



## Buy to Let lending criteria

### Applicants – maximum

Maximum 4 applicants.

### Applicants – residency

Applicants must be resident in the UK (other than British ex-pats) and have permanent leave to remain.

EU nationals are acceptable.

The following non-EU nationals are also acceptable:

Switzerland, Norway, Iceland, Liechtenstein, Andorra, Monaco, Jersey, Guernsey, Vatican City and San Marino.

Non EU nationals, excluding those noted above, must have held the permanent right to have lived and worked in the UK for the last 36 months as well as the right to remain. In these cases evidence will be required.

Ex-pats who currently let out a UK property or are purchasing a property in the UK to let out are acceptable provided that they do not intend to return to the UK to live in the said property within 12 months of the loan origination and that the property is fully managed by a competent management company.

Please see the Express Service section for information about nationality requirements on our Express Service.

### Eligibility

Available to landlords who already have at least one existing buy to let property.

### Express Service

Due to Title Insurance policy rules, ex-pats will not be accepted on Express cases.

We will only accept the following nationality types where the Express Service has been selected:

- Applicants must be resident in the UK and have permanent leave to remain and a UK passport
- Or
- EU nationals holding an EU passport.

The following non-EU nationals are acceptable if they hold a passport for the following countries: Australia, Canada, Cyprus, Guernsey, Jersey, New Zealand, Switzerland and USA. All others are excluded from this product. Restrictions relate to passport type, not country of birth.

The Express Service is not available on Refurb to Let or where there is a Guarantor as part of the application.

### Refurb to Let

- Works to be undertaken do not require planning permission or building regulations permission
- There is no change to the use and purpose of the premises
- Property must be defined as habitable by the valuer

### Valuation

Schedule of works to be sent to valuer who must provide:

- A valuation and rental details based on current condition
- A valuation on completion of works
- Confirmation that no structural works are required and that the definition of light refurbishment is met
- An estimated rental valuation on completion of works – an AST agreement is not required to be in place at the time of valuation.

### HMOs

#### General

- HMOs are accepted in principle for purchase or remortgage on our Buy to Let products, but are not acceptable on our Refurb to Let products
- At least one applicant must have a track record of buy to let ownership, involving three or more properties for a minimum of 12 months
- Borrowers must hold the relevant HMO Licence upon completion. Castle Trust will require verification via the conveyancing solicitor
- The maximum number of tenants per property is six.

#### Property

- No more than one kitchen, unless a large HMO (at least three storeys high and at least five tenants forming more than one household) where the limit is two kitchens
- No more than four habitable storeys
- No more than six lettable rooms
- Standard construction
- Maximum property value £1m
- Purpose built HMOs, hotels and hostels are not acceptable.

## Income

There is no minimum income required.

## Lending region

England and Wales only.

## Let to Buy

Purchasing a property:

A copy of the Mortgage Offer for the new home property will be required with simultaneous completion of the new purchase mortgage and the Castle Trust loan. Additionally, satisfactory proof of rental of the property to be let must be provided by way of signed AST prior to completion.

## Limited Companies

Limited Company applications are available in principle. The limited company must be registered and trading in England or Wales and be incorporated for the sole purpose of buying and holding residential investment property. Directors must be UK resident; expats are not acceptable.

Newly incorporated limited companies are acceptable provided at least one director has a track record of buy to let ownership, involving three or more properties for a minimum of 12 months.

All Applicants/Guarantors must provide Personal Guarantees on a joint and several basis. Please note that Guarantors will not be accepted on Express cases.

Credit reference checks will be carried out on the company and its directors and the latest three months bank statements for the company will be required.

There should be no more than two first charge lenders to the company.

## Loan purpose

Roll-up and Serviced mortgages for Buy to Let are available for any legal purpose.

## Portfolio size

No limit on the size of a Buy to Let portfolio.

## Property types

### Acceptable

#### Security types

The following are acceptable forms of security:

- Houses (terraced, detached, semi-detached)
- Bungalows
- Leasehold flats and maisonettes (purpose built or converted) with an unexpired lease terms in excess of 85 years at maturity of the loan
- Flying Freehold up to 15% of the size of the property
- Blocks of flats: Castle Trust applies maximum limits per block per customer:
  - Up to seven flats: limited to one flat
  - 8-50 flats: limited to 25% of the flats up to a maximum of 12 flats

- Blocks of more than 50 flats: limited to 12 flats plus 10% of the number of flats in excess of 50. Eg. For a block of 200 flats, the limit would be 27 flats (12 + 10% of 150)
- A minimum floor area of 40 sqM gross externally
- Holiday lets subject to property types (1st charge only)
- Grade 2 properties

We may consider other property types, on a case by case basis, please speak to your BDM.

#### Tenure types

The following tenures are acceptable:

- Freeholds (excluding flats and maisonettes, unless whole block is being provided as security)
- Commonhold
- Leasehold flats and maisonettes

#### Construction types

Wall constructions of the following types are acceptable:

- Standard brick and breeze block construction
- Stone-built, or brick and mortar-built walls
- Modern timber or steel frames property with brick or block and rendered walls
- Modern methods of construction

#### Roof types

Roof constructions of the following types are acceptable:

- Standard roof construction from slate
- Standard roof construction from tile
- Standard flat roof
- Thatch considered on an individual basis

### Unacceptable

#### Security types

The following are unacceptable forms of security:

- Freehold flats/maisonettes (unless whole block is being taken as security)
- Flying Freeholds above 15% of the gross external floor area of the property
- Mobile homes
- Houseboats
- Properties with agricultural restrictions (farms / crofts)
- Bed sits and B&Bs
- Multi occupancy properties that do not meet Castle Trust HMO criteria
- Work units
- Ex-local authority properties still within their pre-emption period
- Grade 1 and Grade 2\* properties
- Studio flats
- Flats above 6 floors ie 7th floor upwards (no ex-council blocks)
- Self builds (subject to a valuation and structural survey report)

- Leasehold properties with an unexpired lease term of less than 85 years at maturity

### Tenure types

The following tenures are unacceptable:

Freehold flats and maisonettes

### Other non-acceptable types

- Homes purchased directly from a developer (except as a one off purchase for own occupation or residential investment) or from any form of investment club or similar scheme are not acceptable regardless of the date built or converted
- Ex-local authority properties in their pre-emption period
- Properties showing evidence of actual or potential commercial use, with the exception of offices or studies, which are readily able to be restored to residential use, and they currently form less than 20% of the property
- There must be no local authority approval for the use of the property for any purpose other than residential
- Properties with agricultural restrictions, eg farms and crofts are not acceptable
- Live / work units
- Grade 1 or Grade 2\*
- Any form of Build to Rent

### Construction types

Wall constructions of the following types are unacceptable:

- All non-traditional construction types:
  - Steel framed, with non masonry cladding
  - Solid masonry having a thickness less than 200mm
  - Felt flat roof in excess of 50% plan roof area
- Laing Easi Form
- Concrete (No Fines, Cheshire Brine, Mundic, Precast Reinforced Concrete (PRC))
- Log
- Single Skin
- Flat Felt
- House boat
- Mobile home
- Timber Frame (period properties considered on an individual basis)
- Cross wall construction

### Roof types

Roof constructions of the following types are unacceptable:

- Felt flat roof

## Stress Test

### Roll-up Mortgage Range

There is no additional stress on the second charge loans for Roll-up Bridge and Roll-up Term, although we do stress test the primary mortgage.

### Serviced Mortgage Range

For Serviced Bridge and Serviced Term we apply the following stress test:

- Individual (basic rate tax) and Corporate  
115% of Castle Trust pay rate, or 6.88%, whichever is higher
- Individual (higher rate tax)  
115% of Castle Trust pay rate, or 7.98%, whichever is higher.

We take a flexible and commercial approach to assessing a client's other income and/or financial resources which can supplement rental income to maximise borrowing potential.

## Tenancy Details

- Maximum number of tenants is four (no family members)
- Single or multiple ASTs must have a maximum term of 12 months
- Void rental periods of up to three months prior to the application are acceptable, subject to up to date mortgage CAIS and proof of previous rental (bank statement, previous AST)
- Company lets allowed, limited to a maximum 36 month tenancy
- Student accommodation acceptable providing it is not purpose built
- Property must not be rented to:  
Local Authority or Housing Association tenants, to asylum seekers, people with diplomatic immunity or DWP claimants.

### Important information

Loans are subject to status, terms and conditions. The customer must repay the loan by the end of the term. If the customer has not repaid the loan by the end of its term and either does not have sufficient savings or is not able to arrange another mortgage, then they will need to sell their property. Property may be repossessed if the loan is not paid when due. This communication is for authorised intermediaries only. This information has not been approved for use with customers and is not intended for public or customer use.