


Buy to Let deposits guide

To satisfy our money laundering obligations we are required to evidence deposit source(s) for all purchase transactions. Limited company (SPV) applicants can source deposit funds via its own assets, loans or equity – where a director or shareholder contributes all or part of these funds they must evidence the personal assets they will be using to fund the deposit.

Deposit Source					Deposit Source	
Existing Equity	SPV assets	Loan from another Ltd co		Directors loan	Shareholders funds	Personal assets
Standalone SPV or SPV within a group	Standalone SPV or SPV within a group	Standalone SPV	SPV within a group	Standalone SPV or SPV within a group		Individual
<ul style="list-style-type: none"> Equity in a security property – using existing equity when transferring a property from individual to SPV ownership – The shareholding in the SPV dictates what percentage of equity can be used in this scenario. 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. 	<ul style="list-style-type: none"> Retained profits Sales of another SPV property Remortgage of another SPV property Developer deposit (max 5%) 	<ul style="list-style-type: none"> Company in common ownership 	<ul style="list-style-type: none"> Intercompany Company in common ownership 	<ul style="list-style-type: none"> Sale of personal property Remortgage of personal property Build up of savings in UK, within EEA & outside EEA Inheritance Investment Pension Dividends Gifted in UK, within EEA and outside EEA (excluding first time landlords) 	<ul style="list-style-type: none"> Sale of personal property Remortgage of personal property Build up of savings in UK, within EEA & outside EEA Inheritance Investment Pension Developer deposit (max 5%) Dividends Gifted in UK, within EEA and outside EEA (excluding first time landlords) 	
Can combine deposit sources						

Acceptable SPV loan types		
<p>Company in common ownership A loan from another company that is not part of the same group - shareholders of both companies must be the same.</p>		<p>Intercompany A loan from another company in the same group - shareholders of both companies must be the same.</p>
		