

# THE CRITERIA CORNER

## Top tips from the Mortgage Helpdesk



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### Welcome back to The Criteria Corner!

The Criteria Corner is our mini newsletter designed to give you a brief insight into the topics we see frequently on the Mortgage Helpdesk. We aim to provide you with some great hints and tips which will help you with future cases. If you think we may be able to assist with your next case, please don't hesitate to get in touch!

Buy to Let Interest Coverage Ratios (ICRs) have been a frequent topic of conversation to the helpdesk lately and many brokers have been struggling to reach the loan sizes that they need. With the frequency of rate changes, pinpointing "the best" Lender for their generous ICRs has its challenges, but with that said, we've found the following Lenders to stand above the rest...

#### 2 Year fixed

1. Coventry BS
2. Skipton BS
3. The Mortgage Lender
4. Molo Finance (1.5% fee)
5. The Mortgage Works

#### 5 Year fixed

1. The Mortgage Lender (3% fee)
2. Fleet Mortgages (2% fee)
3. Keystone (4% fee)
4. Molo Finance (2.25% fee)
5. Skipton BS

*Based on interest rates on the date of 12/01/22, for a basic rate tax-payer (£30,000pa) receiving £950pm for the rental income. Products have been selected based on a combination of the Lenders' lowest product fee and lowest interest rate available. These calculations are an indication only.*

As always, we must advise that criteria does regularly change and therefore it is always prudent to double check with a Lender prior to submitting an application. Lenders provided are based on findings at the time of research, and may not include every option available.

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## Top-Slicing

Should the rental income still fall short of achieving the loan size that is required, the following Lenders can consider using earned income to supplement the rental income:

Bath BS, Bank of Ireland, Castle Trust Bank, Chorley BS, Dudley BS, Gatehouse Bank, Hampshire Trust Bank, Kensington, Leek BS, Mansfield BS, Metro Bank, Newbury BS, Precise Mortgages, Saffron BS, Skipton BS, Virgin Money and Zephyr Homeloans.

## FEBRUARY EVENTS

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

1ST FEB - IMPAIRED CREDIT OPPORTUNITIES WEBINAR

7TH FEB - SOLIHULL MORTGAGE & PROTECTION

16TH FEB - ESSENTIAL SKILLS WORKSHOP £99+VAT



## HOT TOPICS



### First time buyers

A key question with first time buyers and buy to let is "can they afford this if it were a residential property?", as this will bring a level of comfort to Lenders with the potential risk of back-dooring. However, there are some Lenders who may not necessarily take that affordability-based approach, as long as it makes sense in a Lenders' eyes. Renting a property that is substantially nicer than their current residence or a mile away from their lived in property for a non-owner occupier would not bode well.

*The following Lenders can consider a first time buyer looking to purchase a buy to let:*

Barclays, NatWest, Clydesdale Bank, Bluestone Mortgages, Castle Trust Bank, Dudley BS, Hinckley & Rugby BS, Kensington, Saffron BS, Vernon BS, Vida Homeloans.

*The following Lenders can consider this but may not base it on affordability:*

Mansfield BS, Melton BS, Molo Finance and Octopus Real Estate.

### Offset on BTL?

You may find some clients interested in the possibility of reducing their interest payments on their BTL mortgages through offset products, and while it's a very small market, there are a few Lenders that offer this or something similar.

These are: Clydesdale Bank, Family BS and Molo Finance.

**Unsure which Lenders may consider your case?**

**Save time by contacting the Mortgage Helpdesk with your complex cases.**

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