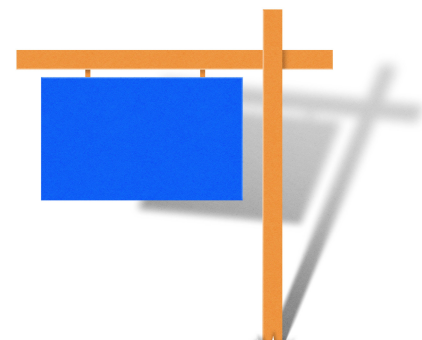# Buy to Let Lending Criteria - October 2024

Maximum loan to value (LTV)

- The maximum LTV is dependent on the scheme chosen.
- The maximum LTV for a new build* or converted flat/maisonette is 50% LTV.
- The maximum LTV for a new build* house is 75% LTV.
- Applications received outside this policy will be returned. No exceptions will be allowed.

Maximum individual loan

The maximum advances for an individual Buy to Let property are as follows:

LTV	Maximum advance
Up to 50%	£1,000,000
Over 50% – 75%	£750,000

We reserve the right to restrict the maximum LTV in certain locations or developments.

Minimum purchase price or value of a property

Properties must have a purchase price or valuation of at least £75,000.

Maximum aggregate loan

The aggregate loan limit on all rental properties mortgaged with the Coventry Building Society Group† is £2,000,000 for a single or joint borrower(s) The minimum loan for single or joint borrower(s) is £25,001.

Number of properties

The maximum number of rental properties a household can have mortgaged with the Coventry Building Society Group is five. The maximum number of Buy to Let mortgages with all lenders (including the Coventry BS Group) is ten per household.

Portfolio landlords

A portfolio landlord is a client who has four or more Buy to Let mortgaged properties. This definition applies to sole and joint (or more) applications in the following way:

- **Sole applications –** if an applicant owns four or more mortgaged Buy to Let properties, including the property they're applying for, we'll class them as a portfolio landlord.
- **Joint (or more) applications –** we'll base our calculation on the total number of mortgaged Buy to Let properties in which **any or all** of the borrowers has a legal ownership, including the property they're applying for.

Visit our website for more information on our current product terms, lending policy and product availability and eligibility.

Affordability

It is important that all applicants can reasonably afford to repay their mortgage before we enter into a mortgage contract with them. The 'Rental income' section can be used to provide an indication of the amount we may be able to lend. However, the actual amount of the loan available will be subject to: a full credit score, affordability assessment, review of current credit commitments and our current lending and eligibility.

Minimum and maximum lending age of applicant(s)

All applicants must be aged 18 or over, and the term of the mortgage cannot go beyond the 85th birthday of the oldest applicant. Applicants must apply before their 75th birthday for purchases and remortgages. There is no maximum age at application for further advances, porting or transfer of equity cases.

Energy Performance Certificates

For England, Wales and Scotland, it is your client's responsibility to ensure that their property meets the Minimum Energy Efficiency Standard (MEES). For more information go to **www.gov.uk/government/publications/the-private-rented-property-minimum-standard-landlord-guidance-documents**

To familiarise yourself with relevant regulations you can view details at **www.gov.uk/browse/housing-local-services/owning-renting-property**

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*   We define new builds as properties that were built within two years of the mortgage application date or as properties being occupied for the first time.

†   The Coventry BS Group includes Coventry Building Society, Godiva Mortgages Limited and ITL Mortgages Limited.

Rental income

Product	Customer Type				All Portfolio landlords (including total portfolio & background properties)
	New (inc. additional borrowing)	Porting/TOE (change)^	Porting/TOE (no change)^^	Remortgage (no additional borrowing)	
	Reference rate				
2 Yr BBR Tracker	The higher of 5.5% or product rate +2.0%		The higher of 4.5% or product rate +0%		5%
Flexx for Term					
2 Yr Fixed					
3 Yr Fixed					
5+ Yr Fixed	The higher of 4.5% or product rate +0%				

If all applicants are lower rate tax payers* earning less than £49,000 each year (£42,500 if resident in Scotland), including all gross income, total gross monthly rental income on this application and all other investments, the minimum rental income required is 125% of your client's monthly mortgage interest payment on a reference rate of 5.5%** or product rate +2%, whichever is higher.

If any applicant is a higher rate tax payer* or above earning £49,000 or more (£42,500 or more if resident in Scotland), including all gross income, total gross monthly rental income on this application and all other investments, the minimum rental income required is 145% of your client's monthly mortgage interest payment on a reference rate of 5.5%** or product rate +2%, whichever is higher.

If your client is a portfolio landlord please see the specific criteria on our website.

Property

The property must be let on a single Assured Shorthold Tenancy (AST) agreement (England) Private Tenancy (PT) agreements (Northern Ireland), Occupation Contract (OC) - standard contract (Wales), or a Private Residential Tenancy (PRT) agreement (Scotland) for a minimum term of six months.

In England, the maximum term for a tenancy agreement is up to 36 months; where the tenancy agreement is between 12 and 36 months a Department for Communities and Local Government (DCLG) modelled tenancy agreement must be used.

Properties subject to Selective/Additional HMO licensing are acceptable.

In Northern Ireland, the maximum term for a tenancy term agreement is 12 months, and in Wales and Scotland, there is no maximum tenancy/contract term.

The property must be let to either a:

- sole occupant
- single family unit
- maximum of four tenants/contract-holders
- corporate body~

Tenants/contract-holders must not hold any level of diplomatic immunity.

Properties with more than one kitchen or properties designed or converted for multiple occupancy are not acceptable, e.g. bed-sits, DWP hostels.

Flats in a block of more than ten storeys, or on the fifth storey or above in a block without lift access, will not be considered. The maximum acceptable number of storeys for ex-Local Authority and ex-Housing Association blocks of flats is five.

General eligibility

- MCOB Regulated Buy to Lets (where the property will be occupied by the borrower or a member of the borrower's close family, now or in the future) are not acceptable.
- Applications to remortgage a main residence to a Buy to Let (i.e. 'Let to Buy') are not acceptable in any circumstances.
- Not available to First Time Buyers.
- Buy to Let loans will only be granted to named individuals, and loans on commercial properties are not available.
- Each Buy to Let property must have its own mortgage.
- For remortgages, applicant(s) must have owned their property for a minimum of six months for an application to be considered, except where the property has been inherited by the new owners.
- For purchase applications, the vendor must have owned the property for a minimum of six months at the date of application.
- Sale and rent back transactions are not accepted and any application will be declined. Sale and rent back is defined as a situation where a property is being purchased on a Buy to Let basis and the property is to be let to any current/previous owner-occupier, or any member of their family.
- DWP tenants are allowed.

* Lower rate tax payers are: non or basic rate tax payers (basic/starter/intermediate rate if resident in Scotland). Higher rate tax payers are: higher or additional rate tax payers (higher/top rate if resident in Scotland).

** Where the total loan has 5 years or more remaining on a Fixed rate product the reference rate is currently 4.5% or product rate +0%, whichever is higher. Or for remortgage applications with no additional borrowing the reference rate is currently 4.5% or product rate +0%, whichever is higher.

^ Existing customers Porting or completing a Transfer of Equity with additional borrowing where the LTV and/or loan amount are increasing.

^^ Existing customers Porting or completing a Transfer of Equity with no additional borrowing where the LTV and/or loan amount are not increasing, and the Interest Coverage Ratio (ICR) is no lower than the most recent ICR assessment.

~ Where the property is let to a Corporate Body (this includes Educational Establishments, Housing Associations or Local Authorities), the maximum term of the tenancy agreement between the Corporate Body and the occupier(s) is 36 months (England) or 12 months (Northern Ireland). In Wales and Scotland, there is no maximum tenancy/contract term. Where the property is in England and the term of the tenancy agreement between the Corporate Body and the occupier(s) exceeds 12 months, a DCLG model tenancy agreement must be used.

0800 121 7788
Please check our website for our opening hours

coventryforintermediaries.co.uk

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