

## 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 can consider both UK and Non UK nationals
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, 68201 (68201 cannot be the sole SIC code of the SPV)
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	No minimum income

## 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	<p>Background portfolio interest cover requirement is 100% stressed at 5.5%.</p> <p>The portfolio with Molo should exceed 125% at the pay rate.</p>
Supporting documents	<p>Fully completed Molo Finance portfolio form required on all applications. No other forms will be accepted.</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 &amp; Wales</p> <p>We will accept properties in the Isle of Wight. No other islands will be accepted.</p>
Minimum Property value	No minimum property value
Maximum Property Value	£4m
Maximum block exposure	<p>We will accept a maximum of 4 units per block of flats up to:</p> <p>Maximum aggregate lending of £2m inside of London &amp; SE,</p> <p>Maximum aggregate lending of £1m outside of London &amp; SE.</p>
Legal Charge	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>	Capital raise from unencumbered properties acceptable subject to: Max LTV = 75% If property acquired within the past 18 months, evidence of source of funds will be required.
<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>	Member of the Property Care Association (PCA). We follow the RICS directive on Japanese Knotweed as per March 2022.
<b>Fracking</b>	Conveyancer to ensure appropriate buildings insurance is in place.
<b>Non Habitable Condition</b>	Not acceptable
<b>Ex Local Authority</b>	Maximum LTV 75%
<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 Help to Buy Consumer Buy-to-Let
<b>Leasehold</b>	Minimum 90 years at mortgage 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>	<ul style="list-style-type: none"> <li>● ABC+</li> <li>● Advantage</li> <li>● Aedis Warranties Ltd</li> <li>● Ark Insurance</li> <li>● Build Assure</li> <li>● Build Life Plans</li> <li>● Build Zone</li> <li>● Checkmate / Castle 10</li> <li>● Global Home Warranties</li> <li>● ICW</li> <li>● LABC</li> <li>● NHBC</li> <li>● One Guarantee</li> <li>● Premier Guarantee</li> <li>● Protek</li> <li>● Q Assure</li> <li>● Zurich Municipal</li> </ul> <p>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</p>
<b>New Build</b>	Accepted - 75%, Maximum loan size £1m
<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	£45,000
Max Loan	£3m

<b>Max Loan by LTV Buy to Let These limits may be restricted by product</b>	<p>A maximum of 80% LTV (inclusive of fees) applies to purchase and re-mortgage (£-for-£) overall.</p> <p>Additional limits by size of the loan are as follows:</p> <ul style="list-style-type: none"> <li>• 80% LTV max loan size up to £1m;</li> <li>• 75% LTV max loan size up to £1.25m</li> <li>• 65% LTV max loan size up to £1.5m;</li> <li>• 60% LTV max loan size up to £3m.</li> </ul> <p><b>*New Build &amp; HMO:</b> max 75% LTV, maximum loan size £1m (exclusive of fees)  <b>*Ex-local authority &amp; Remortgage with additional borrowing :</b> max 75% LTV (exclusive of fees)</p>
<b>Maximum Exposure</b>	£5m / 20 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
<b>Part and Part</b>	Not acceptable
<b>Acceptable repayment vehicles</b>	Sale of mortgaged property
<b>Capital raising</b>	Acceptable - subject to assessment by underwriting
<b>Debt Consolidation</b>	Not acceptable
<b>Offers valid for</b>	6 months
<b>Rental calculation - Minimum Interest Cover</b>	Individual - Basic Rate taxpayer 125% Individual - Higher Rate & Additional rate taxpayer 145% SPVs - 125%
<b>Rental - Stressed Interest Rates</b>	Tracker : <i>Higher of pay rate +2% or follow-on rate, at a minimum of 5.5%</i> Variable : <i>Higher of pay rate + 2%, at a minimum of 5.5%</i> <5-year fixed rate : <i>Higher of pay rate +2% or follow-on rate, at a minimum of 5.5%</i> >=5-year fixed rate : <i>Pay rate</i>
<b>HMO's</b>	Minimum 12 months landlord experience required Maximum 6 people who are not from same household
<b>Tenancy</b>	Single AST - 6 - 36 months Corporate Lets Permitted  Not eligible: 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 new 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 No more than 1 missed payment in the last 12 months (all applicants)
<b>CCJ/Defaults</b>	No satisfied CCJs > £1000 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