

Packager Buy to Let mortgages

For landlords who are homeowners purchasing or remortgaging a property with the sole intention of letting it out under a rental agreement to non-family members as a business arrangement.

Buy to Let mortgages are exempt from Financial Conduct Authority Rules.

Applicants who are homeowners but do not own other BTL properties and since becoming the owner of the property they or their family members have lived in it are known as Consumer Buy to Let borrowers.

Affordability will be based on employment income rather than rental income.

Consumer Buy to Let mortgages are regulated by the Financial Conduct Authority.

Product	Initial Rate	Followed by our Buy to Let Standard Variable Rate (SVR)	Max LTV	The overall cost for comparison is
BL12 Buy to Let fixed rate to 29/11/19	4.29% fixed	Currently 5.74% variable for the rest of the term	70%	5.4% APRC

Representative Example

A mortgage of £115,000 payable over 15 years initially on a fixed rate to 29/11/19 at 4.29% and then on our Buy to Let Standard Variable Rate of 5.74% for the remaining 12 years would require 36 payments of £878.95 and 144 payments of £950.85.

The total amount payable would be £169,167.60 made up of the loan amount plus interest (£52,039.60), a product fee (£1,500), an application fee (£150), a valuation fee (£205), legal fees (£148), an exit fee (£100) and a funds transfer fee (£25).

The overall cost for comparison is 5.4% APRC representative.

Fees

Application fee £150. This is payable upfront and is non-refundable.

Product fee £1,500. This may be added to the loan subject to the maximum LTV.

Valuation fees are payable on a set scale as detailed in the separate Fees Guide.

Solicitors and licensed conveyancers fees are not based on a set scale and solicitors must be approved by Buckinghamshire Building Society.

Proc fees are 0.80% capped at £2,000.

Other charges may be made in respect of mortgage services. See our Fees Guide for details.

Loan Size

Minimum loan size £50,000.

Maximum loan size £1,000,000.

Early Repayment Charge (ERC)

The following charges are payable on any lump sum or full redemption repaid over 10% of the capital balance or regular overpayments of more than £100 per month.

3% to 29/11/17

2% to 29/11/18

1% to 29/11/19

Overpayments

During the fixed rate period regular overpayments are permitted up to £100 per month and lump sum payments up to 10% of the capital balance per annum may be made without attracting an ERC. Should the total of lump sum overpayments exceed 10% within this period, the excess will attract an ERC as detailed above.

Interest will be recalculated following receipt.

Once the fixed rate period has ended overpayments can be made without restriction.

If an overpayment of £500 or more is made, we will recalculate the monthly payment the following month.

Affordability

For Buy to Let borrowers, the rental valuation needs to cover the mortgage payment x 145%. Minimum income £25,000.

For Consumer Buy to Let borrowers, the amount we lend will be based on our assessment of affordability. Income multiple cap is 4.5 x first income plus 3 x second income or 4 x the joint income. Minimum income £25,000.

Proof of Income

Last 3 months bank statements.

Completed Budget Planner.

Last P60 and 3 months payslips for all employed applicants. Last 2 years accounts or SA302s for all self-employed applicants.

Certified photographic proof of identity.

We will also carry out electronic verification to prove the applicant's identity, but we may also ask for further evidence of identity. This can include the applicant's latest mortgage statement, certified proof of residency or other loan or card statements.

References may be taken up and credit searches will be made. Cases may be declined due to previous adverse credit or information that is not disclosed on the application form.

Interest

Interest is calculated daily on the balance outstanding and added to the account the following month.

Insurance

We recommend that the applicant has buildings insurance on the property. It is not a requirement to buy any insurance through Buckinghamshire Building Society.

Mortgage Term

The maximum mortgage term is 35 years dependent on individual circumstances.

Repayment

These mortgages are available on a capital and interest repayment basis or interest only with a suitable repayment vehicle. Payments must be made monthly by direct debit.

Portability

These products are not portable.

Property type

Standard construction houses or flats. For flats there should generally be a maximum of 4 storeys in the building and an unexpired leasehold term of 85 years at the start of the mortgage. Flats over 4 storeys may be considered on an individual basis.

Age Limits

The minimum age is 21 for all applicants. There is no maximum age. Cases are considered on individual circumstances.

Buckinghamshire Building Society is a member of:

The Building Societies Association

The Financial Ombudsman Service

The Financial Services Compensation Scheme

The Council of Mortgage Lenders

The Banking Standards Board

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Registration number 206022.

Buckinghamshire Building Society reserves the right to suspend or amend a mortgage product at any time and potential borrowers should check that the required product is still available.

Complaints

We comply with Regulatory guidance for complaints and have developed our own procedures for dealing with complaints. A copy of our Internal Complaints Procedure is available on request.

This information is for intermediary use only.

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YOUR RENTAL PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE