

Buy-to-Let Mortgages

Proc fee

- There is a 0.5% proc fee on all buy-to-let business, over £25k. Minimum payment of £150 (£175 for key account business).

Basic underwriting criteria

- Borrowers can have a maximum of nine buy-to-let properties including second homes within the retail division of Lloyds Banking Group with a maximum buy-to-let lending portfolio of £3 million. The retail division of Lloyds TSB Banking Group includes Birmingham Midshires, Halifax, Bank of Scotland, Intelligent Finance, Lloyds TSB (including C&G mortgages), Lloyds TSB Scotland, Scottish Widows and The Mortgage Business (TMB).
- Borrowers who have their main residence mortgaged to the Lloyds Banking Group (excluding HBoS) will not be considered as part of the nine properties. The customer's maximum exposure (buy-to-lets and main residence) must not exceed £5million.
- The maximum LTV is 75% and 65% on newly converted or new build properties
- Expected rental income can be confirmed by bank statements or a letter from a solicitor, accountant or letting agent. All of these will need to be validated by a valuer's report if the LTV is more than 70%
- Self-funding is acceptable – see below.

Remortgages

- Capital raising on BTL remortgages, up to 75% LTV
- A valuation fee is applicable unless otherwise stated

Income requirements

For all buy-to-let applications the customers must have a minimum income before tax (excluding rental income) of:

- £35,000 (sole or joint) for loans of £500,000 or less
- £50,000 (sole or joint) for loans of more than £500,000.

Self-funding

Self-funding is acceptable on buy-to-let applications where:

- the customer's property portfolio with the Lloyds Banking Group (excluding HBoS) (including second homes) contains no more than three properties
- the customer's Lloyds Banking Group (excluding HBoS) mortgage commitments are less than £500,000.

The calculation rate depends on the LTV. Use the notes below to determine which rate is applicable.

continued overleaf

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C&G mortgages are provided by Lloyds TSB Bank plc and administered by us, Cheltenham & Gloucester plc.
Registered office: Barnett Way, Gloucester GL4 3RL. Registered in England and Wales No 2299428.

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C&G
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Applications are welcome for self-funding cases where:

- the customer has four or more buy-to-let properties with the Lloyds Banking Group (excluding HBoS) (including second homes) or,
- the mortgage commitments with Lloyds Banking Group (excluding HBoS) is more than £500,000.

These cases will be fully underwritten. Use the appropriate rate below to work out if the application is self-funding.

Self-funding calculations

- If the Loan to Value (LTV) of the buy-to-let property is less than or equal to 60%, the expected rent from the property must cover the mortgage payments based on a notional 7.5% interest rate.
- If the Loan to Value (LTV) of the buy-to-let property is greater than 60%, the expected rent from the property must cover the mortgage payments based on a notional 8% interest rate.

For more information on lending policy and our latest deals see our website, www.cheltglos-intermediaries.co.uk.

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