

FIRST CHARGE

Buy to Let Mortgage Product Guide

MAR 2020



KEY FEATURES:

- Individual or professional landlord
- Portfolios up to 8 properties, maximum value £2m with Masthaven
- Limited companies no personal guarantee if < 50% LTV
- HMO/student accommodation 6 or fewer rooms on one single AST
- Flats up to 10 floors, ex-local authority up to 6 floors
- Corporate tenants
- Unlimited gifted cash deposit from family members
- Gifted equity from family

PLAN	SPECIALIST STANDARD	
Maximum LTV	75%	
Minimum Loan	£40,000	
Maximum Loan	Up to 70% LTV = £1,000,000	Over 70% LTV = £600,000
Application Fee (non-refundable)	£150	
PRODUCT TYPE		
2 Year Fixed	3.54%	
Reversion Rate	5.50% (MBAVR +0.25%)	
Lender Fee (£995 minimum)	2.00%	
ERC	2.00%, 1.00%	
5 Year Fixed	3.84%	
Reversion Rate	5.50% (MBAVR +0.25%)	
Lender Fee (£995 minimum)	2.00%	
ERC	2.00%, 1.00%, 1.00%, 1.00%, 1.00%	
5 Year Fixed	4.14%	
Reversion Rate	5.50% (MBAVR +0.25%)	
Lender Fee	£995	
ERC	2.00%, 1.00%, 1.00%, 1.00%, 1.00%	

Reversion Rates change by tracking the movement in the Masthaven Bank Administered Variable Rate (MBAVR) which is currently 5.25%.

PROCUREMENT FEE

0.5% of the NET advance, subject to a maximum of £5,000

Buy to Let Mortgage Underwriting Criteria

Applies to all applications unless where indicated.

LOAN	
Purpose	Purchase and remortgage available. Remortgage available for: investment property; home improvements/maintenance; purchase of equity; transfer of equity; car purchase; debt consolidation.
Minimum term	5 years
Maximum term	35 years
Maximum portfolio limit	Up to 8 mortgaged properties in the portfolio including the proposed mortgage with a maximum of £2,000,000 indebted with Masthaven. No restriction on total debt with other lenders or number of unencumbered properties owned.
Portable	No
Consumer BTL	Yes
Overpayments	Maximum of 10% of the balance at the start of the mortgage year before ERC apply as detailed in the mortgage illustration
Repayment types	Interest only, capital and interest, and part and part.
Let to Buy	Yes - on both the BTL and residential loan.

LIMITED COMPANY	
Maximum Directors/Partners	Maximum of 2 - must be UK residents.
Non-Trading investment company	<p>A Special Purchase Vehicle (SPV) can purchase a property from a related limited company or related individual subject to:</p> <ul style="list-style-type: none"> Same ultimate owners Transfer at full open market value All shareholders within a shareholding of 10% or more are required to provide joint and several guarantees (unless < 50% LTV on Specialist Standard product) Deposit can come from directors' loan account Debenture not required
Trading companies	<p>Minimum 18 months trading. Most recent accounts required to evidence company is profitable.</p> <p>All shareholders with a shareholding of 10% or more are required to provide joint and several personal guarantees.</p>
Adverse criteria	Assessed on total combined adverse for all shareholders and the limited company.

HOUSES OF MULTIPLE OCCUPANCY (HMO)	
Definition	Minimum 3 tenants, forming more than 1 household, sharing facilities.
Max bedrooms	6.
License requirements	As per council requirements, a copy will be required if applicable.

ACCEPTABLE DEPOSITS	
Remortgage/secured loan	Yes
Builders incentive	Max 5% of the purchase price.
Family cash gift deposit	Unlimited - subject to satisfactory insolvency checks.
Family gift of equity	Deed of gift indemnity, a declaration of solvency from the vendor and a clear bankruptcy search needed.

APPLICANTS	
Number of applicants	Maximum of 2. For ltd companies and LLP up to 2 directors / partners.
Minimum age	21
Maximum age	85 (at end of term). No maximum age on application but anything over 70 at start is subject to referral and independent legal advice.
Minimum income	£20,000 gross per annum, combined for joint applicants.
First time buyer	Yes - if joint application with owner-occupier.
First time landlord	Yes - subject to one applicant being a homeowner.
UK residency	<p>Applicants must have resided in the UK for a minimum of 3 years.</p> <p>UK citizens EU citizens - proof of residency required Worldwide nationals - proof of identity, residency and evidence of rights to remain required</p>
Lending into retirement	Yes

INTEREST COVERAGE RATIO (ICR)		
Required rental income	TAX BAND	RENTAL COVER
	UK basic rate (20%)	125% (proof of income required)
	UK higher rate/additional rate	140%
	UK Ltd Co/LLP/SPVs	125%
Portfolio landlord	HMO	140%
		140% on security property and portfolio. No single property can be below 100% ICR
Rental calculation	If 5 year fixed, use payrate. Otherwise, use payrate plus 2% (unless this is < 5.5%, in which case use 5.5%).	

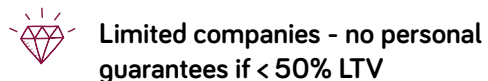
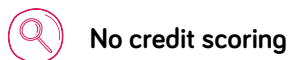
PROPERTY	
Minimum value	£100,000
Location	England, Wales, mainland Scotland.
Length of ownership	6 months.
Ex-local authority flats	Up to 6 floors. Pre-emption must have expired.
Ex-local authority houses	Pre-emption must have expired.
Min years remaining on leasehold property	75 years at start of term, 50 years at term end.
New build flat	Yes
New build house	Yes
Studio flat	Floor area min 30m ²

TENANCY	
Maximum tenancy	36 months
DWP/asylum tenants	No
Acceptable tenancies	AST from 6 - 36 months considered. Corporate lets acceptable providing they are let directly to a ltd company, whose employees will reside at the property.
Family letting	No

CREDIT	
Total Adverse Credit Units	0 units in 24 months
Worst status mortgage arrears	1 in 24 months
Maximum unsatisfied CCJs/defaults over £300	1 in 36 months
DMPs	Satisfied > 24 months
IVA/bankrupt/sequestration	Satisfied or discharged > 36 months

UNIT DEFINITION	
A unit is defined as:	
<ul style="list-style-type: none"> 1 missed mortgage payment 1 unsecured credit account > £300 where the worst status is 3 or more regardless of whether the account has subsequently settled 1 CCJ or default over £300 registered whether satisfied or not Unsatisfied CCJs/defaults > £2,500 by referral. We ignore CCJ/defaults under £300, 3 years old or satisfied in months 24-36. 	

Buy to Let Highlights



Key Contacts



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Want to talk through a case?

Speak to one of our Lending Specialists:

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