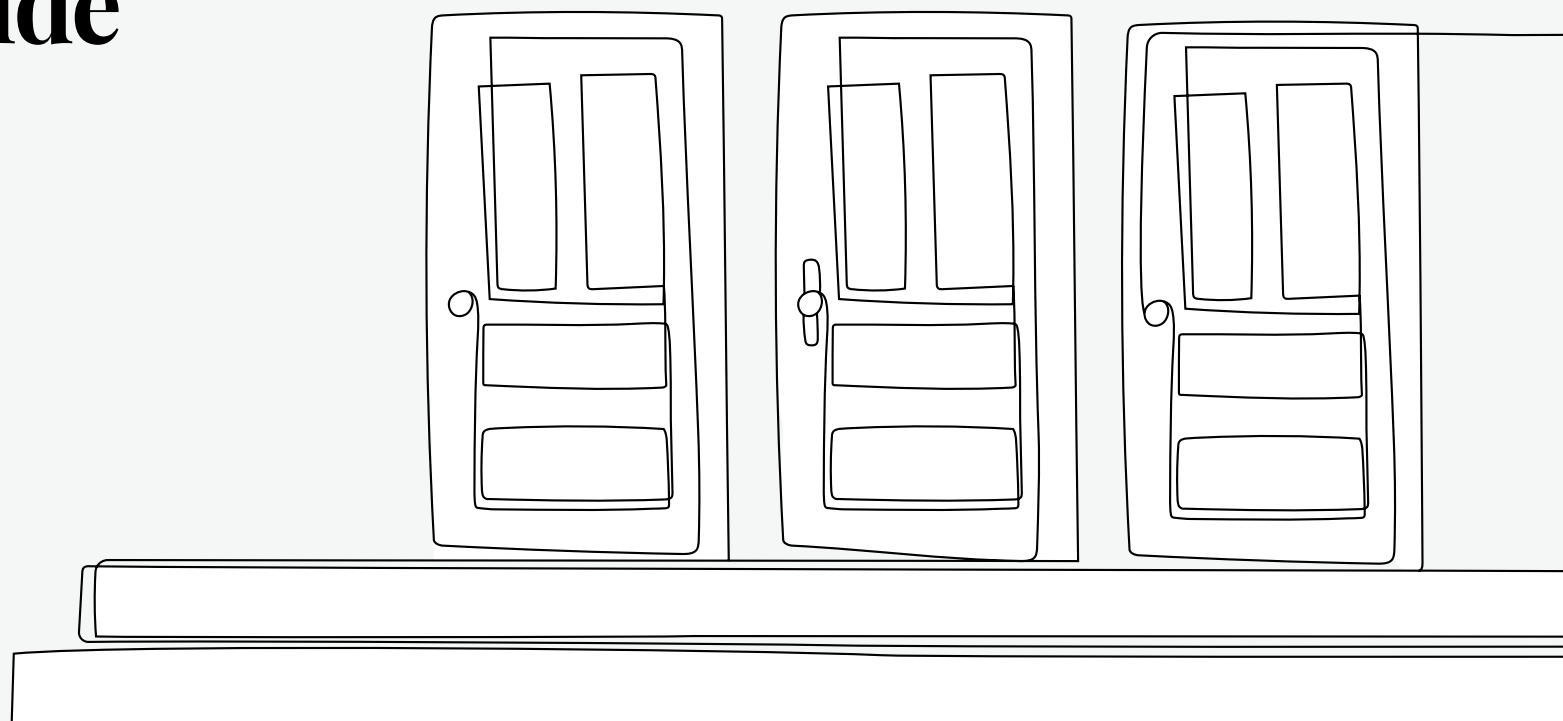


FIRST CHARGE

# Buy to Let Mortgage Product Guide

NOV 2019



# Buy to Let. For the modern world.

Buy to let needed a re-think. So we've re-thought it. Unique across the sector and designed to give you and your customers an easy-to-understand suite that meets real need, this is buy to let - but not as you might know it.

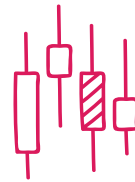


## Three simple products

**Specialist Standard** - your go-to product for straightforward buy to let cases.

**Specialist Property** - properties come in all shapes and sizes. Here's a product that can help you.

**Specialist Landlord/Tenant** - got a tenant or landlord that's a little different? This is the product for you.



## Modern, flexible criteria

We live in modern times, so we've made sure our criteria reflects the world we live in.

From Airbnb and holiday lets to HMOs and student accommodation, our three buy to let products offer flexible property options in tune with modern life.

And unlike the high street, we know that life is rarely straightforward, which is why we don't put tenants in boxes. We help you put them in homes.



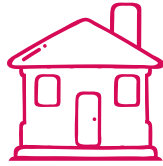
## Human underwriting

Specialist lending means you have to work harder to get the right result for your customer.

So we've recruited leading underwriters who are well-equipped to tackle even the most complex buy to let.

And you'll have full access to our mandated team of Lending Specialists - friendly and experienced, they'll be on hand to help you every step of the way.

# Buy to Let. In just three products. Simple.



## Specialist Standard

UP TO 75% LTV

PLAN	2 YEAR FIXED	5 YEAR FIXED	5 YEAR FIXED
Initial Rate	3.54%	3.84%	4.14%
Lenders Fee (£995 minimum)	2.00%	2.00%	£995
Reversion Rate	5.50%	5.50%	5.50%
Stress Rate	5.54%	3.84%	4.14%

### 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



## Specialist Property

UP TO 70% LTV

PLAN	2 YEAR FIXED	5 YEAR FIXED	5 YEAR FIXED
Initial Rate	3.78%	4.14%	4.44%
Lenders Fee (£995 minimum)	2.00%	2.00%	£995
Reversion Rate	5.50%	5.50%	5.50%
Stress Rate	5.78%	4.14%	4.44%

### KEY FEATURES:

- Individual or professional landlord
- HMO/student accommodation, 7-10 rooms, on single or multiple AST up to 65% LTV
- Flats 11-20 floors, ex-local authority up to 6 floors
- Residential property above commercial premises which are not food, drink or late opening up to 65% LTV
- Retirement accommodation
- Modular housing



## Specialist Landlord/Tenant

UP TO 70% LTV

PLAN	2 YEAR FIXED	5 YEAR FIXED	5 YEAR FIXED
Initial Rate	3.99%	4.49%	4.89%
Lenders Fee (£995 minimum)	2.00%	2.00%	£995
Reversion Rate	5.50%	5.50%	5.50%
Stress Rate	5.99%	4.49%	4.89%

### KEY FEATURES:

- Individual or professional landlord
- Holiday lets
- Airbnb lets
- DWP tenants
- Asylum tenants
- Remortgage < 6 months ownership
- HMO/student accommodation 6 or fewer rooms on single or multiple AST
- Let of own home for any reason

## 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

## KEY FEATURES:

- Individual or professional landlord
- HMO/student accommodation, 7-10 rooms, on single or multiple AST up to 65% LTV
- Modular housing
- Flats 11-20 floors, ex-local authority up to 6 floors
- Residential property above commercial premises which are not food, drink or late opening up to 65% LTV
- Retirement accommodation

PLAN	SPECIALIST PROPERTY
Maximum LTV	70%
Minimum Loan	£40,000
Maximum Loan	£1,000,000
Application Fee (non-refundable)	£150
PRODUCT TYPE	
2 Year Fixed	3.78%
Reversion Rate	5.50% (MBAVR +0.25%)
Lender Fee (£995 minimum)	2.00%
ERC	2.00%, 1.00%
5 Year Fixed	4.14%
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	4.44%
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%.

## PROCURATION FEE

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

## SPECIALIST PROPERTY SPECIFIC CRITERIA

Retirement accommodation	Self-contained with no shared facilities. No restriction that prohibits the property from being let out.	HMO/student accommodation 7 - 10 rooms	Single or multiple AST accepted. Maximum 65% LTV.
Flats 11-20 floors	Purpose-built (including new-build) flats in blocks. Up to and including 20 floors, except ex-local authority flats which are limited to 6 floors.	Modular housing	Modern standard, built by recognised provider with established track record.
Residential property above commercial premises	Maximum 65% LTV. Excludes commercial properties which are food, drink or late opening. Flat must have a street-facing entrance. Valuation based on residential property only.		

# Special Landlord/Tenant

## KEY FEATURES:

- Individual or professional landlord
- Holiday lets
- Airbnb lets
- DWP tenants
- Asylum tenants
- Remortgage < 6 months ownership
- HMO/student accommodation 6 or fewer rooms on single or multiple AST
- Let of own home for any reason

PLAN	SPECIALIST LANDLORD/TENANT
Maximum LTV	70%
Minimum Loan	£40,000
Maximum Loan	£1,000,000
Application Fee (non-refundable)	£150
PRODUCT TYPE	
2 Year Fixed	3.99%
Reversion Rate	5.50% (MBAVR +0.25%)
Lender Fee (£995 minimum)	2.00%
ERC	2.00%, 1.00%
5 Year Fixed	4.49%
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	4.89%
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%.

## PROCURATION FEE

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

## SPECIALIST LANDLORD/TENANT SPECIFIC CRITERIA

Holiday lets	Usage must be residential with no restrictive covenant which limits use to holiday letting only. Rental assesment based on higher of an unfurnished property on AST basis (as confirmed on the surveyors report) or 24 months' rental income minus any paid for services evidenced on bank statements, tax returns and accounts up to a maximum of 125% of the surveyors figure. Properties on holiday parks not accepted. Applicant must own their current residence. The owner and immediate family can occupy the property for up to 30 days per year.	Remortgages with less than 6 months ownership	Loan based on original purchase price or current value, whichever is lower, unless the property is under a Masthaven bridging loan and there is evidence of substantial renovation to justify uplift in value. Existing ownership must be registered at Land Registry.
HMO/student accomodation 6 rooms or fewer	Single or multiple AST accepted.	Family member tenants	Only available if the property is a student let and where the family member makes up no more than 40% occupancy.
Let of home for any reason	Details of where applicant will be living needed. If they intend to move back in we will offer a regulated mortgage with consent to let.	Airbnb lets	Applicant must not reside in the property.  Rental assesment based on higher of an unfurnished property on AST basis (as confirmed on the surveyors report) or 24 months' rental income minus any paid for services evidenced on bank statements, tax returns and accounts up to a maximum of 125% of the surveyors figure.  Evidence of sucessful letting of the property required. The owner and immediate family can occupy the property for up to 30 days per year. Whole property must be available on Airbnb, not partial/room let.
DWP/asylum tenants	If remortgage, evidence of last 6 months of rental income is needed.		

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# Buy to Let Mortgage Underwriting Criteria

Applies to all applications unless where indicated.

LOAN		HOUSES OF MULTIPLE OCCUPANCY (HMO)		INTEREST COVERAGE RATIO (ICR)			TENANCY	
Purpose	Purchase and remortgage available. Remortgage available for: investment property; home improvements/maintenance; purchase of equity; transfer of equity; car purchase; debt consolidation.	Definition	Minimum 3 tenants, forming more than 1 household, sharing facilities.	Required rental income	TAX BAND	RENTAL COVER	Maximum tenancy	36 months
Minimum term	5 years	Max bedrooms	6 (10 with Specialist Property product).		UK basic rate (20%)	125% (proof of income required)	DWP/asylum tenants	Only on Specialist Landlord/Tenant product.
Maximum term	35 years	License requirements	As per council requirements, a copy will be required if applicable.		UK higher rate/additional rate	140%	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.
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.	<b>ACCEPTABLE DEPOSITS</b>			UK Ltd Co/LLP/SPVs	125%	Family letting	Only where student accommodation and family make up < 40%, on Specialist Landlord/Tenant product.
Portable	No	Remortgage/secured loan	Yes		HMO	140%		
Consumer BTL	Yes	Builders incentive	Max 5% of the purchase price.	Portfolio landlord	140% on security property and portfolio. No single property can be below 100% ICR	<b>CREDIT</b>		
Overpayments	Unlimited. Maximum of 10% of the balance at the start of the mortgage year before ERCs apply.	Family cash gift deposit	Unlimited - subject to satisfactory insolvency checks.	Rental calculation	If 5 year fixed, use payrate. Otherwise, use payrate plus 2% (unless this is < 5.5%, in which case use 5.5%).	Total Adverse Credit Units	0 units in 24 months	
Repayment types accepted	Interest only, capital and interest, and part and part.	Family gift of equity	Deed of gift indemnity, a declaration of solvency from the vendor and a clear bankruptcy search needed.	<b>PROPERTY</b>			Worst status mortgage arrears	1 in 24 months
Let to Buy	Yes - on both the BTL and residential loan.	<b>APPLICANTS</b>		Minimum value	£100,000	Maximum unsatisfied CCJs/defaults over £300	1 in 36 months	
<b>LIMITED COMPANY</b>		Number of applicants	Maximum of 2. For ltd companies and LLP up to 2 directors / partners.	Location	England, Wales, mainland Scotland.	DMPs	Satisfied > 24 months	
Maximum Directors/Partners	Maximum of 2 - must be UK residents.	Minimum age	21	Length of ownership	6 months. Less than 6 months for Specialist Landlord/Tenant products accepted	IVA/bankrupt/sequestration	Satisfied or discharged > 36 months	
Non-Trading investment company	A Special Purchase Vehicle (SPV) can purchase a property from a related limited company or related individual subject to: <ul style="list-style-type: none"> <li>Same ultimate owners</li> <li>Transfer at full open market value</li> <li>All shareholders within a shareholding of 10% or more are required to provide joint and several guarantees (unless &lt; 50% LTV on Specialist Standard product)</li> <li>Deposit can come from directors' loan account</li> <li>Debenture not required</li> </ul>	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.	Ex-local authority flats	Up to 6 floors. Pre-emption must have expired.	<b>UNIT DEFINITION</b>		
Trading companies	Minimum 18 months trading. Most recent accounts required to evidence company is profitable. All shareholders with a shareholding of 10% or more are required to provide joint and several personal guarantees.	Minimum income	£20,000 gross per annum, combined for joint applicants.	Ex-local authority houses	Pre-emption must have expired.	A unit is defined as: <ul style="list-style-type: none"> <li>1 missed mortgage payment</li> <li>1 unsecured credit account &gt; £300 where the worst status is 3 or more regardless of whether the account has subsequently settled</li> <li>1 CCJ or default over £300 registered whether satisfied or not</li> </ul> Unsatisfied CCJs/defaults > £2,500 by referral. We ignore CCJ/defaults under £300, 3 years old or satisfied in months 24-36.		
Adverse criteria	Assessed on total combined adverse for all shareholders and the limited company.	First time buyer	Yes - if joint application with owner-occupier.	Min years remaining on leasehold property	75 years at start of term, 50 years at term end.			
		First time landlord	Yes - subject to one applicant being a homeowner.	New build flat	Yes			
		UK residency	Applicants must have resided in the UK for a minimum of 3 years. <ul style="list-style-type: none"> <li>UK citizens</li> <li>EU citizens - proof of residency required</li> <li>Worldwide nationals - proof of identity, residency and evidence of rights to remain required</li> </ul>	New build house	Yes			
		Lending into retirement	Yes	Studio flat	Floor area min 30m <sup>2</sup>			

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# Buy to Let Highlights



Simplified product range for both individual and professional landlords



HMO up to 10 rooms



DWP/asylum tenants



Limited companies - no personal guarantees if < 50% LTV



Holiday and Airbnb lets



Remortgage < 6 months ownership



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**Want to talk through a case?**

Speak to one of our Lending Specialists:

☎ 020 7036 2020

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