

Buy to Let product guide

(Version 2.1, effective 14 September 2020)

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.



Buy to Let guide: no stress testing

| Product | Wave 1 | Wave 2 | Wave 3 | Wave 4 | Wave 5 |
|--------------------------------------|--|--|---|--|---|
| Rate | 4.99% pa | 5.49% pa | 5.99% pa | 6.99% pa | 7.49% pa |
| Deferred Interest | Up to 1% pa on LTVs up to 70% | | | Up to 2% pa | |
| Pay Rate | 3.99% pa | 4.49% pa | 4.99% pa | 4.99% pa | 5.49% pa |
| ICR | No stress test: only 100% of pay rate (Rate less Deferred Interest) | | | | |
| Min Loan | £150,000 | | | | |
| Max Loan | £15,000,000 | | | | |
| Max LTV | 75% | 70% | | 65% | |
| Low LTV Product Shift | N/A | If LTV under 50%, product shifts down to Wave 1 | If LTV under 50%, product shifts down to Wave 2 | If LTV under 50%, product shifts down to Wave 3 | If LTV under 50%, product shifts down to Wave 4 |
| 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%/2% - final 2 years ERC free | | | 3%/3%/3% - final 3 months ERC free | |
| Top Slicing | Not allowed | | Not allowed (Retained shortfall allowed) | Allowed up to max 20% (Retained shortfall allowed) | |
| Interest retention | 3 months will be deducted for purchases | | | | |
| Property | | | | | |
| Min Property Value | £200,000 | | | | |
| Max Property Value | £2m | £3m | | £5m | |
| 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 16 bedrooms | Up to 24 bedrooms | |
| MUFB | 8 units max | 12 units max | 16 units max | 30 units max | |
| Max exposure in a block | <12 units - max 35% of block; 13-40 units - max 25% of block; >40 units - max 10 units of 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 | Airbnb only | Yes | | |
| 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 | Must have permanent right to reside and currently reside in the UK. Min 2 properties in UK excluding security. | Min 1 property in UK excluding security | Yes | | |
| Min Income | £30,000 (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 |

Buy to Let. Reinvented.

Been stressed by PRA stress-testing? Not any more. Boost your clients' borrowing power instantly with #3rdGen Buy To Let.

Here at Octane we always do things differently and we've removed the stress from Buy to Let by requiring just 100% rental cover. No stress testing, no stress.

#3rdGen Buy to Let puts you and your clients back in control. Our experience and flexibility mean we'll lend where others won't: foreign nationals, first-time landlords, expats and adverse credit are all considered.

And we'll lend to all structures, from limited and offshore companies to partnership and trusts. Total transparency, total commitment to making deals work.

#3rdGen Buy to Let. Experience delivers.



Our core values

CERTAINTY

Our team live and breathe lending. We aim to be crystal clear. We know how much certainty means to you. When we say 'yes', we mean 'yes'.

EXPERIENCE

Over the years we've completed some of the industry's most tricky loans. 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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