonus for last 3 years P60s or individual payslips showing payments.
Other allowances	Considered if consistent over 3 months payslips
Bursary Income	Not acceptable
Private Pension	3 months latest pension payslips or P60 or pension statement. SIPPs Considered - Latest statement copy with current value, dated within the past 3 months
State Pension	Latest DWP state pension letter issued within the last 12 months.
Investment Income	Considered - Latest copy of investment portfolio with current value, dated within the past 3 months
Rental Income	Considered by way of tax return if no impact to new lending, subject to underwriter assessment
State Benefits	Not acceptable
Sole trader	Net profit will be considered as gross income and must be evidenced by latest HMRC self-assessment tax return. Alternative tax return considered.
Accountant Qualifications	<ul style="list-style-type: none"> ● Institute of Chartered Accountants in England & Wales (ICAEW) ● Association of Chartered Certified Accountants (ACCA) ● Certified Public Accountants Association (CPAA) ● Chartered Institute of Management Accountants (CIMA) ● Chartered Institute of Public Finance & Accountancy (CIPFA) ● Association of Authorised Public Accountants (AAPA) ● Association of International Accountants (AIA) ● Chartered Institute of Taxation (CIOT) ● Association of Accounting Technicians (AAT) ● Institute of Financial Accountants (IFA) ● Association of Taxation Technicians (ATT)
Partnerships	Gross income will consist of your share of the net profit for partnership and must be evidenced by a copy of their HMRC tax return document. Alternative tax return considered.
Directors of Ltd Company	<p>Directors of limited companies with a minimum shareholding of 25% will be regarded as self-employed applicants.</p> <p>Directors of limited companies with a shareholding of less than 25% will be regarded as employed and income will be assessed as such.</p> <p>Directors that do not have a shareholding but are still a company director, will be considered as an employee of the company.</p>

	Gross income will consist of dividend and employment income evidenced by latest HMRC self-assessment tax return. Alternative tax return considered. Latest 2 years accounts may be required subject to underwriter assessment.
Temporary / Zero Hour Contracts	Not acceptable
Foreign Currency	Not acceptable
Other Unacceptable income types	<ul style="list-style-type: none"> • Businesses with complicated ownership structures i.e. > 1 level of ownership. • Income or assets generated or held in currency other than (£) sterling will not be taken in consideration for the purposes of affordability or a repayment strategy. • Applicants who form part of an investment club or syndicate.

Existing Mortgage/Debts Details

Type	Requirement
Buy to Lets in Background	Maximum 3 on application. For purchases we allow you to purchase your 4th property
Let To Buy (Existing Resi Mortgage)	Acceptable. Both transactions must be simultaneous.
Re-mortgage with less than 6 months ownership?	Not acceptable

Property Details/Purpose

Type	Requirement
Location of Lending	England and Wales only
Minimum Property value	£75,000 in North East & North West (<i>as defined by NUTS regions</i>) £100,000 Elsewhere
Maximum Property Value	£4M
Legal Charge	First charge only. No consent given to second charges
Agricultural Ties	Not acceptable
Bed & Breakfast	Not acceptable
Properties above a commercial premises	Acceptable based on the assumption that the commercial unit is on the ground floor and: <ul style="list-style-type: none"> - Subject flat is on the 2nd floor or higher - The block is 3 storeys or higher - Subject to a satisfactory valuer valuation

Acceptable Construction type	Standard construction Non-standard construction considered subject to satisfactory valuation report and full insurance cover being obtained
Modern Methods of Construction	Accepted if BOPAS accredited, minimum 10-year warranty from a recognised warranty provider, and subject to valuer satisfaction
Japanese Knotweed	Not acceptable
Fracking	Not acceptable
Non Habitable Condition	Not acceptable
Ex Local Authority	Maximum LTV 75%; Minimum value £150,000
Owns more than one flat in the building	Not acceptable - where the applicant occupies a property in the same building within converted house
Holiday Lets	Not acceptable
Air BnB	Not acceptable
Not acceptable scenario's	Self-build mortgages Right to Buy Bridging finance Shared ownership or shared equity mortgages Guarantor mortgages Guest House or Bed & Breakfast enterprises Commercial activity other than BTL Lifetime mortgages Home reversion plans Registered Social Landlords Help to Buy Holiday lets Consumer Buy-to-Let
Leasehold	Minimum of 90 years at the time of completion
New Build definition	Property built/converted in the last 24 months (based on completion certificate). Not based upon first time occupation.
New Build warranties/ guarantees	ABC+ Aedis Warranties Ltd Ark Insurance Build Assure Build Life Plans Build Zone Checkmate / Castle 10 CRL Management Limited ICW LABC NHBC One Guarantee Premier Guarantee Protek

	Q Assure Zurich Municipal Where the Property comprises a flat within a building, these warranties must also be available for all common parts (including the structure) of the building prior to completion of the loan
New Build house	Accepted - 75%, maximum loan size £750k
New Build flat	Accepted - 75%, maximum loan size £750k
New Build Incentives	Builder Incentives accepted up to 5% of the purchase price (deposit must be from applicants own resources). Builder incentive can include white goods, carpets and curtains, cashback, legal fees and a contribution towards stamp duty
Recently purchased property	Remortgage under 6 months ownership is not acceptable
Self Build	Not acceptable
Studio	Minimum 30 sq. metres floor space, with a separate bathroom
Floor Area	Minimum 30 sq. metres floor space

Loan Details	
Type	Requirement
Min Term	5 years
Max Term	35 years
Min Loan	£25,000
Max Loan	£2M
Max Loan by LTV Buy to Let These limits may be restricted by product	Loan size <=£750k: 80% Loan size <=£1m: 75% Loan size <=£1.5m: 65% Loan size <=£2m: 60% New Build: 75%, maximum loan size £750k Ex-LA: 75% HMO: 75% maximum loan size £1M Remortgage with F/Adv: 75%
Maximum Exposure	£3m / 3 maximum loans per borrower, combined individual & SPV / Limited Company
Deposit	Deposit must be from own resources unless gifted by a close family relative, or another SPV. Where deposit is gifted, the donor must complete the Molo Gifted Mortgage Deposit Form. Subordination deed may be required if deposit is coming from another limited company under the applicants ownership.
Repayment types	Interest only (no repayment)
Part and Part	Not acceptable

Acceptable repayment vehicles	Sale of mortgaged property
Debt Consolidation	Not acceptable
Capital raising	Acceptable - subject to assessment by underwriting (debt consolidation not acceptable).
Offers valid for	6 months
Rental calculation - Minimum Interest Cover	Individual - Basic Rate taxpayer 125% Individual - Higher Rate taxpayer 150% Individual - Additional Rate taxpayer 153% SPVs - 125% New Build properties Higher of 150% and rates above HMO - 160%
Rental - Stressed Interest Rates	2 or 3 year fixed rate or any tracker - Higher of either pay rate + 2.0% or 5.5% 5 year fixed rate - Initial pay rate
Portfolio Landlords	We currently do NOT accept portfolio landlords (coming in Q1 2021) We will accept portfolios which are UNENCUMBERED (ie. we only assess mortgaged BTLs)
HMO's	Minimum 12 months landlord experience required Maximum 8 tenants who are not from same household
Tenancy	Single AST - 6 -24 months Corporate Lets Permitted Not eligible: holiday lets, Airbnb lets, DSS/DWP tenancy agreements
Rental Income	Rent received in cash is not accepted Rental paid through investment syndicates is not accepted We may request proof via the latest 3 months bank statements
Consumer BTL	Not acceptable
EPC	Required confirming that an energy performance indicator of no less than E is in place.

Credit History	
Type	Requirement
Unsecured Defaults	No defaults in the past 12 months. No more than cumulative £1,000 defaults value in the past 36 months. Must be satisfied over 12 months ago Above criteria applies to all applicants
Secured Arrears	A maximum of 1 in the previous 24 months (all applicants). Must be up to date on application
CCJ/Defaults	No satisfied CCJs > £500 in last 24 months No unsatisfied CCJs (all applicants)

Debt Management plans	No Gazette / liquidation notice filed in last 6 years; No previous involvement in a debt recovery programme; No prior debt recovery search registered with a director
Bankruptcy/IVA	No previous bankruptcy / IVA in the last 6 years (all applicants)
Repossession	No previous repossession (all applicants)
Credit check/score	Credit search and score obtained