

# Mortgage-Desk



*for people moving on in life...*<sup>TM</sup>



# Mortgage – Desk

- ▶ Personalised Service
- ▶ Variety of financing option
- ▶ Wide access to the finance market
- ▶ BTL Financing – England, Scotland, Wales



# Remortgage -2 Year Fixed Rates Starting From...

Property Type	Ownership	Value	Loan to value	Mortgage Type	Monthly interest rates starting from	Monthly Mortgage Payments
Buy To Let	Personal name	£150,000	75%	Interest Only	1.79% -	£172
Buy To Let – Single & HMO	Limited company	£150,000	75%	Interest Only	3.19%	£299
Main Residence	Personal Name	£500,000	75%	Repayment (25 Years)	1.25% +	£1456

# Remortgage - 5 Year Fixed Rates Starting From...

Property Type	Ownership	Value	Loan to value	Mortgage Type	Monthly interest rates starting from	Monthly Mortgage Payments
Buy To Let	Personal name	£150,000	75%	Interest Only	<b>2.50%</b> -	£252
Buy To Let – Single & HMO	Limited company	£150,000	75%	Interest Only	3.49%	£327
Main Residence	Personal Name	£500,000	75%	Repayment (25 Years)	<b>1.75%</b> -	£1570

# BTL – Portfolio lenders – the story so far !

The Prudential Regulation Authority (PRA) definition of a portfolio landlord is a borrower with **four or more distinct mortgaged buy to let properties**, either together or separately, in aggregate

- ▶ **Business Plan**
- ▶ **Cash Flow forecasts**
- ▶ **Assets & Liabilities**
- ▶ Latest 2-3 years' tax return / Tax Calculations (SA302) & Overviews
- ▶ 3 months+ bank statement
- ▶ Detailed property portfolio



# BTL – Portfolio lenders – limited lending

Will not lend on 4+ mortgaged BTL properties

- ▶ Hinkley & Rugby B.S...Virgin Money
- ▶ Principality - three Buy to Let mortgages and up to one Holiday Let mortgage per customer

Limit of 10 mortgaged properties







- ▶ Barclays
- ▶ BM Solutions

Differing criteria

- ▶ TMW - Portfolio landlords will need to have 2 years' letting experience.
- ▶ Coventry - a maximum LTV of 65% across the whole portfolio
- ▶ Skipton - Portfolio landlords will require a minimum income of £45k

# Special Purpose Vehicles for Buy-to-Let investors

- ▶ 6th April 2017 - Phased tax changes investors, which will eventually mean they can only claim tax relief on finance costs - including mortgage interest - at the basic rate of 20%, rather than their marginal rate.

Property owned by	Tax on rental income
 <b>Higher-Rate Taxpayer</b>	 <b>40%</b>
 <b>Additional Rate Taxpayer</b>	 <b>45%</b>
 <b>Special Purpose Vehicle</b>	 <b>19%</b>

# Minimum Energy Efficiency Standards

## 1 April 2018

- ▶ Are you aware of and ready for the new Energy Performance Certificates (EPC) requirements ?
- ▶ Domestic eligible properties will need to meet a minimum rating of E – those with a rating of E or G are potentially liable for a fine of £4000
- ▶ <https://www.rla.org.uk/landlord/guides/minimum-energy-efficiency-standards.shtml>.
- ▶ Need to raise funds to effect these changes?





# Moans and Groans

- ▶ Fees free re-mortgages – use of lenders solicitors or take the cashback?
- ▶ Betting – do you have a good tip?
- ▶ To cancel or not to cancel ? (TMW)
- ▶ Rent v mortgage payments?



# Challenging Cases – HMO – Trading Ltd Co

- ▶ Lending solution:
- ▶ 9- Bed HMO £650K
- ▶ Loan £422k (65%LTV)
- ▶ Purchase using a trading company (not SPV)
- ▶ 2-year fixed rate of 3.59% with a lender fee of 1.75%



# Challenging Cases – Use of rental income

- ▶ Remortgage of an existing BTL portfolio property onto a main residential mortgage.  
£190,000 mortgage, term 19 years
- ▶ Client sold previous main residence – 2 months prior
- ▶ Primary income employed - £28k (gross)
- ▶ Secondary income – BTL Portfolio (8) – evidence of 2 years taxable rental income – Net income before tax £38k & £13k
- ▶ Level of lending required both forms of income to meet affordability.
- ▶ **Result: 1.79% Fixed for 5-years (34% LTV)**



# First time buyer, first time landlords

- ▶ Lending solution:
- ▶ 75% LTV
- ▶ 70 at the end of the mortgage term.
- ▶ Maximum of 2 applicants
- ▶ Affordability assessments: earned income & interest calculation ratio (ICR)
- ▶ Customers with a less than perfect credit profile accepted
- ▶ Definition - a first time buyer as a customer who has not owned a property in the last 18 months.



# 90% Lending with Debt Consolidation

- ▶ Lending solution:
- ▶ 90% LTV
- ▶ Looking to consolidate debt – credit cards, personal loan
- ▶ Maximum of 2 applicants
- ▶ Communications default for £330 registered in September 2017.
- ▶ Result - 2 year fixed product with a pay rate of 4.34%. The product had no lender completion fee and a free valuation and free Legals (terms and conditions apply).



# Want To Protect Your Loved Ones?

T R U S T S

## Personal Cover

- Critical Illness Cover
- Income Protection
- Family Income Benefit
- Life Cover/ Mortgage Cover

## Business Cover

- Business Protection
- Key Persons Insurance
  - Relevant Life



# Contacting us



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