

# Buy-to-Let Lending Criteria

Version 53.



# Key Criteria



Property Type	Maximum LTV	Maximum Loan Amount	Minimum Valuation	Additional Information
Properties Valued £75,000 or more	65%	£2,000,000	£75,000	See full criteria guide
	70%	£1,500,000		
	75%	£1,000,000		
Properties Valued £74,999 or less	70%	£52,499	£50,000	See full criteria guide
HMO/MUFB	70%	£1,500,000	£100,000 outside London and the South East	See full criteria guide
	75%	£1,000,000	£150,000 within London	
New Build Flat	70%	£750,000	£50,000	New build flats, houses constructed, or converted within the last 12 months
New Build Houses	75%			
Ex Local Authority/MOD Properties	70% Ex-Local Authority / MOD flats	£1,500,000	£75,000 outside London and the South East	Balcony and deck access allowed.
	75% Ex-Local Authority / MOD houses		£150,000 within London and the South East	
Converted Freehold Properties	70%	£1,500,000 (If converted within last 12 months £750,000)	<b>Freehold Properties:</b> £100,000 outside London and the South East, £150,000 within London and the South East  <b>Leasehold Properties:</b> £50,000	Properties converted within the last 12 months will be subject to minimum property value and LTV restrictions of 70% on flats and 75% on houses.  Properties converted over 12 months ago will only be 75% subject to minimum value restrictions.
	75%	£1,000,000 (If converted within last 12 months £750,000)		
Properties Above or Adjacent to Commercial	70%	£1,500,000	£100,000	See full criteria guide.
	75%	£1,000,000		

# Additional Information



<b>Our HMO definition</b>	Properties with a Mandatory or Discretionary HMO licence as required by the local authority or alternatively; <ul style="list-style-type: none"><li>• A property that would not sell as a family home without alteration,</li><li>• A property with a non-standard layout. E.g. Sinks in bedrooms,</li><li>• A property classified as a HMO by our Panel Valuer.</li></ul>
<b>Our MUFB definition</b>	<p>3 or more self-contained units under 1 Freehold title. (Properties split into just 2 units can be considered under standard lending criteria and products, subject to the number of occupants in the security.) Maximum 10 units under 1 title.</p> <p>Please note: Main applicant must have a minimum 1 year residential landlord experience.</p> <ul style="list-style-type: none"><li>• Fleet Mortgages can lend on studio flats, but they must adhere to the minimum floor area requirements of 30 sq meters provided they are located in an urban area with a confirmed value in excess of £150,000.</li><li>• Each unit within the MUFB must be saleable in its own right.</li></ul> <p>Each unit within the MUFB must be fully self-contained and comply with our minimum square meterage (studio 30sqm, otherwise 35sqm).</p>
<b>Portfolio Aggregate Exposure</b>	Fleet Mortgages can potentially lend up to £5,000,000 per obligor, 80% LTV up to £1,000,000 and thereafter at 75% LTV.

# The Loan



<b>Rental Calculations</b>	<p>Standard products rental calculations are based on 125% for standard rate tax payers and 145% for higher rate tax payers.</p> <p>All limited company standard product rental calculations are based on 125%.</p> <p>HMO and MUFB products are based on 130% for standard rate tax payers and limited company borrowers, and 145% for higher rate tax payers.</p> <p>Please refer to our Product Guide for more details.</p>
<b>Legal Charge</b>	<p>Fleet Mortgages will take an all monies 1st legal charge. Fleet Mortgages will also register a charge at Companies House where the customer is a corporate.</p>
<b>Loan Purpose</b>	<p>Purchase or Re-mortgage (except paying tax and gambling debts). Payment of Inheritance Tax or Capital Gains Tax may be considered where the proposal does not suggest a position of financial stress for the borrower.</p>
<b>Repayment Methods</b>	<p>Capital &amp; Interest Repayment. Part Interest &amp; Part Repayment. Interest Only.</p>
<b>Mortgage Term</b>	<p>Minimum 5 years, Maximum 30 years.</p>
<b>Loan Size</b>	<p>Between £25,001 and £2,000,000 on a single property, subject to LTV restrictions. Maximum: £1,500,000 on HMO &amp; MUFB properties (see table below). Properties above and adjacent to commercial property, maximum - £1,500,000.</p>
<b>Loan to Value</b>	<ul style="list-style-type: none"> <li>• 65% for individual loans up to £2,000,000 for standard properties.</li> <li>• 70% for individual loans up to £1,500,000 for standard properties.</li> <li>• 75% for individual loans up to £1,000,000 for standard properties.</li> <li>• 80% for individual loans up to £750,000 for standard properties, with a minimum valuation of £100,000.</li> <li>• 70% for individual loans up to £1,500,000 for HMO &amp; MUFB properties. (See HMO Definition).</li> <li>• 75% for individual loans up to £1,000,000 for HMO &amp; MUFB properties. (See HMO Definition).</li> <li>• 70% on ex-local authority flats or properties converted to flats. (See ex-local authority section).</li> <li>• 75% on ex-local authority houses. (See ex-local authority section).</li> <li>• 70% on new build flats and new build MUFBs, and 75% new build Houses (purpose build).</li> <li>• 70% for individual loans up to £1,500,000 on properties above or adjacent to commercial premises.</li> <li>• 75% for individual loans up to £1,000,000 on properties above or adjacent to commercial premises.</li> <li>• 70% on properties between £50,000 and £74,999.</li> <li>• 75% on properties between £75,000 and £99,999.</li> </ul>



<b>Portfolio Aggregate Exposure</b>	Fleet Mortgages can potentially lend up to £5,000,000 per obligor, 80% LTV up to £1,000,000 and thereafter at 75% LTV.
<b>Portfolio Landlords</b>	<p>From Friday 4th November 2022, Fleet Mortgages has introduced a dedicated underwriting process for Portfolio Landlords.</p> <p><b>What additional information do we require?</b></p> <p><b>Existing Property Portfolio</b> Where all applicants, individually or collectively, own more than 4 existing mortgaged BTL properties or 3 mortgaged properties where an application is submitted to Fleet to purchase a fourth, we will request a property schedule that details the portfolio to include all those owned in all the applicants' sole names, joint names and those owned in a company name they are either director or shareholder. This will include any residential property on a consent to let agreement.</p> <p>The information is gathered via CoreLogic (Buy to Let Hub) allowing instant submission in realtime direct to our underwriters. If you already have previous data stored within the hub, you can use that information to create a new portfolio submission for Fleet Mortgages. <a href="http://www.corelogic.uk/products/buy-to-let-hub/">www.corelogic.uk/products/buy-to-let-hub/</a></p> <p><b>Portfolio Landlords Questionnaire</b> We have combined a simple business plan and cashflow forecast into an easy-to-complete questionnaire – only existing landlords are required to complete the questionnaire. The questionnaire is available within the Literature section of our website.</p> <p>Please note:</p> <ul style="list-style-type: none"><li>• There are no changes to our DIP or application system</li><li>• Portfolio applications will be assessed by dedicated Underwriters</li><li>• To minimise the underwriting time, please upload the Portfolio Landlords Questionnaire via Fleet's Broker Portal before submitting the CoreLogic property schedule</li></ul>
<b>Portfolio Aggregate Exposure</b>	Fleet Mortgages can potentially lend up to £5,000,000 per obligor, 80% LTV up to £1,000,000 and thereafter at 75% LTV.
<b>Monthly Repayment</b>	Only Direct Debit allowed.
<b>Freehold – Leasehold Connection</b>	Where the property is leasehold and the borrower either has an interest in the freehold or has a connection to the freeholder, Fleet Mortgages will require a charge over the freehold as well as a first legal charge over the leasehold title. This will require the consent of other owners of the freehold, including those who may not be party to the mortgage over the leasehold interest.
<b>Deposits</b>	Documentary evidence of the source of deposit is required, for example, bank statements showing a build-up of savings or completion statements showing sale of property. Gifts from immediate family members (spouse, mother, father, sibling, or grandparent) are allowed.
<b>Offer Validity</b>	<p>Up to 3 months. (Up to 6 Months for New Build Properties)</p> <p>Fleet Mortgages reserves the right to ask the borrower to select a new rate if the case has not progressed to offer within 3 months of the application being submitted, which will also result in new credit checks being carried out.</p>

## Remortgaging within 6 months

Underwriters can consider lending, on a case-by-case basis, if ownership has been for less than 6 months, if:

- Land registry shows the borrower as the owner of the property.
- Lending is against the Original Purchase price and the underwriter is fully satisfied with the original transaction or substantial works have been carried out to justify the increase in value.
- Evidence of how the applicant purchased the property (for example TR1 & bank statements) is provided.

Fleet Mortgages will not consider lending where the applicant has owned the freehold of the security for less than 6 months and is splitting titles or if there has been a sub sale.



# The Applicant



<b>Requirements</b>	Primary applicant must be a current property owner for at least 12 months.
<b>First Time Buyers</b>	No.
<b>First Time Landlords</b>	Subject to strict lending criteria and underwriting, no exceptions are permitted.
<b>Portfolio Landlords</b>	<p>From Friday 4th November 2022, Fleet Mortgages has introduced a dedicated underwriting process for Portfolio Landlords.</p> <p><b>What additional information do we require?</b></p> <p><b>Existing Property Portfolio</b> Where all applicants, individually or collectively, own more than 4 existing mortgaged BTL properties or 3 mortgaged properties where an application is submitted to Fleet to purchase a fourth, we will request a property schedule that details the portfolio to include all those owned in all the applicants' sole names, joint names and those owned in a company name they are either director or shareholder. This will include any residential property on a consent to let agreement.</p> <p>The information is gathered via CoreLogic (Buy to Let Hub) allowing instant submission in real-time direct to our underwriters. If you already have previous data stored within the hub, you can use that information to create a new portfolio submission for Fleet Mortgages. <a href="http://www.corelogic.uk/products/buy-to-let-hub/">www.corelogic.uk/products/buy-to-let-hub/</a></p> <p><b>Portfolio Landlords Questionnaire</b> We have combined a simple business plan and cashflow forecast into an easy-to-complete questionnaire – only existing landlords are required to complete the questionnaire. The questionnaire is available within the Literature section of our website.</p> <p>Please note:</p> <ul style="list-style-type: none"> <li>• There are no changes to our DIP or application system</li> <li>• Portfolio applications will be assessed by dedicated Underwriters</li> <li>• To minimise the underwriting time, please upload the Portfolio Landlords Questionnaire via Fleet's Broker Portal before submitting the CoreLogic property schedule</li> </ul>
<b>Identity Verification (AML)</b>	Impersonation checks will be carried out.
<b>Limited Company (SPV) &amp; SIC Codes: 68100 68209 68320 68201</b>	<p>Limited Companies must be Special Purpose Vehicles registered within England and Wales, with specific SIC codes.</p> <p>For a Limited company - All directors and any shareholders with a 25% or greater holding must be party to the mortgage, and where the cumulative total of these applicants' shareholding is below 75%, further shareholders will need to be added until a 75% shareholding is reached. All guarantors agree to take independent legal advice.</p> <p>All Directors/Shareholders/Members party to the loan must be resident and have full credit history in the UK.</p> <p>Fleet Mortgages will consider applications where individuals are 'transferring' (selling) properties to an SPV Limited Company they own. We would class this as a purchase. Please call us for more information. If any of the SPV shares are held by another corporate entity, or the SPV holds shares in another corporate entity, please check with your BDM before you submit the case as there are some restrictions in place.</p>

# The Applicant



<b>Customer Age</b>	Minimum 21 years. (First time landlords 25 years). Maximum 95 years at the end of the mortgage term.
<b>Personal income</b>	<p>The Primary Applicant must be able to evidence income in excess of £15,000 pa. (Except for first time landlords where minimum income is £25,000). Reducing future income unacceptable.</p> <p>All tax must be paid in full for the relevant year. Any outstanding tax or tax being paid on an arrangement is not acceptable within our criteria.</p> <p>Fleet Mortgages will verify the income of the Primary applicant using one of the following:</p> <ul style="list-style-type: none"> <li>• latest 3 months' payslips</li> <li>• latest SA302 (HMRC) or Tax Calculation &amp; Tax Overview</li> <li>• latest Signed Accounts or latest Pension Statement</li> </ul>
<b>Bank Statements</b>	Up to 3 months Personal Bank Statements may be required subject to Underwriter discretion.
<b>Employment Status</b>	<p>The Primary applicant must be:</p> <ul style="list-style-type: none"> <li>• <b>Employed:</b> In continuous employment for at least 12 months and have passed their probation period</li> <li>• <b>Self-employed &amp; Contractors:</b> Trading for at least 2 years in their current business</li> <li>• <b>Retired:</b> Receiving income in excess of £15,000. (Except for first time landlords where minimum income is £25,000).</li> </ul>
<b>Residential Status</b>	<p>All applicants must be resident in the United Kingdom for at least three years, liable to UK tax and have permanent rights to reside, indefinite right to remain card or if from the EU (excluding Ireland) have been granted settlement status. (Tier 1 and Tier 2 visas are unacceptable).</p> <p>All applicants must have a National Insurance number and a full credit history at their current, previous, or linked addresses for the last three years. Fleet Mortgages' definition of a full credit history is: Three years payment profile history at current, previous or linked addresses.</p> <p>The majority of their active credit must show at their current residential address. This must include at least one active current account, credit card, loan, Hire purchase, or mortgage.</p>
<b>Adverse Credit</b>	<p>Fleet Mortgages does not generally consider adverse credit, although where it is a CCJ or default of £250 or less within the last 36 months, or a credit file (mortgage, secured or unsecured loan, hire purchase or credit card), which has no more than two payments on arrears in the last 36 months, this can be considered. This applies whether the adverse is registered against the applicant(s) as individuals, or if it is registered against any limited company they are currently, or were at the time of the adverse, a director or shareholder of.</p> <p>Fleet Mortgages will not consider any applicants who currently, or within the last 6 years, have had a petition or declaration of bankruptcy against them. Where Fleet Mortgages becomes aware that an applicant is a Director or Shareholder of a company that has gone into, or is due to go into, Creditors' Voluntary Liquidation or Compulsory Liquidation, we will not lend.</p>
<b>Credit Reference</b>	A full consumer and Limited Company search (if applicable) will be completed on all applicants.





# The Property

<b>Location</b>	England and Wales.
<b>Valuation</b>	A full valuation, instructed by Fleet Mortgages is required on all properties. The property value will be valued on a comparable evidence basis, not on a rental yield basis (rent multiplication). Properties must be valued between £50,000 and £5,000,000. Valuations are valid for 180 days from the date of inspection. In some exceptional instances we may require a second audit valuation (at no extra cost to the borrower).
<b>Tenure</b>	Freehold or Leasehold. Commonhold is not accepted. Lease must have at least 75 years unexpired term on completion with a minimum of 50 years at expiry of the mortgage.
<b>EPC</b>	All properties must have a valid EPC rating of A-E to be acceptable to Fleet Mortgages. Please note that a valid EPC certificate will be required before the offer, and this must still be valid at completion.  Properties with an EPC rating of A-C will be eligible for one of our EPC A-C Products. Please speak to our Sales team for details.
<b>Rental Income</b>	12 months sustainable rental income will be confirmed from valuation only.
<b>Rent Cover</b>	Please see product guide.
<b>Acceptable Tenancies</b>	Assured Shorthold tenancies (AST) up to three years. Student Lets. Corporate Lets (prior approval required). Local Authority & Housing Association Lets (prior approval required). Standard format of Private Sector Lease as per the UK Finance Mortgage Lenders' Handbook.
<b>Acceptable Security</b>	Residential Property. Fleet Mortgages will consider a re-mortgage at market value within the first 6 months of ownership where it can be evidenced that significant improvements have been made to the property.  Shared Houses (maximum 4 sharing) are acceptable on a standard mortgage product providing: the property is not a HMO as per Fleet Mortgages definition; is of a standard layout that would sell as a family home without alteration; has at least one communal room that will be maintained and valued as such; can sell as a single residential unit; and let on a furnished basis. Properties with up to 6 bedrooms. Gross internal floor area in excess of 35sqm, with the exception of studio flats which can be 30sqm provided they are located in an urban area and with a confirmed value in excess of £150,000.  Flats in blocks with up to 5 storeys (up to 10 storeys are acceptable within the M25).  Blocks of flats with 4 or more storeys with lift access to all floors.  The absence of lift access in blocks of 4 storeys or more in height is unacceptable. The underwriter can use discretion if the security flat is on levels 1-3 and we have received a positive valuation report.

**Acceptable  
Construction Types**

Standard construction types are acceptable  
(Please refer to unacceptable properties list for our definition of non-standard construction types).

<b>New Builds</b>	<p>New builds are defined as properties constructed or converted within the last 12 months or properties that have never been occupied. Up to 70% LTV on new build flats. Up to 75% LTV on new build houses.</p>
<b>Converted Freehold Properties</b>	<p>Minimum valuation £100,000 outside London &amp; South East regions, or £150,000 within London &amp; South East regions. The entire freehold property must form part of the Fleet Mortgages Security.</p>
<b>New Builds/Conversions (Warranties)</b>	<p>Fleet Mortgages considers properties less than 10 years old or converted within 10 years and without the following certificates to be unacceptable:</p> <ul style="list-style-type: none"> <li>• National House-Building Council Buildmark Scheme (NHBC)</li> <li>• Premier Guarantee for Private Housing and Completed Housing</li> <li>• Building Life Plans Scheme</li> <li>• Buildzone - LABC Warranty</li> <li>• ICW Warranty Scheme</li> <li>• Q Policy</li> <li>• Checkmate</li> <li>• Global Home Warranties (GHW)</li> <li>• Advantage HCI - Protek</li> <li>• Aedis Warranties/Homeproof</li> <li>• ABC+ Warranty</li> <li>• Ark Group New Residential Warranty Insurance Scheme</li> <li>• Build Assure Architect's Certificate (The Professional Consultants used must have one or more of the qualifications listed in the UK Finance Handbook 6.7.4.)</li> </ul> <p>Please be aware that Fleet does not accept retrospective warranties.</p>
<b>Houses in Multiple Occupancy (HMO) &amp; Multi Unit Freehold Blocks (MUFB)</b>	<ul style="list-style-type: none"> <li>• Standard letting criteria. Plus primary applicant must currently have at least 1 year of continuous experience as a Buy-to-Let landlord.</li> <li>• Multi Unit Freehold Blocks - Up to 10 self-contained units on 1 freehold title.</li> <li>• Up to 75% LTV. (Lending limits apply). Minimum valuation £100,000 outside London &amp; South East regions, or £150,000 within London &amp; South East regions.</li> <li>• Each unit within the MUFB must be saleable in its own right</li> <li>• Each unit within the MUFB must be fully self-contained and comply with our minimum square meterage (studio 30sqm, otherwise 35sqm)</li> <li>• HMOs must be licenced where required</li> </ul>
<b>Developments</b>	<p>In a block of four or less flats Fleet Mortgages will consider lending up to 100% in that development. If the block has 5 or more flats we will lend against 2 or 20%.</p>
<b>Ex-Local Authority</b>	<p>Ex-Local Authority flats - Maximum LTV 70%.          Ex-Local Authority Houses - Maximum LTV 75%.          Minimum valuation £75,000 outside London &amp; South East regions, or £150,000 within London &amp; South East regions.</p>

# Other



<b>Credit Scoring</b>	Yes.
<b>Excluded</b>	<p>Properties in Northern Ireland and Scotland. Right to Buy   Self build   Freehold Flats   Let to Buy   Sub Sales   Back to Back Transactions   Consumer Buy to Let   Conversions in Commercial or Non-Residential Locations   Properties Let or Occupied by a Family Member or Any Related Party to this Mortgage   Ex-Pats   Unemployed   Temporary Employed.</p> <p>Please note that we do not lend to partnerships or where income from the property is declared as partnership income. We also do not lend where there has been any transfer of the beneficial interest in the property away from the legal owners or where anyone other than the applicant(s) has any beneficial interest in the property.</p> <p>Please <u>contact your BDM</u> if you require any clarification or require a full list of exclusions.</p>
<b>Decision to Lend</b>	We reserve the absolute discretion to decline any mortgage application.
<b>Features Excluded</b>	Portability   Flexible Features   Further Advances.
<b>Conveyancers Panel</b>	<p>All Conveyancers are to be registered on our panel, managed by Lender Exchange.</p> <p>Please refer to the <u>Conveyancers Panel</u> in the Literature section for more information. We also operate a separate Limited Company Panel.</p>

# Definitions and Terms



<b>Primary Income</b>	For the employed: Primary income is 100% of basic salary. For the self-employed: Primary income is 100% of net profit. For the contractor: Primary income is 100% of basic salary. For the director of a Limited Company application: Primary income is 100% of basic salary. For the retired applicant Primary income is 100% of pensions or other income.
<b>Full Credit History</b>	Three years payment profile history at current, previous or linked addresses with the majority at the current address.
<b>Adverse Credit</b>	No CCJs or defaults (either satisfied or unsatisfied) greater than £250 within the last three years. No credit file to be, at any point within the last three years, more than two payment (>2months) in arrears.
<b>HMO</b>	<ul style="list-style-type: none"> <li>• Properties with mandatory or discretionary HMO licence as required by the local council or</li> <li>• A property that would not sell as a family home without alteration or</li> <li>• A property with a non-standard layout .e.g. sinks in bedrooms or</li> <li>• A property classified as a HMO by our Panel Valuer.</li> </ul>
<b>Multi Unit Freehold Block (MUFB)</b>	<ul style="list-style-type: none"> <li>• Freehold property split into 2 or more self-contained units. Up to 10 self-contained units on 1 freehold title.</li> <li>• Each unit within the MUFB must be saleable in its own right</li> <li>• Each unit within MUFB must be fully self-contained and comply with our minimum square meterage (studio 30sqm, otherwise 35sqm)</li> </ul>
<b>First Time Landlord</b>	An individual who does not currently own a Buy-to-Let property.
<b>Portfolio Landlords</b>	A Portfolio Landlord application is where the customer(s) have 4 or more mortgaged BTL properties. This is based on the total number held by all customers party to the transaction, whether they own the properties in sole name, joint names, or Limited Company.
<b>Consumer Buy to Let</b>	A mortgage regulated by the Mortgage Credit Directive Order 2015.
<b>Shared Accommodation</b>	<p>Dwellings that have not been significantly altered, with at least one communal room that will be maintained and valued as such.</p> <p>The property must be saleable as a family home. See previous page 'Acceptable Securities' for further details. Maximum of 4 people.</p>

# Valuation Fees



Valuation up to	Buy-to-Let	HMO & MUFB Buy-to-Let
£100,000	Free	£550
£150,000	Free	£550
£200,000	Free	£600
£300,000	Free	£745
£400,000	Free	£895
£500,000	Free	£950
£600,000	£325	£1100
£700,000	£425	£1200
£800,000	£525	£1300
£900,000	£575	£1400
£1,000,000	£649	£1500
£1,500,000	£849	£1600
£2,000,000+	Refer	Refer
None of the following services are available for existing loans	<ul style="list-style-type: none"> <li>• Consent to second charges.</li> <li>• Agreement to deeds of priority.</li> <li>• Further advances.</li> <li>• Transfer of equity.</li> </ul>	

\*Only 1 free or discounted valuation per property. Any subsequent valuations will be charged in line with the standard fee scale.

\*In each case it will be necessary for the borrower to remortgage to achieve any of these outcomes.

All information is correct at time of going to press. No responsibility can be taken for information held within any mortgage sourcing system. Fleet Mortgages reserve the right to withdraw any of the products in this brochure at any time, or to change or vary the actual rate quoted.

# Additional Fees



<b>Application fee (Fixed Rate &amp; Tracker Products)</b> (payable with valuation fee. A further fee may be charged if there is a significant change to the application.)	£199
<b>Product change fee</b> (may be payable post-offer where there is a significant change to the application including changing the mortgage product.)	£99
<b>Funds transfer fee</b>	£35
<b>Completion fee</b> Please see individual product details.	
<b>Buy to Let Re-Inspection</b>	£150
<b>Shared House   HMO Buy to Let Re-inspection</b>	£250
<b>Retention funds transfer</b>	£35
<b>Valuation retype fee</b>	£35

## DIP Submission

To submit your applications online visit:

[www.fleetmortgages.co.uk](http://www.fleetmortgages.co.uk)

and select **Broker Login**.

For further fees, please refer to our **Tariff of Mortgage Charges** document available on the [Literature page of our website](#).

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