

# Buy to Let product guide

Covid-19 Edition

No stress testing, no stress.

- ICR-busting loan terms (rental income to cover 100% of pay rate).
- Foreign nationals, first-time landlords, expats and adverse considered.
- All structures considered: partnerships, trusts, limited and offshore companies.

**Every wave is different. So is every loan.**



Product	Wave 1 C	Wave 2 C	Wave 3 C	Wave 4 C	Wave 5 C
Rate	5.49% pa	5.99% pa	6.49% pa	6.99% pa	7.49% pa
Deferred Interest	Up to 1% pa			Up to 2% pa	
Pay Rate	4.49% pa	4.99% pa	5.49% pa	4.99% pa	5.49% pa
ICR	<b>No stress test: only 100% of pay rate (Rate less Deferred Interest)</b>				
Min Loan	£150,000				
Max Loan	£5,000,000				
Max LTV	65%				60%
Low LTV Rate Shift	N/A	If LTV under 50%, rate shifts down to 5.49%	If LTV under 50%, rate shifts down to 5.99%	If LTV under 50%, rate shifts down to 6.49%	If LTV under 50%, rate shifts down to 6.99%
Term	5 years			2 or 3 years	
Fee	2.5%				
Proc Fee	1.5%				
Admin	£249 (per property) for loans up to £500k, £399 (per property) loans above £500k				
ERCs	4%/3%/3%/2%/1% - final 3 months ERC free			3%/3%/3% - final 3 months ERC free	
Top Slicing	Not allowed			Not allowed (Retained shortfall allowed)	
Bank Statements required	Refinances only. Require last 3 months showing rental income being received.				
Interest retention	Due to Covid-19, the first 6 months payments will be retained on all loans. Interest payment for the loan will commence in month 7.				
Property					
Min Property Value	£200,000				
Max Property Value	£2m				
Mixed Use	No	Commercial up to 25% (LTV will be restricted)	Commercial up to 30% (LTV will be restricted)		
HMO	No	Up to 6 bedrooms	Up to 12 bedrooms	Up to 16 bedrooms	
MUFB	4 units max	7 units max	10 units max	12 units max	
Max exposure in a block	5 units max in a block				
Ex Local Authority Flats	Yes provided no balcony access and in London	Yes provided no balcony access	Yes		
Flats above Commercial	No	Yes			
Air BNB/Holiday Lets	No				
Planning Irregularity	No			Yes depending on severity	
Property Location	England only				
Works permitted to security	No	5% max permitted			
Borrower Details					
1st Time Buyer	No			Yes	
1st Time Landlords	No	Yes - must own main residence	Yes		
UK Individual	Yes				
UK Company	Yes				
Offshore Company	No	Yes (locations specified in Lending Guide)			
UK UBO	Yes				
Ex Pat UBO	Min 2 properties in UK excluding security	Min 1 property in UK excluding security	Yes		
Foreign National UBO	Yes but must have permanent right to reside and currently reside in the UK	2 properties in UK excluding security	1 property in UK excluding security	Yes - purchases	Yes - refinances
Min Income	£45,000 (can be property income)			Not required	
Min age	21 years				
Max age at end of term	70 years				
Max no of applicants	4				
Borrower Credit					
Defaults	0 in 24 months, 1 in 36 months <£1,000 satisfied	0 in 24 months, 3 in 36 months <£5,000 satisfied	0 in 12 months, <£1,000 in 24 months	<£1,000 in 24 months - if unsatisfied, must be on completion	>£1,000 in 24 months
CCJs	0 in 24 months, 1 in 36 months <£1,000 satisfied	0 in 24 months, 3 in 36 months <£5,000 satisfied	0 in 12 months, <£1,000 in 24 months	<£1,000 in 24 months - if unsatisfied, must be on completion	>£1,000 in 24 months
Unsecured on loan balances over £500	0 in 24 months, 2 in 36 months		max 3 in 24 months	max 3 in 12 months	>3 in 12 months
Secured Mortgage Payments	0 in 36 months		0 in 24 months, 1 max in 36 months	0 in 24 months	0 in 3 months, 6 in 24 months
IVA/Bankruptcy/CVA	No			Yes provided discharged over 3 years	Yes provided discharged over 2 years

# Octane Capital's response to Covid-19

## A message from our CEO

These are truly unprecedented times. The UK property market is temporarily on hold as the country seeks to limit the spread of the virus through lockdown.



The specialist lending sector has been impacted, too, with many lenders suspending lending altogether. Others, including ourselves, remain active but have lowered maximum LTVs, in our case to 65%. This is only a temporary measure and we remain as hungry as ever to lend and support the broker community. Once the lockdown is lifted, we will rapidly adjust our product range accordingly.

## #3rdGen's first product launch

Octane Capital has always been a 'product-less' #3rdGen lender, but with our new buy to let proposition we felt having a product range was the best approach. You'll be pleased to hear that our new BTL range will be supported by all the best bits of 'product-less' #3rdGen lending, namely experience, flexibility, certainty and courage.

Launching a new product range at a time of such extreme economic uncertainty will surprise many, but at Octane we thrive in these conditions. We launched our previous lender, Dragonfly, back in 2009, during the height of the UK recession and Global Financial Crisis. That lender became one of the most successful short-term finance providers in the market under our management. With Octane we intend to go even further and our new buy to let proposition is the next exciting stage of that journey.

## Valuation and Process flexibility

Valuations are clearly one of the areas most affected by the current lockdown – and one of the major contributors to the current slowdown in deals being processed.

We're looking at a host of innovative solutions to support our partners and are also leveraging the strong relationships we have with our panel of surveyors.

We've adapted our legal procedures, too, enabling borrowers to be advised by Skype, Zoom or other video messaging platforms instead of face-to-face in the office.

Ultimately, we're all in this together and we will continue to innovate and support our partners through Covid-19 and beyond.

## Our core values

### CERTAINTY

When we say 'yes', we mean 'yes'.  
We've lent more than £700m  
in 3 years.

### EXPERIENCE

Between us we've lent well over £3bn  
across more than 5,000 loans.

### FLEXIBILITY

Ultra-bespoke lending is where  
we're making waves. Our loans are  
adapted to your needs. Never the  
other way around.

### ACCESS

We're by your side each step of the  
way. Just pick up the phone and  
talk directly to the people who make  
the decisions.

Call us on 0345 222 9009

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