

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
First Time Landlords	Acceptable
First Time Buyers	Acceptable

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 50 mortgaged buy to lets on application across all applicants.</p> <p>For purchases we allow the purchase of your 50th 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 & Wales</p> <p>We will accept properties in the Isle of Wight. No other islands will be accepted.</p>
Minimum Property Value	£75,000
Maximum Property Value	£4m
Maximum block exposure	We will accept a maximum of 4 units or 10% of the units in the block (whichever is higher).
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	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.
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	Member of the Property Care Association (PCA). We follow the RICS directive on Japanese Knotweed as per March 2022.
Fracking	Conveyancer to ensure appropriate buildings insurance is in place.
Non Habitable Condition	Not acceptable
Ex Local Authority	Maximum LTV 75%
Owns more than one flat in the building	Acceptable - subject to Molo exposure limits
Let to buy	Acceptable
Holiday Lets	Acceptable
Air BnB	Acceptable
Not acceptable scenarios	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
Leasehold	Minimum 90 years at mortgage 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	<ul style="list-style-type: none"> • ABC+ • Advantage • Aedis Warranties Ltd • Ark Insurance • Build Assure • Build Life Plans • Build Zone • Checkmate / Castle 10 • Global Home Warranties • ICW • LABC • NHBC • One Guarantee • Premier Guarantee • Protek • Q Assure • Zurich Municipal <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>
New Build	Accepted - 75%, Maximum loan size £1m
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	£45,000
Max Loan	£3m
Max Loan by LTV Buy to Let These limits may be restricted by product	<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"> • 80% LTV max loan size up to £1m; • 75% LTV max loan size up to £1.25m • 65% LTV max loan size up to £1.5m; • 60% LTV max loan size up to £3m. <p>*New Build & HMO: max 75% LTV, maximum loan size £1m (exclusive of fees) *Ex-local authority & Remortgage with additional borrowing : max 75% LTV (exclusive of fees)</p>

Maximum Exposure	£5m / 20 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
Part and Part	Not acceptable
Acceptable repayment vehicles	Sale of mortgaged property
Capital raising	Acceptable - subject to assessment by underwriting
Debt Consolidation	Not acceptable
Offers valid for	4 months
Rental calculation - Minimum Interest Cover	Individual - Basic Rate taxpayer 125% Individual - Higher Rate & Additional rate taxpayer 145% SPVs - 125%
Rental - Stressed Interest Rates	Tracker : <i>Higher of pay rate + 2.00%, follow-on rate + 2.00%, at a minimum floor of 5.50%</i> Variable : <i>Higher of pay rate + 2.00%, at a minimum floor of 5.50%</i> <5-year fixed rate : <i>Higher of pay rate, follow-on rate + 2.00%, at a minimum floor of 5.50%</i> >=5-year fixed rate : <i>Pay rate</i>
HMO's	Minimum 12 months landlord experience required Maximum 12 people who are not from same household Maximum 12 lettable rooms. Over 6 lettable rooms requires a redbook valuation
MUFB	Minimum of 12 months' landlord experience required Maximum of 12 units Maximum LTV 75% All units must be listed on the freehold title, and there should be no leases in place at the time of completion Each unit must be separately saleable and separately serviced for utilities to be included in the valuation Minimum floor area 25sqm per unit Over 6 units requires a redbook valuation
Tenancy	Single AST - 6 - 36 months Corporate Lets Permitted Not eligible: 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 new 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 No more than 1 missed payment in the last 12 months (all applicants)
CCJ/Defaults	No satisfied CCJs > £1000 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