

# Molo reduces 2-year fixed and tracker products' stress rates across its buy-to-let range

*Stress rates reduced for both UK resident and non-UK resident borrowers*

## News Highlights

- *UK resident 2-year fixed product* stress rates reduced from 9.94% to 7.94%, increasing borrower affordability by 20%\*
- *UK resident tracker product* stress rates reduced from 9.94% to 8.39-9.49%, increasing borrower affordability by up to 16%\*
- *Non-UK resident 2-year fixed product* stress rates reduced from 10.99% to 8.99%, increasing borrower affordability by 18%\*
- *Non-UK resident tracker product* stress rates reduced from 10.99% to 10.49-10.99%, increasing borrower affordability by up to 5%\*

**Thursday, 8th February 2024:** [Molo Finance](#), the UK's first fully digital mortgage lending platform, has announced reductions in its buy-to-let stress rates across its 2-year fixed and tracker products.

To support those landlords looking for shorter-term fixed rate or tracker products with a view to benefitting from potential future rate decreases, while still achieving the levels of leverage required, Molo has revised its stress test logic, enhancing landlords' borrowing options:

- **2-year fixed rates:** higher of pay rate, follow-on rate, or 5.50%
- **5-year fixed rates:** pay rate
- **Tracker rates:** higher of pay rate plus 2%, follow-on rate, or 5.50%
- **Variable rates:** higher of pay rate plus 2% or 5.50%

The changes benefit borrowers – both in the UK and abroad – looking to purchase a property or remortgage, complementing the fixed price rate reductions announced on 23<sup>rd</sup> January 2024.

*\* Note, absolute stress rate percentage subject to change if Bank of England rate increases/decreases*

**Commenting on the change, Molo's VP of Strategy Mark Michaelides says,**  
*"Affordability has been one of the biggest challenges facing landlords over the past 12 months, so we're delighted to announce a recalibration of our stress test to reflect current market conditions and help support the private rental market. We will continue to lend responsibly, providing confidence to brokers and borrowers alike."*

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For full details on our product range, download the product guide from our website.

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### **About Molo**

Molo is an award-winning fintech that is transforming the mortgage industry as Europe's only digitally native mortgage lender. Since it launched in 2018, Molo has used technology to deliver simpler and faster online mortgage lending.

Molo's primary goal is to transform the broken mortgage market, moving away from cumbersome, inefficient, and slow processes, to fast, near real-time decisions. Since its launch, Molo has led change in the UK mortgage industry with over £1.7b mortgage applications submitted across our digital platform to date. Molo is backed by ColCap Financial Limited and has won several awards, including 'Best Digital Mortgage Lender' at the Fintech Awards and 'Best Online Mortgage Lender' at the Lending Awards.

In February 2023, ColCap Financial Limited, a leading Australian privately owned nonbank mortgage lender, acquired an 80% shareholding in Molo after the two companies entered a strategic partnership in 2022. This was a significant milestone in Molo's history, strengthening Molo's position in the market and opening up new possibilities for international growth and innovation.

For further information about Molo Finance please visit [www.molofinance.com](http://www.molofinance.com)

### **Press contacts**

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