



Buy-to-Let Criteria Guide

19th February 2024

For Intermediaries Only

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The Loan

Legal Charge: MT Finance require First Legal Charge over the security property

Minimum Term: 5 Years

Maximum Term: 35 Years

Minimum Loan Amount: £25,001

Maximum Loan Amount: £2,000,000

Purchases: The loan amount will be based upon the lower of purchase price or current valuation

Re-Mortgages:

We will consider £ for £ re-mortgages and capital raising for any legal purpose other than:

- Consolidation of debts that have not been maintained satisfactorily (incl. any form of arrears including, but not limited to: Ground Rent, Service Charges, Secured Lending and Unsecured Lending)
- Tax liabilities - Inheritance Tax or Capital Gains Tax may be considered where the proposal does not suggest a position of financial stress for the borrower

We will consider upon referral:

- Let-to-Buy transactions
- Re-mortgages where the property has been purchased within the last 6 months

The Loan

Deposit:

Funds from lawful proceeds are acceptable to MT Finance including:

- Savings
- Investments
- Pension
- Inheritance
- Sale or re-mortgage of property
- Dividends
- Family gifted deposits are acceptable from immediate family members (including step in-law relations)
- Builder's Deposit - A maximum of 5% is acceptable provided there is no charge of interest over the security property and/or any form of rental guarantee

Deposit from Directors Loan/Partners Loan/Shareholder Equity or Inter-Company Loan can be considered.

Repayment Type:

MT Finance will accept capital and repayment, and interest-only repayment strategies.

Affordability:

	2 Year Fixed	5 Year Fixed
Basic Rate	125%	125%
Higher Rate	140%	125%
Additional Rate	140%	125%
Limited Company /LLP	125%	125%

* Affordability for Semi-commercial security will only include rents from the residential elements.

Interest Calculation Rate

2 year fixed rate - Affordability calculated on the greater of payrate plus 2% or 100% at BOE plus 5%

5 year fixed rate - Affordability calculated on payrate

Maximum Loan and LTV		
Property Type	Up to £	Maximum LTV
Standard	Up to £1,000,000	80% LTV
	£1,000,000 - £1,500,000	75% LTV
	£1,500,000 - £2,000,000	70% LTV
HMO	Up to £1,000,000	80% LTV - small HMO only
	£1,000,000 - £1,500,000	75% LTV
Small MUFB < 4 & Semi-commercial	Up to £1,500,000	75% LTV
Large MUFB > 4 & Semi-commercial	Up to £700,000	75% LTV

Total Obligor Exposure	
Up to £1,000,000	80% LTV
£1,000,000 - £1,500,000	75% LTV
Above £2,500,000	70% LTV

The Borrower

Maximum Applicants: Up to 4 applicants are acceptable for both Company and Individual applications

Minimum Age: 21 years old (18 years old is acceptable as a secondary applicant) ILA will be required for all applicants under 21 years old.

Maximum Age: 85 years old (95 years old is acceptable as a secondary applicant) ILA will be required for all applicants over the age of 70 years old.

First Time Buyer: Yes

First Time Landlords: Yes

Limited Company/LLP:

The Limited Company or LLP must be registered in England and Wales before Offer and can be setup as a Special Purpose Vehicle (“SPV”), or a Trading Company.

- Limited Company guarantors must include all Directors, and all Shareholders with > 25% controlling interest. Limited Company guarantors must hold an aggregate of at least 60% of the controlling interest. Guarantors to provide personal guarantees on a ‘joint and several liability’ basis
- LLP guarantors must include all designated members/general partners and those members with management rights as detailed in the LLP Agreement. LLP guarantors must own 100% of the Company
- All Guarantors must be individual Directors/Shareholders/Members, or a Connected Company
- All Guarantors must take Independent Legal Advice before entering into the transaction

MT Finance’s adverse credit rules apply to the Company applicant and all Guarantors.

Residential Status:

All applicants must be resident in the UK for the last 3 years (excludes expats). All applicants must have permanent rights to remain in the UK.

Portfolio Landlords:

- A Portfolio Schedule must be provided in all cases
- Validation of their existing portfolio
- Assessment of portfolio leverage subject to maximum acceptable portfolio leverage of 75% LTV
- Assessment of the portfolio's debt affordability. The portfolio's aggregate gross annual rental income (pre-tax/costs/voids) should be equal to or greater than 125% of the portfolio's aggregate annual mortgage debt interest only payments based on a stressed interest rate of 5.00%

MT Finance has no limit on the number of loans property investors hold with other lenders.

Expatriate:

- Maximum 65% LTV
 - UK citizens only
 - Residency in EEA or FATF member countries
 - Holding a UK bank account
 - Having an active credit footprint in the UK
 - Minimum income requirement £15,000 sterling or equivalent
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Employment Status:

A full 12-months employment or self-employed trading history is required, and at least one applicant must be a UK Tax Payer and either:

- Employed
 - Self-Employed
 - A Contractor
 - Retired
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The Borrower

Minimum Income: £15,000

Credit Score:

MT Finance will consider the credit score as part of the manual underwriting process, generally requiring applicants to have a score of Average or above

CCJs:

No CCJs (unsatisfied or satisfied) in the last 12 months, none to exceed £500 in the last 36 months

Defaults:

No Defaults (unsatisfied or satisfied) exceed £500 in the last 36 months

Secured Arrears:

No more than a status 2 in the last 36 months

Unsecured Arrears:

No more than a status 2 in the last 36 months

Pay day loans:

None showing in the last 12 months

Debt Management Plans:

None registered in the last 36 months

Bankruptcy, Repossession, IVAs and Administration Orders:

None registered in the last 72 months

The Property

Location: England and Wales only

Minimum Property Value:

- Standard residential: £50,000
 - Properties above/adjacent to commercial: £100,000
 - Ex-Local Authority/MOD properties: £150,000 London & South East, £75,000 elsewhere
 - HMO/MUFBs: £150,000 within London & South East, £100,000 elsewhere
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Tenure: Freehold houses and leasehold property

Minimum Lease: At least 75 years at application

Listed Property: Grade II acceptable, Grade I or II* are unacceptable

Minimum Sqm: 28 Sqm

Acceptable Tenancies:

Tenancies of up to 36 months are acceptable, including:

- Assured Shorthold Tenancies (AST) or Occupation Contracts (Wales)
- Student Lets
- Single or multiple ASTs
- Short term lets: AirBnb, Holiday lettings, Serviced Apartments*

*Serviced apartments are subject to there being no restrictions precluding renting on standard ASTs.

Holiday Lets

- Provided there are no holiday let planning or usage restrictions
- The property has suitable demand for sale and rental in the private rental sector
- The security is not on a holiday park or a park home

Rental income for Holiday Lets is calculated on a residential tenancy basis (e.g. AST)

The Property

Flats:

Converted self-contained flats are acceptable subject to:

- Maximum 75% LTV
- Maximum Loan: £1,500,000
- Studio Flats are acceptable subject to them being self-contained with their own separate bathroom facilities
- High-rise property, over 6 storeys are accepted where the valuation indicates good marketability and good rental demand. MT Finance requires blocks over 5-storeys to include a lift
- Properties with Cladding can be considered, subject to Valuers comments and the EWS1 report with ratings A1, A2 and B1 only being acceptable

New Builds:

- Maximum LTV: Houses: 75% LTV / Flats: 70% LTV
- Maximum loan: £750,000

All new build properties or properties less than 10 years old must have an acceptable New Build Warranty stated in the UK Finance Handbook or Professional Consultants Certificate.

House of Multiple Occupancy:

- At least one applicant must have at least a 12 months of property investment experience
- Maximum LTV: 80%
- Maximum Loan: £1,500,000
- Up to 10 bedrooms
- Small HMO – Up to six rooms with no complex structure (easily converted back to residential status) and / or let to no more than six unrelated individuals. If room sizes allow for more than one individual per room under government guidelines, the share must be a related individual.
- Large HMO – Six to ten rooms, complex structures (not easily converted back to a residential status), Suis Generis planning and / or smaller size HMOs where planning allows the rooms to be a shared let to unrelated individuals and therefore unrelated individuals exceed room total.

Multi-unit Freehold Block:

- At least one applicant must have at least a 12 months of property investment experience
- Maximum LTV: 75%
- Maximum Loan: £1,500,000 (£700,000 if > 4 units)
- Up to 10 units accepted
- All units must be self-contained

Ex Local Authority/MOD Properties:

- Maximum LTV: 70%
 - Balcony /Deck access flats are acceptable subject to Valuer's comments
 - Levels of Low private ownership are only acceptable up to maximum 60% LTV, subject to valuers confirming good rental demand and good saleability
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Properties Above/Adjacent to Commercial Premises:

- Maximum LTV: 75%
 - Maximum loan: £1,500,000
 - Will not consider properties above or adjacent to commercial premises where valuer comments are negative, the valuer does not recommend the property as suitable security for mortgage purposes, or where the valuer believes the proximity to commercial materially impacts future saleability or marketability of the security
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Semi-commercial:

- Semi-commercial freehold property acceptable subject to the commercial element not exceeding 40% of the security
 - The value and rental income from any commercial element cannot be used to support the affordability or LTV assessments
 - Subject to no negative commentary on the saleability or marketability of the residential
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Property Exposure:

- No more than 20% or 2 units (whichever is the greater) exposure within a block of flats over 4 units
 - For blocks of flats of 4 units or less we can look up to 100% exposure within the block
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Energy Performance:

- All security properties are required to have a minimum EPC rating of E
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Acceptable Security:

MT Finance will only consider property types where the Valuer confirms the property is suitable security for mortgage purposes subject to it meeting the property criteria and is not on our Unacceptable Property List.

Acceptable Construction Types:

MT Finance can consider any construction/roof types where the Valuer confirms the property is suitable security for mortgage purposes subject to it meeting the property criteria and is not on our Unacceptable Property/Construction List. MT Finance considers a property to be of standard construction if it is built of stone, concrete block and/or brick with either solid or cavity walls that consist of an inner and outer skin. The outer skin will usually be of stone, brick or block. The roof will be of slate, tile, thatch or felt.

- Modern Methods of Construction are acceptable (subject to Valuers comments)
 - Timber-framed construction is only acceptable with an external brick skin or where BOPAS-approved
 - Flat roofs are acceptable. 100% flat roofs are only acceptable if a modern method is used, or the security property is a block of flats (subject to Valuers comments)
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Unacceptable Property:

- Freehold flats/maisonettes
- Commonhold properties
- Non-HMO properties with more than 6 bedrooms
- Properties with an EPC rating lower than E
- Properties with multiple kitchens where the Valuer states it negatively impacts resaleability
- Properties with shared services unless part of a House in Multiple Occupation
- Properties with more than 10 acres
- Properties in high-risk flood area. A High-Risk area is defined as the chance of flooding from rivers or the sea is greater than once every 30 years
- Working farms or properties with agricultural restrictions/farms/small holdings
- Properties with continuing structural movement, or movement that requires monitoring
- Underpinned properties where no guarantees are available
- Grade I & Grade II* listed buildings

Unacceptable Construction:

- Pre-fabricated reinforced concrete construction (PRC)
- Concrete block construction designated Mundic
- Mundic block materials
- Properties of High Alumina Cement
- Properties of 100% timber construction
- Any property designated defective under the Housing Act
- Properties under 10 years' old without an acceptable structural defects warranty
- Wimpey No Fines if the property is a bungalow or flat



Submit Business

Easily submit a new case and manage your existing ones, all via our intermediary portal. Or if you'd rather discuss your case prior to submission, call our expert BTL team - they're friendly and happy to help.

[More info >](#)

BTL Product Guide

If you're looking for an effortless and hands-on approach to your cases - you've found it! Take a look at the latest rates and key criteria for our buy-to-let mortgage products.

[More info >](#)



BTL Submission Guide

This handy guide will ensure you provide us with all the correct documentation and necessary requirements, so your client's buy-to-let mortgage application runs super smoothly.

[More info >](#)