

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)

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 the latest filed tax return.
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> <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>
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.
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Portfolio Landlords	
Type	Requirement
Buy to Lets in Background	<p>Maximum 20 mortgaged buy to lets on application across all applicants.</p> <p>For purchases we allow the purchase of your 20th mortgaged BTL property as the maximum allowed on a portfolio basis.</p> <p>There is no limit to the number of unencumbered properties.</p>
Max LTV for the background portfolio	80%
Portfolio Stress Test	Background portfolio interest cover requirement is 100% stressed at 5.5%.
Supporting documents	<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
Location of Lending	<p>Mainland England & Wales</p> <p>We will accept properties in the Isle of Wight. No other islands will be accepted.</p>
Minimum Property value	<p>£75,000 in North East & North West <i>as per NUTS regions</i>.</p> <p>£100,000 Elsewhere</p>
Maximum Property Value	£4m
Maximum block exposure	<p>We will accept a maximum of 4 units per block of flats up to:</p> <ul style="list-style-type: none"> • Maximum aggregate lending of £2m inside of London & SE, • Maximum aggregate lending of £1m outside of London & SE.
Legal Charge	First charge only. No consent given to second charges
Re-mortgage with less than 6 months ownership	Not acceptable unless purchased using bridging finance or without a mortgage.
Unencumbered property	<p>Capital raise from unencumbered properties acceptable subject to:</p> <ul style="list-style-type: none"> • Max LTV = 75% • If property acquired within past 18 months, evidence of source of funds will be required.

Agricultural Ties	Not acceptable
Bed & Breakfast	Not acceptable
Properties above a commercial premises	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.
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 satisfactory valuation
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	Acceptable - subject to Molo exposure limits
Let to buy	Acceptable
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 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	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
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	<p>A maximum of 80% LTV applies to purchase and re-mortgage (£-for-£) overall.</p> <p>Additional limits by size of the loan are as follows:</p> <p>80% LTV max loan size up to £750,000; 75% LTV max loan size up to £1m; 65% LTV max loan size up to £1.5m; 60% LTV max loan size up to £2m.</p> <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>
Maximum Exposure	£3m / 10 maximum loans per borrower (combined across individual and 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 and comply with the Molo gifted deposit form.
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 - 150% (additional rate taxpayers ICR 153%) HMO (including new build) - 160%
Rental - Stressed Interest Rates	If initial rate fixed for 5 year or more, then initial rate, else, higher of either pay rate + 2.0% or 5.5%
HMO's	Minimum 12 months landlord experience required Maximum 5 people 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
Arrears	Assessed on a case by case basis
Unsecured Defaults	No defaults in the past 12 months No more than cumulative £1,000 defaults value in the past 36 months (all applicants)
Secured Arrears	None in the last 6 months 1 in the previous 7 - 24 months (all applicants)
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 or significant shareholder
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