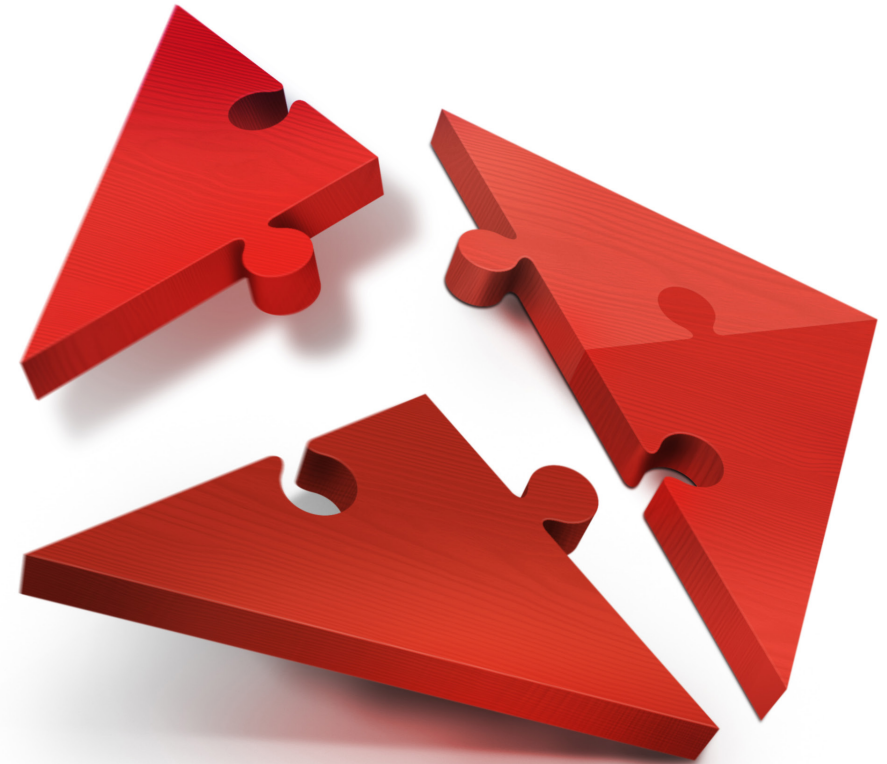




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# Buy-to-Let Criteria Guide

3rd December 2021

[chlmortgages.co.uk/intermediaries](https://chlmortgages.co.uk/intermediaries)

✓ Individuals    ✓ Limited Companies    ✓ HMO/MUFB

# Buy-to-Let Criteria Guide

## Highlights

### The Applicant

- Individual BTL
- Limited Companies
- Portfolio Landlords

### The Property

- MUFB minimum value reduced to £150k
- Ex-local Authority (including deck access)
- Studio Flats minimum floor area reduced

### The Rental Calculation

- Basic Rate & Ltd Co. from 125%
- Higher Rate tax payer from 140%
- All 5 year fixes @ Pay rate

### The Loan

- Up to £1m Loan Size
- Up to 75% LTV
- Up to £5m within CHL group

## Plus...

### Limited Companies

- New Company incorporations accepted
- Special Purpose Vehicles (SPV)
- Deposits from Inter-company/Director/Shareholder loans accepted

### Tenancy Highlights

- Single / Multiple AST up to 36 months
- Shared accommodation & student lets
- Corporate & Local Authority Leases

This guide is intended for guidance only and is supported by the full lending criteria.

For detailed criteria or to discuss a case contact us on **01252 365 888** or email [sales@chlmortgages.co.uk](mailto:sales@chlmortgages.co.uk)

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## The Applicant

	Individuals	Limited Companies	HMO / MUFB
Applicant/ Experience	At least one applicant must have a minimum of 12 months as a current property owner	<b>68100 • 68209 • 68320 • 68201</b> Properties related SPV accepted. Trading companies considered. <hr/> New company incorporations accepted <hr/> Directors and/or Shareholders with $\geq 20\%$ shareholding must provide a personal guarantee. <hr/> Deposits from Inter-company/Director/Shareholder loans accepted	At least one applicant must prove they have owned a minimum of 1 BTL property for 2 years <hr/> Limited Company HMO / MUFB accepted.
Applicants	<b>Up to 4</b> individual applicants or Limited Company Directors and/or Shareholders. <b>Up to 4</b> Limited Company Guarantors. Guarantors must include all Directors. Guarantors must together hold a <b>minimum of 75%</b> or more of the controlling share capital.		
Minimum Age	Primary applicant: <b>21</b> • Secondary applicants: <b>18</b>		
Maximum Age	<b>85</b> at end of term		
Minimum Income	<b>£20,000</b> combined income per application • Rental Income Accepted as per SA302		
Portfolio Landlords	Min. landlord experience of 12 mths • Max. Portfolio Lending held within CHL group £2.5m for first 12 mths then £5m • No limit on number of properties/mortgages in BTL portfolio		
Residency	UK resident for at least the last 3 years with permanent right to reside		

## Adverse

Secured & Unsecured Arrears	Default	CCJs	IVA/Bankruptcy	Debt Mgmt. Plan	Repossessions
<b>Unsecured Arrears:</b> 0 in 6 months • Status 1 in 12 months (Max. 1 instance) • Status 2 in 24 months Utility, mail order, communications and insurance accounts considered at underwriter discretion <hr/> <b>Secured Arrears:</b> 0 in 6 months • Status 1 in 24 months (Max. 1 instance) Arrears over 24 months can be considered at underwriter discretion	<b>Unsatisfied:</b> Max. £250 in 36 months <hr/> <b>Satisfied:</b> Max. £500 in 36 months Communications defaults considered at underwriter discretion	<b>Unsatisfied:</b> Max. £250 in 36 months <hr/> <b>Satisfied:</b> Max. £500 in 36 months	Satisfactorily completed / Discharged over 6 years	0 in 36 months	Not accepted

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## The Property

\* PLEASE NOTE: All flats above 10 storeys require a minimum property value of £250,000

	Standard Property	Studio Flat	New Build	Above/Adjacent to Commercial	Former Local Authority	HMO	MUFB
Definition	Single family dwelling or existing shared accommodation where no HMO licence required	A small flat with one room for living and sleeping in, a kitchen, and a bathroom	A property built or converted within the last 12 months	A property above or adjacent to a commercial property considered	Previously owned by the local authority/housing association	At least 3 tenants live there forming more than 1 household  Tenants share a lavatory, bathroom or kitchen facilities with other tenants  and an HMO licence is required	A block of self-contained flats on a single freehold title
Minimum Property Value	£75,000*	£100,000	£75,000	Min. value £250,00 within M25 (£150,000 elsewhere)	£100,000	£150,000 inside M25 (£100,000 elsewhere)* Must need minimal adaption to sell as a family home.	£150,000
Rooms / Units	Max. 5 Bedrooms Shared accommodation acceptable	Max. 1 main room	Max. 5 Bedrooms	Max. 5 Bedrooms	Max. 5 Bedrooms	Max. 6 Lettable Rooms Max. 2 kitchens	Max. 6 self-contained units
Property Notes	Shared Houses considered with rental assessment on a single family unit basis	Minimum floor area for each individual unit 30m <sup>2</sup>	All properties less than 10 years old must hold an adequate warranty  Max. 75% LTV for houses Max. 70% LTV for flats	Positive valuer comments required	Max. 10 storeys in a block inside M25 (5 elsewhere)  Max. 75% LTV for houses Max. 70% LTV for flats  Areas with medium / high levels of private ownership	Max. 4 habitable storeys  Shared Houses considered with rental assessment on a room-by-room basis	Must have separate services
LTV	Up to 75%						
Tenure & Leasehold	Freehold and Leasehold • Leaseholds terms of less than 75 years remaining at application at underwriter discretion (minimum 30 years remaining at maturity)						
Location	Mainland England, Isle of Wight and Wales						
Tenancy	Single or Multiple AST from 6 to 36 months • Student lets • Corporate lets considered • Housing Association / Local authority lets considered • Minimum EPC rating: E						
Acceptable Construction Types	Standard brick and breeze block construction • Modern timber framed construction post 1960 (including space4) with masonry outer skin Stone built or brick and mortar built walls • Modern steel framed property with brick or block and rendered walls • Modern methods of construction.						
Acceptable Roof Types	Standard roof construction from slate or tile						
Acceptable Exposure	Blocks of up to 6 units: Maximum 6 units per block • Blocks of 7 to 20 units: Maximum 10 units per block • Blocks of more than 20 units: Highest of 10 units or 20% per block						

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## The Rental Calculation

Applies to standard property, HMO and MUFB

Tax band	ICR	Assessment Rate	
		2 year	5 year
Basic Rate	125%	5.50%	Pay rate
Ltd Companies	125%	5.50%	Pay rate
Higher Rate	140%	5.50%	Pay rate

Initial Rate	Additional information
Less than 5 year fixed	Highest of... 5.50%; <u>or</u> the initial pay rate +2.00%; <u>or</u> the reversionary rate.
Less than 5 year fixed* where a historic borrower is looking to remortgage without capital raising	Highest of... 5.00%; <u>or</u> the initial pay rate.
5 year fixed or more	The initial pay rate
Lifetime Tracker.	The initial pay rate +2.00%

\* **Historic Borrower:** A borrower who owned their BTL property before 6th April 2017

NOTE: Should a borrower choose a Capital & Interest repayment mortgage then, in addition to the Interest Cover Ratio test above, the gross monthly rental income must be equal to or greater than the monthly payment.

## The Loan

Minimum loan	£25,001
Maximum loan	£1m
Minimum Loan Term	5 years
Maximum Loan Term	30 years
Portfolio Exposure	Up to £5m within the CHL group (Max LTV 75%)
Remortgage within 6 months	Lending based on market value where uplift explained by works/changes to the property/title, otherwise value limited to original Purchase Price/pre-works value.
Porting	Not portable
Offer Validity	4 Months

### Capital Raising

Capital raising is permitted for any legal purpose except for:

- Tax liabilities (excluding Capital Gains and Inheritance tax)
- Gambling debts
- Any business purpose that is not property investment.

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To discuss a case or for further information

just give the CHL team a call on **01252 365 888**

or email [sales@chlmortgages.co.uk](mailto:sales@chlmortgages.co.uk) and we'll get right back to you.

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