

Buy to Let for Individuals Product Guide



Individuals Buy to Let Product Guide

May 2019

For first time landlords, non-portfolio and portfolio landlords.



Foundation
Home Loans

F1 Buy to Let products for **individuals** with an almost clean credit history

For first time landlords, non-portfolio and portfolio landlords.

2 Year Fixed Rates (fixed until 31/7/2021)

Initial Rate	Max LTV	Fee	Max Loan	Rental Calculator	ERCs
2.49%* large loan	65%	2.25%	£1.5M	145% x 5.5%	3%, 2%
2.69%		2%	£1M		
3.19%		£1,995	£1M		
2.95%	75%	2%	£750K	145% x 5.5%	3%, 2%
3.55%		£1,995	£750K		
3.99%	80%	2%	500K	145% x 5.5%	3%, 2%

5 Year Fixed Rates (fixed until 31/7/2024)

Initial Rate	Max LTV	Fee	Max Loan	Rental Calculator	ERCs
2.99%* large loan	65%	2.50%	£1.5M	145% x pay rate	5%, 4%, 3%, 2%, 1%
3.24%		2%	£1M		
3.49%		£1,995	£1M		
3.45% (limited edition)		1.75%	£1M		
3.45%	75%	2%	£750K	145% x pay rate	5%, 4%, 3%, 2%, 1%
3.75%		£1,995	£750K		
3.74% (limited edition)		1.75%	£750K		
4.34%	80%	2%	£500K	145% x pay rate	5%, 4%, 3%, 2%, 1%

*Min loan size is £500k and not available to First Time Landlords

All loans revert to LIBOR + 4.5%. LIBOR is set at 0.85% as of 14/03/2019.

For an
overview of
product tiers
please see
page 7



F2 Buy to Let products for **individuals**

financing a more specialist property type

For non-portfolio and portfolio landlords financing a more specialist property type (no first time landlords) – HMOs, Multi Unit Blocks and Short Term Lets.

2 Year Fixed Rates (fixed until 31/7/2021)

Product Name	Initial Rate	Max LTV	Fee	Max Loan	Rental Calculator	ERCs
Standard HMO (Up to 6 occupants)	2.94%	65%	2%	£1M	145% x 5.5%	3%, 2%
	3.14%	75%		£750K		
Large HMOs /Multi Unit Blocks (max 8 bedrooms /10 units)	3.04%	65%	2%	£1M	145% x 5.5%	3%, 2%
	3.24%	75%		£750K		
Short Term Lets	3.09%	65%	1.75%	£1M	145% x 5.5%	3%, 2%
	3.54%	75%		£750K		

5 Year Fixed Rates (fixed until 31/7/2024)

Product Name	Initial Rate	Max LTV	Fee	Max Loan	Rental Calculator	ERCs
Standard HMO (Up to 6 occupants)	3.29%* large loan	65%	2.5%	£1.5M	145% x pay rate	5%, 4%, 3%, 2%, 1%
	3.49%		2%	£1M		
	3.69%		£1,495	£1M		
	3.64%	75%	2%	£750K		
	3.94%		£1,495			
Large HMOs /Multi Unit Blocks (max 8 bedrooms /10 units)	3.39%* large loan	65%	2.5%	£1.5M	145% x pay rate	5%, 4%, 3%, 2%, 1%
	3.59%		2%	£1M		
	3.79%		£1,495	£1M		
	3.74%	75%	2%	£750K		
	4.04%		£1,495			
Short Term Lets	3.64%	65%	1.75%	£1M	145% x pay rate	5%, 4%, 3%, 2%, 1%
	3.94%	75%		£750K		

*Min loan size is £500k

All loans revert to LIBOR + 4.5%. LIBOR is set at 0.85% as of 14/03/2019.



F2 and F3 Buy to Let products for **individuals** with some historical blips on their credit rating

For non-portfolio landlords and portfolio landlords with historical blips on their credit rating (no first time landlords).

2 Year Fixed Rates (fixed until 31/7/2021)

Product Name	Initial Rate	Max LTV	Fee	Max Loan	Rental Calculator	ERCs
F2	2.84%	65%	2%	£1M	145% x 5.5%	3%, 2%
	3.05%	75%	2%	£750K		
F3	3.59%	65%	2%	£1M	145% x 5.5%	3%, 2%
	3.94%	75%	2%	£750K		

5 Year Fixed Rates (fixed until 31/7/2024)

Product Name	Initial Rate	Max LTV	Fee	Max Loan	Rental Calculator	ERCs
F2	3.14%* large loan	65%	2.5%	£1.5M	145% x pay rate	5%, 4%, 3%, 2%, 1%
	3.34%	65%	2%	£1M		
	3.55%	75%	2%	£750K		
F3	3.99%	65%	2%	£1M	145% x pay rate	5%, 4%, 3%, 2%, 1%
	4.29%	75%	2%	£750K		

*Min loan size is £500k

All loans revert to LIBOR + 4.5%. LIBOR is set at 0.85% as of 14/03/2019.



Application criteria	
Application Fee (non-refundable)	£125.
Overpayments	Yes, up to 10% in any one year.
Maximum number of applicants	2.
Age	21 years at inception to 85 years at term end.
Location	England & Wales.
Minimum valuation	£75,000.
Exposure	Maximum 3 properties in any one postcode.
New build	Leasehold flats to a max of 70% LTV. Additional criteria applies. Houses accepted.
Loan criteria	
Purpose	Purchase/Remortgage.
Repayment type	Interest Only/Capital & Interest/Part & Part.
Term	5 - 30 Years.
Gross monthly rental cover	Rental income calculated on lower of current rent or valuer estimate.
Loan size	Minimum £50,000* Maximum £1,500,000* *may vary dependant on product
Portfolio landlord criteria	
Portfolio Size	Unlimited properties in portfolio. Up to a max £3,000,000 exposure with Foundation Home Loans/ Paratus AMC.
Portfolio Landlords	For background portfolios, we require a maximum aggregate LTV of 75%. Minimum rental cover is calculated using an ICR of 125%, but the stress rate will vary to a maximum of 5.5% dependent on portfolio LTV. Calculations include unencumbered properties.



Valuation fee scale			
Property value up to	Standard Property (including Short Term Lettings)	HMO (up to 6 occupants)	Large HMO (up to 8 beds and all MUBs*)
£100,000	£190	£660	£875
£150,000	£250	£660	£875
£200,000	£285	£700	£875
£250,000	£315	£700	£980
£300,000	£330	£700	£1,065
£350,000	£340	£785	£1,275
£400,000	£405	£785	£1,275
£450,000	£435	£900	£1,400
£500,000	£465	£900	£1,400
£600,000	£550	£955	£1,555
£700,000	£640	£1,035	£1,690
£800,000	£705	£1,130	£1,835
£900,000	£795	£1,230	£1,965
£1,000,000**	£905	£1,320	£2,130
£1,500,000	up to £1,480	-	-
£2,000,000***	up to £2,050	-	-

*Larger HMOs to a max 8 bedrooms; all Multi-Unit Blocks (MUB) to a max 10 units.

** Fees for HMO/MUB properties in excess of £1m are by agreement.

*** Fees for standard properties in excess of £2m are by agreement.



Products at a glance

Quick Overview

F1 Product Range – For clients with an almost clean credit history

F2 Product Range – For clients financing a more specialist property type and/or those with some historical blips on their credit rating

F3 Product Range – For clients with more recent blips on their credit rating

Applicant Type	F1 product	F2 product	F3 product
Individual	✓	✓	✓
Portfolio landlord	✓	✓	✓
First time landlord	✓ (except large loan products)	✗	✗
Property Type			
Standard buy to let	✓	✓	✓
HMO	✗	✓	✗
MUB	✗	✓	✗
Short term let	✗	✓	✗

Credit Criteria	F1	F2	F3
Defaults and CCJs	No defaults or CCJs registered in the last 72 months, regardless of whether they have been satisfied.	No defaults or CCJs registered in the last 24 months, regardless of whether they have been satisfied.	A maximum of one satisfied CCJ or default up to the value of £2000 within the last 24 months with 0 registered in the last 12 months.
Secured loans	A worst status of 0 in the last 72 months.	A worst status of 0 in the last 24 months.	A worst status of 1 in the last 24 months with 0 in the last 6 months.
Unsecured arrears/credit cards	A worst status of 0 in the last 72 months.	A worst status of 2 in the last 24 months with a status of 0 in the last 12 months.	A worst status of 2 in the last 24 months. Must be up to date at the time of application.
Mail Order, communications & utilities	A worst status of 4 per account in the last 24 months provided all accounts are up to date on applications.	A worst status of 4 per account in the last 24 months provided all accounts are up to date on application.	A worst status of 4 per account in the last 24 months. Must be up to date at the time of application.
Bankruptcy/IVA/Admin order	None registered.		

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