

# Our Buy to Let (BTL) and Holiday Let Criteria

## Interest Coverage Ratio (ICR) and Affordability Stress Test

- ICR 140%.
- Stress test rate of 5.5% for purchase and capital raising remortgages.
- Stress test rate where there is no capital raising is 5%.
- When assessing background rental properties our ICR is 140% and stress test rate is 5%.

## The Property

- Minimum property valuation is £50,000 irrespective of location.
- Maximum individual loan is £500,000.
- BTL: Properties must be let on an Assured Shorthold Tenancy agreement with no maximum tenancy period.
- Holiday let: Rental income must be independently verified<sup>1</sup>.
- HMOs can have a maximum of 5 bedrooms with 2 occupants per room.

## Affordability

- BTL: No minimum income requirements, however proof of income is still required.
- Holiday let: Minimum income £40k.
- Portfolio landlords (4+ mortgaged rental properties) will need to detail their assets and liabilities, as well as future portfolio intentions. In more complex cases the Society may request additional information, such as cash flow.

Information correct as of August 2017. 1 Verification must be by either the Society's valuers (standard AST or on a holiday letting basis), or confirmed by an actual letting history for at least 12 months, or HMRC tax confirmation (i.e., SA302 and tax year overview), confirmed by an accountant/set of accounts. 2 Income verification: employed – latest month or 4 weekly payslips; self-employed – an accountant's certificate, last year's full accounts from a qualified accountant or last year's SA302 and tax year overview.

## Minimal Documentation Requirements

Landlords with 3 or less mortgaged rental properties are only required to provide their last monthly bank statement and proof of income, in addition to minimum documentation requirements e.g. proof of identity<sup>2</sup>.

Portfolio landlords are required to provide their last monthly bank statement, evidence of last 3 months rental payments and proof of income, in addition to minimum documentation requirements e.g. proof of identity<sup>2</sup>.

## Dedicated Teams

We have a dedicated BTL and holiday let underwriting team who assess each case individually and ensure a smooth process from enquiry to offer and completion.

## The Applicant

- The primary applicant must already be a residential homeowner occupier.
- HMO applicants must be a current, experienced landlord.
- Maximum number of mortgaged rental properties (irrespective of lender) is 10. Maximum number of mortgaged rental properties with the Society is 4.

## Products Available

- Purchase and remortgage products available.
- Up to 70% LTV.
- Interest only available, maximum age at the end of the term is 80 years.



More information, visit [leedsintroducer.co.uk](https://leedsintroducer.co.uk)

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