

BUY TO LET LENDING

14 October 2020



When choosing the right mortgage for your client, bear in mind that whilst their circumstances and location are pivotal, the product itself is also very important - sometimes a product with a lower reversion rate or longer initial fixed rate can enhance your client's loan size.

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Core

For your Landlord clients, whether they're Limited Company or individuals

- Minimum loan £25,000
- Maximum loan £750,000

LTV	Rate Type / Term	Rate	Feature	Assessment Rate	Completion Fee	Reversion
75%	2 Year Fixed	3.59%	x	5.59%	1.50%	KSR plus 4.15%*
	5 Year Fixed	3.94%	x	3.94%		KSR plus 3.09%*
	2 Year Fixed	3.69%	✓	5.69%	£1,999	KSR plus 4.15%*
	5 Year Fixed*	3.79%	✓	3.79%		KSR plus 2.94%*
	5 Year Fixed	4.04%	✓	4.04%		KSR plus 3.19%*
	2 Year Fixed	4.19%	✓	6.19%	£0	KSR plus 4.15%*
	5 Year Fixed	4.39%	✓	4.39%		KSR plus 3.54%*

*Maximum loan £500,000

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*Kensington review the Kensington Standard Rate (KSR) Quarterly. The current KSR rate is 0.1%. This rate is set as of the 10th September 2020 and effective from the 1st October 2020. KSR is set using Bank of England base rate (BBR, the 'external rate'); KSR will never be more than 1% above the external rate, and will never be lower than the external rate (or 0%, whichever is the greater) at the time of reset. Early Repayment Charges Apply, see table for details.



THIS INFORMATION IS FOR INTERMEDIARIES ONLY

Kensington and Kensington Mortgages are trading names of Kensington Mortgage Company Limited. Registered in England & Wales: Company No. 03049877. Registered address: Ascot House, Maidenhead Office Park, Maidenhead SL6 3QQ. Kensington Mortgage Company Limited is authorised and regulated by the Financial Conduct Authority (Firm Reference No. 310336). Some investment mortgage contracts are not regulated by the FCA.

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NEW

HMO/MUB

For your clients with houses of multiple occupancy and multi-unit blocks

- Maximum loan amount: £750,000

LTV	Rate Type / Term	Rate	Feature	Assessment Rate	Completion Fee	Reversion
75%	2 Year Fixed	3.99%	x	5.99%	1.50%	KSR plus 4.15%*
	5 Year Fixed	4.54%	x	4.54%		KSR plus 3.69%*

NEW

Property Plus

For homes of non-standard construction

- Maximum loan amount: £500,000
- For a full list of accepted property types, please visit www.kensingtonmortgages.co.uk/lendingcriteria

LTV	Rate Type / Term	Rate	Feature	Assessment Rate	Completion Fee	Reversion
75%	2 Year Fixed	3.69%	x	5.69%	1.50%	KSR plus 4.15%*
	5 Year Fixed	4.04%	x	4.04%		KSR plus 3.19%*
	2 Year Fixed	3.79%	✓	5.79%	£1,999	KSR plus 4.15%*
	5 Year Fixed	4.14%	✓	4.14%		KSR plus 3.29%*
	2 Year Fixed	4.29%	✓	6.29%	£0	KSR plus 4.15%*
	5 Year Fixed	4.49%	✓	4.49%		KSR plus 3.64%*

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Criteria

Rental Coverage	Rental cover is calculated using individual circumstances and will give the maximum amount customers can expect to borrow based on their personal, property and income details. The cover ranges from 125% assessed on a monthly payment calculated at 5.50% or the assessment rate plus 2.00% if higher (< 5 year fixed) or refer to the appropriate assessment rate (> 5 year fixed). Please see our calculator at www.kensingtonmortgages.co.uk for more details.
Minimum Loan Amount	£25,000.
Maximum Loan Amount	Buy to Let loans are available to £750k up to 75% LTV. Please note that our maximum lending to an individual (or joint applicants) is limited to no greater than £2m combined across Residential and Buy to Let mortgages. HMO and MUB maximum loan amount £750,000. Property Plus maximum loan amount £500,000.
Employment Status	Employed/Self-employed.
Region	England, Wales and mainland Scotland only.
Minimum Age (at submission)	All applicants or directors when lending to Limited Company must be aged 21 or over.
Maximum Age	70 at application. No age limit at the end of the term.
Minimum Term	5 years, except: The minimum term for 5-year fixed rates is 6 years. The minimum term for interest only is 10 years.
Maximum Term	40 years.
Minimum Valuation	£75,000.
New Build	Subject to product maximums and underwriter discretion regarding new build exposure. Once an Offer is produced it is valid for a 180-day period. Extensions may be granted on purchase applications subject to re-assessment of the client, income (where applicable), re-inspection of the property (where applicable) and new product. New build properties are not acceptable for HMO and MUB applications.
Minimum Income	For first time landlords who are existing residential homeowners, there is no minimum income requirement to support their mortgage application. For First Time Buyer & Non Owner Occupier, at least one applicant must be an existing Residential homeowner unless they have owned 4 or more Buy to Let properties OR their employer provides tied accommodation OR at least one applicant earns a minimum of £40,000.
Referencing	At least one applicant must be an existing Residential homeowner, unless they have owned 4 or more Buy to Let properties or their employer provides tied accommodation or at least one applicant earns a minimum of £40,000. HMO and MUBs are not available to first time landlords. Credit search and valuation report will be obtained by Kensington. Current and previous mortgage history (both Buy to Let and Residential) will be verified by reference to Credit Bureau data where possible. For employed income please provide the most recent payslip and the latest P60/last payslip of the financial year, or a copy of the for self-employed applicant's most recent finalised and agreed accounts (for tax assessment) attached to their headed paper or SA302.
Let to Buy	We will consider a BTL application where an applicant intends to let their existing residential property. We will require details of the new residential address that the applicant is moving in to and a copy of the mortgage offer from the new lender.
Portfolio Landlord (with 4 or more mortgaged properties)	There is no overall portfolio limit (Kensington exposure to £2m). All portfolio landlords must complete a portfolio summary, with a minimum of 3 BTL mortgages to be verified and provide the 3 largest Assured Shorthold Tenancy agreements.
Limited Company Buy to Let	Lending to Limited Companies: Specific SIC codes only: 68100 - Buying and selling of own real estate; 68209 - Other letting and operating of own or leased real estate; 68320 - Management of real estate on a fee or contract basis; 68201 - Renting and operating of Housing Association real estate. Maximum 4 directors (at least one director must hold a minimum shareholding of 20%). Applicant Directors must have a combined shareholding of 100% of the company. All Guarantors will be underwritten. Standard BTL criteria that applies to individual landlords, will also apply to Guarantors on Limited Company BTL. All individual directors must provide a personal guarantee on a joint and several basis. They will also be required to receive independent legal advice on the nature and effect of the guarantee being provided. HMO and MUB applications are acceptable
Property Plus	Range allows for lending on the following (subject to an acceptable valuation with no comments negatively effecting resale): Fully Repaired Pre-Fabricated Reinforced Concrete, Poured Concrete, Steel Framed / Steel Clad (pre 2000), 100% Timber Framed (post 1980), Cob Construction, Colt Construction, Concrete Block, Stone and Part Rendered Breeze block with Pebble Dashed Outer Walls For additional non-standard construction types refer to: www.kensingtonmortgages.co.uk/lendingcriteria

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Credit History

Defaults acceptable if older than 24 months

Secured Loan Arrears acceptable if older than 24 months

Satisfied CCJs acceptable if older than 24 months

We are able to accept unsatisfied CCJs that are registered over 24 months ago at the underwriter's discretion

Unsecured Credit arrears acceptable if accounts now up to date (max status of 2 in last 12 months)

We are unable to accept any Debt Management Plans (DMP) in place less than 12 months

Payday loans acceptable if older than 12 months

We don't take Communication and small utility defaults into account

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Features

✓	PURCHASES • Free valuation	Free legals not available on Limited Company Buy to Let
	REMORTGAGES • Free valuation and free legals OR • Free valuation and £250 cashback	Standard legals only apply on loans up to £500,000

Did you know?

Your client can choose any payment date from 1 - 28 of the month, depending on their preference. Simply select the date for their Direct Debit payment upon application.

Early Repayment Charges

Term	Year 1	Year 2	Year 3	Year 4	Year 5
5 Year Fixed	4.00%	3.00%	1.50%	1.00%	1.00%
2 Year Fixed	3.00%	2.00%			

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