

UK Domestic 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 of incorporation is required
Maximum number of Directors on SPV	Maximum of 4 directors on the mortgage all directors must be party to the mortgage
Maximum number of shareholders on SPV	Maximum of 4 shareholders on the mortgage, all significant shareholders must be party to the mortgage (greater than 25% shareholding)

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 125% stressed at 5.5%.</p> <p>The portfolio with Molo should exceed 125% at the pay rate.</p>
Supporting documents	<p>A fully completed Molo Finance portfolio form is required on all applications. No other forms will be accepted.</p> <p>Assets and liabilities, and cash flow are required at the 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	£5m
Maximum block exposure	<p>We will accept up to 10% of the units in the block</p> <p>Where applicants own 100% of both the leasehold and freehold titles in blocks with up to 12 units Molo can consider 100% of the block, subject to being able to take 1st charge over the freehold title.</p>
Leaseholder/Freeholder	Yes-The applicant(s) must own 100% of the freehold title and Molo must be able to take a charge over the freehold
Legal Charge	First charge only. No consent given to second charges
Re-mortgage with less than 6 months ownership	Yes- As long as the property was purchased using bridging finance or cash
Unencumbered property	<p>Capital raise from unencumbered properties acceptable subject to:</p> <p>Max LTV = 75%</p> <p>If the property was acquired within the past 6 months, evidence of source of funds will be required.</p>

Agricultural Ties	Not acceptable
Bed & Breakfast	Not acceptable
Properties above commercial premises	Acceptable. If the property is directly above the commercial premises, the following usage is acceptable: Commercial usage must be within subsections (a), (b) , or(c) of Class E (excluding hairdressing or businesses that have an increased risk of fire subject to surveyors comments).
Acceptable Construction type	Standard construction Non-standard construction is considered subject to a satisfactory valuation report and full insurance cover is 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 building 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 as long as another Buy to let property is owned in the background and the application is not considered to be a Consumer Buy to Let
Holiday Lets	Acceptable Maximum of 6 bedrooms Assessed on a standard AST basis Multi-unit freehold blocks are not 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 on 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 does not have the benefit of a scheme under an acceptable warranty Molo may accept a Professional Consultant's Certificate, please refer to Molo for further guidance.</p> <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%
New Build Incentives	Incentives accepted up to 5% of the purchase price (deposit must be from applicants own resources). Incentives 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, Ex-local authority & Remortgage with additional borrowing: max 75% LTV (exclusive of fees)</p>
Maximum Exposure	£5m (combined across individual and SPV / Limited Company)
Deposit	<p>Deposit must be from own resources unless gifted by a close family relative, or another SPV. Where a deposit is gifted, the donor must complete and comply with the Molo gifted deposit form.</p> <p>Molo will not accept deposits from a Child's bank account, Crypto Currency or from unsecured borrowing</p>
Repayment types	Interest only
Acceptable repayment vehicles	Sale of mortgaged property
Capital raising	<p>Acceptable for the following purposes:</p> <ul style="list-style-type: none"> Home improvements Purchase of property Replenish savings Costs related to the mortgage Repay secured home finance Large purchases such as a car or wedding <p>Supporting information may be requested</p>
Debt Consolidation	Not acceptable
Offers valid for	4 months
Rental calculation - Minimum Interest Cover	<p>Individual - Basic Rate taxpayer 125%</p> <p>Individual – Higher Rate & Additional rate taxpayer 145%</p> <p>SPVs - 125%</p>
HMO's	<p>Minimum 12 months landlord experience required</p> <p>Maximum LTV 75%</p> <p>Maximum 12 people who are not from the same household</p> <p>Maximum 12 lettable rooms.</p> <p>Some properties may require a sui generis/Redbook valuation depending on the layout or number of rooms.</p>
MUFB	<p>Minimum of 12 months' landlord experience required</p> <p>Maximum of 12 units</p> <p>Maximum LTV 75%</p> <p>All units must be listed on the freehold title, and there should be no leases in place at the time of completion</p> <p>Each unit must be separately saleable and separately serviced for utilities to be included in the valuation</p>

	Minimum floor area 25sqm per unit Some properties may require a sui generis/Redbook valuation depending on the layout or number of rooms.
Tenancy	Single AST - 6 - 36 months (On a case-by-case basis other tenancies on a 6-36 month term can be considered where rental exceeds £100,000 a year) Corporate Lets Permitted (Where the company is renting for its employees) Holiday let DSS/DWP tenancy agreements acceptable where the applicant is the landlord
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 and or the tenancy agreement.
Consumer BTL or renting to a family member	Not acceptable
EPC	Required confirming that an energy performance indicator of no less than E is in place, unless exempt

Credit History	
Type	Requirement
Arrears	Assessed on a case-by-case basis
Unsecured Defaults	No new defaults in the past 12 months New defaults in the past 12 months on a utility or communications under £200 can be considered on a case-by-case basis. No more than cumulative £1,000 defaults value in the past 36 months (all applicants)
Secured Arrears	No more than 1 missed payment in the last 12 months (all applicants) Loans secured against an asset (HP agreements) are considered as secured lending
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 program; 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

Full Affordability Assessment

Type	Requirement
Full affordability	Full affordability assessments of a client's income and expenditure can be considered where an application does not pass on an interest coverage basis (ICR). The outcome of the assessment should result in net monthly disposable income (NMDI) greater than the stressed monthly payment for the loan
Eligibility-Full affordability assessment	Sole applicants only
Income types	Please see the updated packaging guidelines on the website

Stress Rate

Type	Stress test
Fixed Rates of Less than 5 Years	The higher of: Pay rate or follow-on rate (minimum of 5.5%).
Fixed Rates of 5 or More Years	The pay rate
Tracker Rates	The higher of: Pay rate plus 2% or follow-on rate (minimum of 5.5%).
Variable Rates	The higher of: Pay rate plus 2% or 5.50% floor rate

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