

## 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 the right 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)

Employment/Income Details	
Type	Requirement
Income	£20,000 for primary individual, or significant shareholder (unable to combine multiple applicants to meet minimum income requirement)

<b>Bonus/ Commission/ Overtime</b>	Considered if consistent over 3 months payslips / If annual bonus for last 3 years P60s or individual payslips showing payments.
<b>Other allowances</b>	Considered if consistent over 3 months payslips
<b>Bursary Income</b>	Not acceptable
<b>Private Pension</b>	3 months latest pension payslips or P60 or pension statement.  SIPPs Considered - Latest statement copy with current value, dated within the past 3 months
<b>State Pension</b>	Latest DWP state pension letter issued within the last 12 months.
<b>Investment Income</b>	Considered - Latest copy of investment portfolio with current value, dated within the past 3 months
<b>Rental Income</b>	Considered by way of tax return if no impact to new lending, subject to underwriter assessment
<b>State Benefits</b>	Not acceptable
<b>Sole trader</b>	Net profit will be considered as gross income and must be evidenced by the latest filed tax return.
<b>Accountant Qualifications</b>	<ul style="list-style-type: none"> <li>● Institute of Chartered Accountants in England &amp; Wales (ICAEW)</li> <li>● Association of Chartered Certified Accountants (ACCA)</li> <li>● Certified Public Accountants Association (CPAA)</li> <li>● Chartered Institute of Management Accountants (CIMA)</li> <li>● Chartered Institute of Public Finance &amp; Accountancy (CIPFA)</li> <li>● Association of Authorised Public Accountants (AAPA)</li> <li>● Association of International Accountants (AIA)</li> <li>● Chartered Institute of Taxation (CIOT)</li> <li>● Association of Accounting Technicians (AAT)</li> <li>● Institute of Financial Accountants (IFA)</li> <li>● Association of Taxation Technicians (ATT)</li> </ul>
<b>Partnerships</b>	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.
<b>Directors of Ltd Company</b>	<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> <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.</p>
<b>Temporary / Zero Hour Contracts</b>	Not acceptable
<b>Foreign Currency</b>	Not acceptable

<b>Other Unacceptable income types</b>	<ul style="list-style-type: none"> <li>• Businesses with complicated ownership structures i.e. &gt; 1 level of ownership.</li> <li>• 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.</li> <li>• Applicants who form part of an investment club or syndicate.</li> </ul>
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Portfolio Landlords	
Type	Requirement
<b>Buy to Lets in Background</b>	<p>Maximum 10 mortgaged buy to lets on application across all applicants.</p> <p>For purchases we allow the purchase of your 10th BTL property as the maximum allowed on a portfolio basis.</p> <p>There is no limit to the number of unencumbered properties.</p>
<b>Max LTV for the background portfolio</b>	75%
<b>Portfolio Stress Test</b>	Background portfolio interest cover requirement is 100% stressed at 5.5%.
<b>Supporting documents</b>	<p>Fully completed Molo Finance portfolio form required on all applications.</p> <p>Assets and liabilities, and cash flow are required at Underwriters' discretion.</p>

Property Details/Purpose	
Type	Requirement
<b>Location of Lending</b>	<p>Mainland England &amp; Wales</p> <p>We will accept properties in the Isle of Wight. No other islands will be accepted.</p>
<b>Minimum Property value</b>	<p>£75,000 in North East &amp; North West <i>as per NUTS regions.</i></p> <p>£100,000 Elsewhere</p>
<b>Maximum Property Value</b>	£4m
<b>Maximum block exposure</b>	<p>We will accept a maximum of 4 units per block of flats up to:</p> <ul style="list-style-type: none"> <li>• Maximum aggregate lending of £2m inside of London &amp; SE,</li> <li>• Maximum aggregate lending of £1m outside of London &amp; SE.</li> </ul>
<b>Legal Charge</b>	First charge only. No consent given to second charges
<b>Re-mortgage with less than 6 months ownership</b>	Not acceptable unless purchased using bridging finance or without a mortgage.
<b>Unencumbered property</b>	<p>Capital raise from unencumbered properties acceptable subject to:</p> <ul style="list-style-type: none"> <li>• Max LTV = 75%</li> <li>• If property acquired within past 18 months, evidence of source of funds will be required.</li> </ul>

<b>Agricultural Ties</b>	Not acceptable
<b>Bed &amp; Breakfast</b>	Not acceptable
<b>Properties above a commercial premises</b>	Acceptable unless the property is directly above the commercial premises. If property is situated directly above the commercial premises please refer property to Molo Finance for review on a case by case basis.
<b>Acceptable Construction type</b>	Standard construction Non-standard construction considered subject to satisfactory valuation report and full insurance cover being obtained
<b>Modern Methods of Construction</b>	Accepted if BOPAS accredited, minimum 10-year warranty from a recognised warranty provider, and subject to satisfactory valuation
<b>Japanese Knotweed</b>	Not acceptable
<b>Fracking</b>	Not acceptable
<b>Non Habitable Condition</b>	Not acceptable
<b>Ex Local Authority</b>	Maximum LTV 75%; Minimum value £150,000
<b>Owns more than one flat in the building</b>	Acceptable - subject to Molo exposure limits
<b>Let to buy</b>	Acceptable
<b>Holiday Lets</b>	Not acceptable
<b>Air BnB</b>	Not acceptable
<b>Not acceptable scenario's</b>	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
<b>Leasehold</b>	Minimum of 90 years at the time of completion
<b>New Build definition</b>	Property built/converted in the last 24 months (based on completion certificate). Not based upon first time occupation.
<b>New Build warranties/ guarantees</b>	ABC+ Aedis Warranties Ltd Ark Insurance

	Build Assure Build Life Plans Build Zone Checkmate / Castle 10 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
<b>New Build</b>	Accepted - 75%, maximum loan size £750k
<b>New Build Incentives</b>	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
<b>Self Build</b>	Not acceptable
<b>Studio</b>	Minimum 30 sq. metres floor space, with a separate bathroom
<b>Floor Area</b>	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	<table border="1"> <thead> <tr> <th>LTV</th> <th>Max Loan</th> </tr> </thead> <tbody> <tr> <td>&gt;75%</td> <td>£750,000</td> </tr> <tr> <td>&gt;65%</td> <td>£1,000,000*</td> </tr> <tr> <td>&gt;60%</td> <td>£1,500,000*</td> </tr> <tr> <td>&lt;=60%</td> <td>£2,000,000*</td> </tr> </tbody> </table> <p>           *New Build: 75% LTV, maximum loan size £750k            *Ex-local authority: 75% LTV            *HMO: 75% LTV, maximum loan size £1M            *Remortgage with Additional Borrowing: 75% LTV         </p>	LTV	Max Loan	>75%	£750,000	>65%	£1,000,000*	>60%	£1,500,000*	<=60%	£2,000,000*
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<b>Maximum Exposure</b>	£3m / 3 maximum loans per borrower (combined across individual and SPV / Limited Company)
<b>Deposit</b>	Deposit must be from own resources unless gifted by a close family relative, or another SPV. Where deposit is gifted, the donor must complete and comply with the Molo gifted deposit form.
<b>Repayment types</b>	Interest only (no repayment)
<b>Part and Part</b>	Not acceptable
<b>Acceptable repayment vehicles</b>	Sale of mortgaged property
<b>Debt Consolidation</b>	Not acceptable
<b>Capital raising</b>	Acceptable - subject to assessment by underwriting (debt consolidation not acceptable).
<b>Offers valid for</b>	6 months
<b>Rental calculation - Minimum Interest Cover</b>	Individual - Basic Rate taxpayer 125% Individual - Higher Rate taxpayer 150% Individual - Additional Rate taxpayer 153% SPVs - 125% New Build - 150% (additional rate taxpayers ICR 153%) HMO (including new build) - 160%
<b>Rental - Stressed Interest Rates</b>	If initial rate fixed for 5 year or more, then initial rate, else, higher of either pay rate + 2.0% or 5.5%
<b>HMO's</b>	Minimum 12 months landlord experience required Maximum 5 people who are not from same household
<b>Tenancy</b>	Single AST - 6 -24 months Corporate Lets Permitted  Not eligible: holiday lets, Airbnb lets, DSS/DWP tenancy agreements
<b>Rental Income</b>	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
<b>Consumer BTL</b>	Not acceptable
<b>EPC</b>	Required confirming that an energy performance indicator of no less than E is in place.

## Credit History

Type	Requirement
<b>Arrears</b>	Assessed on a case by case basis
<b>Unsecured Defaults</b>	No defaults in the past 12 months No more than cumulative £1,000 defaults value in the past 36 months (all applicants)
<b>Secured Arrears</b>	None in the last 6 months 1 in the previous 7 - 24 months (all applicants)
<b>CCJ/Defaults</b>	No satisfied CCJs > £500 in last 24 months No unsatisfied CCJs (all applicants)
<b>Debt Management plans</b>	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 or significant shareholder
<b>Bankruptcy/IVA</b>	No previous bankruptcy / IVA in the last 6 years (all applicants)
<b>Repossession</b>	No previous repossession (all applicants)
<b>Credit check/score</b>	Credit search and score obtained