

# Buy to let Criteria Guide



**Buy to Let Criteria Guide**  
March 2020

  
**Foundation**  
Home Loans

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At a glance eligibility between typical applicant types		Experienced Landlords Someone who has operated a BTL property within the last 6 Months		
		Individual	Limited Company	Portfolio Landlord With or looking to acquire 4 or more mortgaged properties
APPLICANT ELIGIBILITY	<b>First Time Buyers (FTB's)</b> <i>An applicant who has never owned a property. Any additional borrower can be a FTB</i>	No	No	No
	<b>Ex Patriate (Ex-pat)</b> <i>A UK national living and working abroad</i>	No	Yes	As per individual or limited company
	<b>Maximum Borrowers</b>	2	4	
	<b>Minimum Age</b> <i>Any additional borrower can be 18 or older</i>	21	21	
	<b>Maximum Age</b>	85	No Maximum	
	<b>Guarantors</b>	No	Yes <i>All Directors to provide a personal guarantee for full loan amount</i>	
PRODUCT ELIGIBILITY	<b>House in Multiple Occupation (HMO)</b> <i>An HMO house is a property rented out by at least 3 people who are not from 1 "household" (e.g. a family) and they share toilet, bathroom and kitchen facilities with other tenants</i>	Yes	Yes	Yes
	<b>Multi-Unit Freehold Block (MUFb)</b> <i>A single building with multiple, separate, independent residential units owned under a single freehold title, meaning no unit is subject to a lease. This particular property type comes in a variety of configurations such as purpose built blocks or flats or houses converted into flats</i>	Yes	Yes	Yes
	<b>Let Residential to Buy a new Residential</b> <i>Must have other BTLs in the background</i>	Yes	Yes	Yes
	<b>Consumer Buy to Let</b>	No	No	No
	<b>F1 Product</b>	Yes	Yes	Yes
	<b>F2 Product</b>			
	<b>F3 Product</b>			
	<b>Large Loan</b>			
PROPERTY ELIGIBILITY	<b>Maximum loan size &amp; LTV</b> <i>Standard Property</i>	£1M to 75% £2M to 65%		
	<b>Maximum loan size &amp; LTVs</b> <i>HMO &amp; Multi Unit Property</i>	£1M to 75% £1.5M to 65%		
	<b>LA build houses</b>	Acceptable where the valuer indicates good marketability		
	<b>Ex-LA flats/MOD and flats or maisonettes over commercial premises</b>	Considered on a case by case basis, subject to construction type, location, no balcony access and confirmation or a minimum 75% private ownership in the block from the LA.		
OTHER ELIGIBILITY	<b>ICR</b>	Basic rate tax payer: 125%  High rate tax payer 145%  Where joint application with combined low rate and high rate tax payer: 135%	125%	As per individual or ltd co
	<b>Gifted deposits</b>	Yes	Yes <i>(If via Directors or Shareholders)</i>	Yes

Applicants	
<b>Criminal convictions</b>	<ul style="list-style-type: none"> <li>Applicants subject to criminal proceedings or that have any convictions that are unspent under the Rehabilitation of Offenders Act (1974) are not considered</li> </ul>
<b>Ex-pats</b>	<ul style="list-style-type: none"> <li>Must have a UK bank account</li> <li>Must have a credit footprint in the UK</li> <li>Must be paying UK tax or have declared income for UK tax purposes</li> <li>Must have at least one BTL property in the UK</li> <li>Must have confirmation in writing (from their employer) of their residential address in the foreign country and the period of residency</li> <li>Must have a UK correspondence address</li> </ul>
<b>First time buyers</b>	<ul style="list-style-type: none"> <li>A first-time buyer is defined as someone who has never owned a property. First time buyers can only be considered where there is another borrower on the application who is not a first-time buyer.</li> <li>Where an applicant does not currently own a property but wish to be considered as a non-first-time buyer suitable evidence of prior property ownership will be required by way of: <ul style="list-style-type: none"> <li>Credit Search</li> <li>Historical mortgage agreement</li> <li>Land Registry title deeds</li> </ul> </li> </ul>
<b>First time landlords</b>	<ul style="list-style-type: none"> <li>Not accepted</li> </ul>
<b>Guarantors</b>	<ul style="list-style-type: none"> <li><b>Individuals</b> Guarantors are not considered</li> <li><b>Limited Company</b> All Directors will be required to sign a personal guarantee for 100% of the loan amount</li> </ul>
<b>Intermediary's own applications</b>	<ul style="list-style-type: none"> <li>Acceptable, but they cannot certify their own ID or Proof of Address.</li> </ul>
<b>Job seekers allowance/income support</b>	<ul style="list-style-type: none"> <li>Applicants in receipt of job seekers allowance or income support will not be considered</li> </ul>
<b>Limited company</b>	<ul style="list-style-type: none"> <li>Acceptable where the SPV is registered in England or Wales with one or more of the following Standard Industrial Classification (SIC) codes: <ul style="list-style-type: none"> <li>68100 Buying and selling of own real estate</li> <li>68209 Other letting and operating of own or leased rental estate</li> <li>68320 Management of real estate on a fee or contract basis</li> <li>They cannot have any other SIC code registered.</li> </ul> </li> <li>Newly incorporated limited companies are acceptable, subject to the incorporation being in place in time for the mortgage offer</li> <li>Umbrella companies/trading companies are not considered</li> </ul>
<b>Maximum age</b>	<ul style="list-style-type: none"> <li><b>Individual applicant</b> 85 years</li> <li><b>Limited company</b> No maximum age for directors</li> </ul>
<b>Minimum age</b>	<ul style="list-style-type: none"> <li>At least one applicant must be 21 years</li> <li>All applicants must be over 18 years</li> </ul>
<b>Maximum applicants</b>	<ul style="list-style-type: none"> <li><b>Individual applications</b> 2</li> <li><b>Limited company applications</b> up to 4 directors</li> </ul>

Credit History	
<b>All accounts</b>	<ul style="list-style-type: none"> <li>All accounts must be up to date at the time of application</li> </ul>
<b>Arrangements with lenders (including forbearance)</b>	<ul style="list-style-type: none"> <li>Active arrangements with other lenders are not considered</li> </ul>
<b>Bankruptcy &amp; IVA</b>	<ul style="list-style-type: none"> <li>No bankruptcy or IVA/administration order registered against any applicant</li> <li>Applicants with a financial associate that has been declared bankrupt may be considered</li> </ul>
<b>Company Voluntary Arrangements</b>	<ul style="list-style-type: none"> <li>Directorship of involuntarily liquidated or wound up companies, receiverships and Company Voluntary Arrangements are only considered where there are no outstanding debts owed to creditors</li> </ul>
<b>Debt management plan</b>	<ul style="list-style-type: none"> <li>Applicants who have entered into, or are still repaying, a debt management plan in the last 24 months are not considered</li> </ul>
<b>Defaults</b>	<ul style="list-style-type: none"> <li>Product dependant – please refer to product guide</li> </ul>
<b>Mortgage arrears</b>	<ul style="list-style-type: none"> <li>Product dependant – please refer to product guide</li> </ul>
<b>Mortgage conduct</b>	<ul style="list-style-type: none"> <li>Where we are unable to verify mortgage conduct using the applicants credit file, 12 months payment history is required</li> </ul>
<b>Credit Cards, Mail order, mobile phone or, utility</b>	<ul style="list-style-type: none"> <li>Product dependant – please refer to product guide</li> </ul>
<b>Payday loans</b>	<ul style="list-style-type: none"> <li>Applicants who have entered into, or are still repaying, a pay day loan in the last 24 months are not considered</li> </ul>
<b>Repossession and voluntary surrender</b>	<ul style="list-style-type: none"> <li>No repossession or voluntary surrender registered against any applicant</li> </ul>
<b>Satisfied CCJs &amp; Defaults</b>	<ul style="list-style-type: none"> <li>All CCJ's and defaults must be satisfied at the time of application irrespective of when they occurred</li> </ul>
<b>Unsecured loan arrears</b>	<ul style="list-style-type: none"> <li>Product dependant – please refer to product guide</li> </ul>

Income	
All income must be declared and evidenced	
<b>Foreign currency income</b>	<ul style="list-style-type: none"> <li>Not considered</li> </ul>
<b>Minimum income</b>	<ul style="list-style-type: none"> <li>No minimum income. We need to confirm that the mortgage the applicant has applied for is affordable and they have a source of income that is independent of the rental income to be earned from the mortgage</li> </ul>
<b>Salary, dividends and/or pension</b>	<ul style="list-style-type: none"> <li>Acceptable</li> </ul>
<b>Rent</b>	<ul style="list-style-type: none"> <li>Accepted if the portfolio will generate sufficient income to satisfy current and known future loan repayments and rental coverage requirements as well as applicant's daily costs</li> </ul>
<b>Trust funds &amp; investment income</b>	<ul style="list-style-type: none"> <li>Acceptable as additional income</li> </ul>

## Employment

*At least one applicant must be defined as employed, self-employed or retired*

<b>Employed</b>	<ul style="list-style-type: none"> <li>No minimum term of employment</li> <li>Fixed term contractors are considered to be employed</li> </ul>
<b>Self-employed</b>	<ul style="list-style-type: none"> <li>No minimum period of trading is required</li> <li>Where a company director owns 20% or more of the company shares they will be classed as self-employed – this includes umbrella company contractors</li> </ul>
<b>Retired</b>	<ul style="list-style-type: none"> <li>Retirement income accepted</li> </ul>

## Affordability

- Affordability will be assessed on the basis of rental income coverage on an interest only basis.
- The income coverage ratio (ICR) calculation is based on the notional rate at:
  - Basic rate tax payers: 125% of the monthly mortgage payment for individuals
  - Higher rate tax payers: 145% of the monthly mortgage payment for individuals
  - Where joint application with combined low rate and high rate tax payer: 135% of the monthly mortgage payment for individuals
  - 125% of the monthly mortgage payment for Limited Companies
- Where the method of repayment is Capital & Interest, a further test will be undertaken to ensure the rental coverage of the proposed mortgage payments is met by a minimum of 100%

## Loan

<b>Maximum LTV &amp; loan size</b>	<table border="1"> <thead> <tr> <th>Property type</th> <th>Up to (£)</th> <th>Standard</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Standard property</td> <td>£1m</td> <td>75%</td> </tr> <tr> <td>£1.5m</td> <td>65%</td> </tr> <tr> <td>£2m*</td> <td>65%</td> </tr> <tr> <td rowspan="2">HMO &amp; Multi-unit</td> <td>£1m</td> <td>75%</td> </tr> <tr> <td>£1.5m</td> <td>65%</td> </tr> </tbody> </table>	Property type	Up to (£)	Standard	Standard property	£1m	75%	£1.5m	65%	£2m*	65%	HMO & Multi-unit	£1m	75%	£1.5m	65%
	Property type	Up to (£)	Standard													
	Standard property	£1m	75%													
		£1.5m	65%													
		£2m*	65%													
	HMO & Multi-unit	£1m	75%													
£1.5m		65%														
<ul style="list-style-type: none"> <li>*£2m for Large loans only</li> <li>Fees can be capitalised up to max loan</li> </ul>																
<b>Maximum number of mortgaged BTL with any lender</b>	<ul style="list-style-type: none"> <li>Unlimited</li> </ul>															
<b>Maximum portfolio value with Foundation</b>	<ul style="list-style-type: none"> <li>£3 million with Foundation Home Loans</li> </ul>															
<b>Minimum term</b>	<ul style="list-style-type: none"> <li>5 years</li> </ul>															
<b>Maximum term</b>	<ul style="list-style-type: none"> <li>30 years</li> </ul>															
<b>Minimum loan</b>	<ul style="list-style-type: none"> <li>£50,000; may vary dependant on product</li> <li>£500,000 on large loan product range</li> </ul>															
<b>Portability</b>	<ul style="list-style-type: none"> <li>No</li> </ul>															

Loan purpose	
<b>Purchase</b>	<ul style="list-style-type: none"> <li>Accepted - subject to unacceptable loan purposes below</li> </ul>
<b>Re-mortgages</b>	<ul style="list-style-type: none"> <li>No minimum when early re-mortgage product selected (cash purchases not applicable), otherwise:</li> <li>Property must be owned for a minimum of 6 months</li> <li>Where bridging was involved this will be reduced to 3 months (capital raising not permitted if ownership is less than 6 months)</li> </ul>
<b>Unacceptable loan purposes</b>	<ul style="list-style-type: none"> <li>Back to back sale within the last 6 months</li> <li>Sale and rent back</li> <li>Inter-family sales</li> <li>Purchase at under value</li> <li>Capital raising for business purposes</li> <li>Consumer buy to let</li> <li>Re-mortgage for repayment of tax or gambling debts</li> <li>Purchase via a property club</li> <li>Financing self-build</li> </ul>

Deposit	
<b>Gifted deposits</b>	<ul style="list-style-type: none"> <li>100% gifted deposit accepted from immediate family members <ul style="list-style-type: none"> <li>Parents (including step-parents and in-laws)</li> <li>Grandparents</li> <li>Grandchildren</li> <li>Siblings</li> <li>Children</li> <li>Spouses</li> <li>Civil partners</li> </ul> </li> <li>Gifted deposits outside of the UK may be considered</li> </ul>
<b>Individual deposit &amp; monies provided by a director or shareholder</b>	<ul style="list-style-type: none"> <li>Acceptable: <ul style="list-style-type: none"> <li>Build-up of savings</li> <li>Sale of investment/pension</li> <li>Inheritance</li> <li>Sale or re-mortgage of personal property</li> <li>Dividends</li> <li>Pension</li> </ul> </li> </ul>
<b>Developer deposit</b>	<ul style="list-style-type: none"> <li>Acceptable, with a maximum of 5% (provided not secured by way of a second charge and rental guarantees)</li> </ul>
<b>Overseas deposits</b>	<ul style="list-style-type: none"> <li>Deposits from overseas accounts can be considered on a case by case basis (please supply full details and evidence as early as possible to avoid delays)</li> </ul>
<b>Limited company – equity in security property</b>	<ul style="list-style-type: none"> <li>Acceptable where the individual(s) owning the property are moving the property from their own name(s) to an SPV with an ownership structure that mirrors the current ownership. If the structure is not the same, then the remaining deposit must come from a different source. For example, if the SPV has 2 Directors, with 50% shares each, and the property is currently in the personal name of 1 of those 2 Directors, then the owner can utilise 50% Equity for their shareholding, but the other Director will have to provide their 50% share of the deposit from their own source.</li> </ul>
<b>Limited company - funds via retained profit, directors or shareholders</b>	<ul style="list-style-type: none"> <li>Retained profit in SPV</li> <li>Sale/re-mortgage of SPV owned property</li> <li>Directors loan or shareholders funds – Subject to evidence of source of funds (see Individual deposit above for details)</li> </ul>
<b>Limited company – loan from another company</b>	<ul style="list-style-type: none"> <li>Intercompany loan – Acceptable where the company is within the same group</li> <li>Loan from a company in common ownership – Acceptable where the shareholders of both companies are identical</li> </ul>

## General property criteria

<b>Adjacent property or land</b>	<ul style="list-style-type: none"> <li>Where an applicant owns adjacent land or access road to the security property these will be considered on a case-by-case basis</li> <li>Adjacent terraced or semi-detached properties with shared access and owned by the same applicant are not considered</li> <li>Where an applicant owns/is to own 2 flats in a block and the flats are adjacent with a communal wall - these are not considered</li> </ul>
<b>EPC rating</b>	<ul style="list-style-type: none"> <li><b>Minimum rating E</b></li> </ul>
<b>Exposure</b>	<ul style="list-style-type: none"> <li>We continually review concentration risk across our whole portfolio and where we identify over exposure this may necessitate us been unable to progress an application. Each borrower is permitted to hold a maximum of 3 current mortgages with us in any one full post code</li> </ul>
<b>Letting</b>	<ul style="list-style-type: none"> <li>The security must be let on an Assured Shorthold Tenancy (AST), or Company Let and must not exceed 36 months</li> </ul>
<b>Locations</b>	<ul style="list-style-type: none"> <li>Property must be located in England and Wales</li> <li>Scotland &amp; Northern Ireland are not considered</li> <li>Landlords of property in Wales must be registered with Rent Smart Wales</li> </ul>
<b>Minimum value</b>	<ul style="list-style-type: none"> <li>£75,000; may vary dependant on product</li> </ul>
<b>Retention</b>	<ul style="list-style-type: none"> <li>100% retention considered for new build properties only</li> <li>Partial retentions are not considered and lending will be based on the lower valuation figure before works, assuming the property has been confirmed as suitable security in its current condition by the valuer</li> </ul>
<b>Right to buy</b>	<ul style="list-style-type: none"> <li>Acceptable if the security is not subject to pre-emption</li> </ul>

## Property Types

*At the time the property is inspected by our valuers, it must be in a suitable condition to let and suitable for mortgage purposes with good marketability. Our valuer will be asked to provide recent comparable evidence for both rental demand and recent sales to support the valuations figures being provided.*

<b>Basement flats</b>	<ul style="list-style-type: none"> <li>Considered on a case by case basis where the property is located in London and is over 30 square metres</li> </ul>
<b>Ex-local authority flats/MOD</b>	<ul style="list-style-type: none"> <li>Considered on a case-by-case basis where there is no balcony access for the subject property or the block.</li> <li>A minimum of 75% of the block must be held in private ownership</li> </ul>
<b>Ex-housing association flats</b>	<ul style="list-style-type: none"> <li>Accepted</li> <li>Security must already be in private ownership and a minimum of 75% of the flats in the block must be held in private ownership</li> </ul>
<b>Flats (or maisonettes) above commercial premises</b>	<ul style="list-style-type: none"> <li>Considered on a case by case basis, subject to A maximum LTV of 60% (excluding fees) No commercial food outlets immediately below the property in the same, or adjoining buildings</li> </ul>
<b>Flying freehold</b>	<ul style="list-style-type: none"> <li>Accepted subject to the Valuer confirming that the presence of the flying freehold will not adversely affect saleability, and the solicitor confirming that the Title Deeds contain adequate rights of shelter and support plus arrangements for maintenance and repair</li> </ul>
<b>High rise flats</b>	<ul style="list-style-type: none"> <li>Accepted where the valuation indicates good marketability for sale, a good rental demand and a lift</li> </ul>
<b>Laing Easiform</b>	<ul style="list-style-type: none"> <li>Accepted if constructed after 1966 and property is not a bungalow or flat</li> </ul>
<b>Local authority built houses</b>	<ul style="list-style-type: none"> <li>Accepted where the valuation indicates good marketability</li> </ul>



<b>HMOs &amp; Multi-units</b>	<ul style="list-style-type: none"> <li>• <b>HMOs</b> Up to 6 occupants</li> <li>• <b>Large HMOs &amp; MUBs</b> Up to 8 bedrooms and all multi-unit up to a max of 10 units</li> <li>• HMOs not considered where the property is currently occupied as a single dwelling</li> </ul>
<b>Modern timber framed construction</b>	<ul style="list-style-type: none"> <li>• Accepted with external brick skin (single skin not accepted)</li> </ul>
<b>New build</b> <i>Properties that have been built or significantly altered or refurbished within the last two years. Significantly altered or refurbished is further defined as properties that have had structural or planning changes sufficient to change the occupancy or use class of the property.</i>	<ul style="list-style-type: none"> <li>• Acceptable new build warranty is required – We accept warranties stated in the UK Finance Handbook together with Protek and Checkmate</li> <li>• Houses are acceptable</li> <li>• Flats – acceptable subject to maximum LTV of 70% Off-plan: Accepted subject to a satisfactory re-inspection prior to release of funds</li> <li>• Interest rate coverage must reflect ground rent and service charges where these are deemed to be onerous by the valuer. Properties with schemes and restrictions are not considered examples include: Section 106 restrictions, Keyworker/affordable housing schemes and Shared equity.</li> </ul>
<b>Selective licensing</b>	<ul style="list-style-type: none"> <li>• Accepted</li> </ul>
<b>Studio flats</b>	<ul style="list-style-type: none"> <li>• Accepted subject to: <ul style="list-style-type: none"> <li>○ Being self-contained, with a separate bathroom</li> <li>○ Having natural light</li> <li>○ Minimum size of 30 square metres</li> </ul> </li> </ul>
<b>Two kitchens (and/or multiple services)</b>	<ul style="list-style-type: none"> <li>• Considered on a case by case basis, subject to a satisfactory explanation</li> </ul>
<b>Wimpey no fines</b>	<ul style="list-style-type: none"> <li>• Accepted if constructed after 1946 and the property is not bungalow or flat</li> </ul>

<b>Property Tenure</b>	
<b>Commonhold</b>	<ul style="list-style-type: none"> <li>• Not considered</li> </ul>
<b>Freehold flats &amp; maisonettes</b>	<ul style="list-style-type: none"> <li>• Not considered</li> </ul>
<b>Freehold houses &amp; bungalows</b>	<ul style="list-style-type: none"> <li>• Accepted when of a standard construction</li> </ul>
<b>Leasehold flats &amp; maisonettes</b> <i>(Connected party: member of the applicant's family, companies within the same group, trusts and trustees, companies and their directors &amp; shareholders, partners and their families)</i>	<ul style="list-style-type: none"> <li>• 4 Flats or less in the block <ul style="list-style-type: none"> <li>○ Freehold owned by applicant(s) or a party connected to the applicant(s) - 1<sup>st</sup> charge required over the freehold and leasehold</li> <li>○ Freehold independently owned by an unconnected party – 1<sup>st</sup> charge required over the leasehold</li> <li>○ Freehold shared by the leaseholders in the block in a formal management structure – 1<sup>st</sup> charge required over the leasehold unless the applicant owns all flats in the block, at which point we would also require a 1<sup>st</sup> charge over the freehold</li> </ul> </li> <li>• More than 4 flats in the block <ul style="list-style-type: none"> <li>○ Freehold owned by applicant(s) or a party connected to the applicant(s) - 1<sup>st</sup> charge required over the leasehold at least 50% of the flats in the block to be independently owned</li> <li>○ Freehold independently owned by an unconnected party – 1<sup>st</sup> charge required over the leasehold</li> <li>○ Freehold shared by the leaseholders in the block in a formal management structure – 1<sup>st</sup> charge required over the leasehold unless the applicant owns all flats in the block, at which point we would also require a 1<sup>st</sup> charge over the freehold</li> </ul> </li> </ul>

<b>Leasehold houses</b>	<ul style="list-style-type: none"> <li>• Freehold owned by applicant(s) or a party connected to the applicant(s) - 1<sup>st</sup> charge required over the freehold and leasehold</li> <li>• Freehold independently owned by an unconnected party – 1<sup>st</sup> charge required over the leasehold</li> <li>• Freehold shared by the leaseholders in the block in a formal management structure – 1<sup>st</sup> charge required over the leasehold unless the applicant owns all houses under the lease we would also require a 1<sup>st</sup> charge over the freehold</li> </ul>
<b>Minimum unexpired lease</b>	<ul style="list-style-type: none"> <li>• The lease must have at least 50 years remaining at the end of the mortgage term</li> </ul>
<b>Tyneside lease (cross-over)</b>	<ul style="list-style-type: none"> <li>• Accepted where there is no connection between the applicant and the other property</li> <li>• 1<sup>st</sup> charge required over the leasehold of the security and over the freehold of the other property</li> </ul>

## Property Reports (As determined by a valuer)

<b>Cavity wall tie</b>	<ul style="list-style-type: none"> <li>• Must be produced by a Structural Engineer, qualified Building Surveyor or a reputable specialist company experienced in wall tie replacement</li> </ul>
<b>Electrical installation</b>	<ul style="list-style-type: none"> <li>• Must be produced by a National Inspection Council for Electrical Installation Contractors (NICEIC) or NAPIT approved contractor</li> </ul>
<b>Gas installation</b>	<ul style="list-style-type: none"> <li>• Must be produced by a Gas Safe registered contractor</li> </ul>
<b>Japanese knotweed</b>	<ul style="list-style-type: none"> <li>• Specialist report is required in respect of eradicating the plant and the work to be completed must include an insurance backed 5-year warranty against re-appearance of the plant</li> </ul>
<b>Structural engineer</b>	<ul style="list-style-type: none"> <li>• Must be produced by an appropriately qualified engineer – S.Eng. MICE or MISE</li> <li>• Where required, must always be obtained prior to any approval of a mortgage offer</li> </ul>
<b>Timber and damp</b>	<ul style="list-style-type: none"> <li>• Must be produced by someone with one of the following accreditations: <ul style="list-style-type: none"> <li>○ Property Care Association (PCA)</li> <li>○ Wood Protection Association (formerly BWPDA)</li> <li>○ Safeguard (Europe) Ltd</li> <li>○ Sovereign</li> <li>○ Wykamol</li> </ul> </li> </ul>
<b>Trees</b>	<ul style="list-style-type: none"> <li>• Must be produced by a specialist consultant/contractor approved by the Arboricultural Association, NCH ARB, Dip Arb</li> </ul>

## Unacceptable Properties

- Properties with an EPC rating lower than E
- Freehold flats and maisonettes
- Shared ownership properties
- Commercial properties
- Live/work units
- Properties subject to restrictions e.g. agricultural, retirement flats etc
- Basement flats outside of London and that are smaller than 30 square metres
- Properties with more than 7 storeys with no lift
- Properties with more than five hectares/12 acres
- Non-HMO properties with more than six bedrooms (considered for HMO up to 8 bedrooms)
- Unimproved/uninhabitable properties (no kitchen or bathroom)

- Flat roofs not acceptable when Felt, Lead or Corrugated, otherwise subject to valuer comments
- Prefabricated or large panel concrete construction (LPS)
- Pre-fabricated reinforced concrete construction (PRC)
- Concrete block construction designated Mundic
- Mundic block materials
- Properties of High Alumina Cement
- BISF, Metal and Steel framed properties
- Properties of 100% timber construction
- Any property designated defective under the Housing Act
- Grade I listed buildings
  
- Second homes/holiday homes
- Mobile homes and houseboats
  
- Properties under 10 years' old without an acceptable structural defects warranty
- Properties on an un-remediated contaminated site or where the Valuer advises a possible contamination issue
- Properties with ongoing structural movement or movement that requires monitoring
- Underpinned properties where no guarantees are available
- Uninsurable properties or properties subject to an ongoing insurance claim
  
- Properties where future saleability may be adversely affected by the presence of electricity pylons, mobile masts or other forms of transmitter
- Properties likely to be adversely affected by local planning, e.g. road widening
- Properties where an unsatisfactory Mining Search is received
  
- Properties where the valuation report indicates:
  - the interior/exterior condition of the property is poor and demand is poor
  - the saleability of the property is affected by local factors and demand is poor
  
- Properties originally purchased through Right-To-Buy that are still subject to pre-emption
- Properties where stage payments are required

**HMOs and Multi Unit Property Types** (in addition to the above)

- Multi-Unit Freehold Blocks with more than 10 units
- Multi-Unit Freehold Blocks where one or more individual units are subject to a separate leasehold title
- HMO properties with more than 8 bedrooms
- Properties deemed unsuitable for HMO occupation
- Where any income generating flat within a MUB and/or a studio flat is less than 30sqm
- Where any income generating room within an HMO is below 6.5sqm

Documentation	
<b>Bank statements</b>	<ul style="list-style-type: none"> <li>• Must be from a UK bank/Building Society/Lender account and show the borrower's full name (or initial &amp; surname) &amp; address (online statements don't need the individuals full address displayed), the logo, the full sort code and/or account number</li> <li>• Provision of Bank Statements is not mandatory, but may be requested at the underwriters' discretion, to support the lending decision</li> </ul>
<b>Declaration</b>	<ul style="list-style-type: none"> <li>• Must be signed by all applicant's and will be obtained as part of the offer acceptance – originals must be received prior to completion</li> </ul>
<b>Direct Debit Mandate (DDM)</b>	<ul style="list-style-type: none"> <li>• Required prior to completion of the mortgage and must be drawn on a UK bank account as follows: <ul style="list-style-type: none"> <li>○ Personal account, in the name(s) of a single or joint applicant(s)</li> <li>○ Business account, providing the applicant is a sole trader and is named on the bank account title (i.e. "trading as")</li> <li>○ Business accounts for limited companies (limited company applications only)</li> </ul> </li> </ul>
<b>Document validity</b>	<ul style="list-style-type: none"> <li>• Credit search – 3 months</li> <li>• Direct Debit Mandate – 6 months (from date of signature)</li> <li>• Full mortgage application – 6 months (from submission date)</li> <li>• Proof of deposit/income/portfolio Schedule – 6 months (from date of receipt)</li> <li>• Proof of identification – 12 months</li> <li>• Valuation – 6 months</li> <li>• Mortgage offer – 4 months</li> </ul>
<b>Income</b>	<ul style="list-style-type: none"> <li>• Payslips – must be the latest (at the time of application) &amp; show basic income, gross and net pay, the pay date and tax period</li> <li>• SA302/online calculation for self-employed - where the self-assessment is submitted online via an accountant/other we require: <ul style="list-style-type: none"> <li>○ The latest commercial software tax calculation [SA302] together with either the corresponding version of the Tax Year Overview <b>OR</b> the corresponding HMRC supplied Tax Year Overview.</li> </ul> </li> <li>• Where the self-assessment has been submitted online by the borrower or their accountant/other we require: <ul style="list-style-type: none"> <li>○ Latest HMRC Tax Calculation [SA302] together with either the corresponding online version of the Tax Year Overview <b>OR</b> the corresponding HMRC supplied Tax Year Overview</li> </ul> </li> <li>• Accountants Certificate - must be signed &amp; stamped by an accountant with one of these qualifications: ACA, FCA, ACCA, FCCA, AAPA, FAPA, ACMA, FCMA, MAAT, FMAAT, CTA or AIA</li> </ul>
<b>Mortgage statements</b>	<p>Must be from a UK Bank/Building Society/Lender and show</p> <ul style="list-style-type: none"> <li>• The applicants address</li> <li>• The mortgaged property address</li> <li>• Full name or initials and surname</li> <li>• The UK Bank/Building Society/Lender's logo</li> <li>• The account number</li> </ul>
<b>Online documents</b>	<ul style="list-style-type: none"> <li>• Online Bank &amp; Mortgage statements are accepted</li> <li>• Online payslips are accepted</li> <li>• Online documents are not considered for identity and residency</li> </ul>
<b>Proof of identity &amp; residency</b>	<ul style="list-style-type: none"> <li>• Please refer to the Identity &amp; Residency document in the document library on Foundation's intermediary website</li> </ul>

## Solicitors

<b>Applicants solicitor requirements</b>	<ul style="list-style-type: none"> <li>• Accepted provided: <ul style="list-style-type: none"> <li>○ All solicitors are registered with the Law Society</li> <li>○ Minimum 3 SRA-approved managers/partners (licenced conveyancers are not considered)</li> <li>○ All solicitors must have attained membership to the Law Society's Conveyancing Quality Scheme</li> </ul> </li> <li>• Where an applicant's solicitor does not meet the solicitor requirements noted above, the applicant can continue to use their own selected firm to act on their behalf, but we will instruct one TWM to act on our behalf. The legal fees for both firms will need to be paid by the applicant through their own funds</li> </ul>
<b>Dual representation</b>	<ul style="list-style-type: none"> <li>• Accepted on all applications (with the exception of HMO/Multi Unit and Leasehold transactions where there is a connected party owning the freehold) subject to meeting our minimum requirements (see above)</li> </ul>
<b>HMO/Multi-unit properties/leasehold transactions where a connected party owns the freehold</b>	<ul style="list-style-type: none"> <li>• TLT or TWM (Foundation's own solicitors) must act for Foundation's behalf</li> <li>• Dual representation is accepted on such cases or if the applicant prefers they can select their own solicitor provided they meet our solicitor requirements (see above)</li> </ul>
<b>Limited company application for standard properties</b>	<ul style="list-style-type: none"> <li>• Dual representation is accepted provided the solicitor firm is experienced in providing the requisite conveyancing for limited companies</li> </ul>