



Buy-to-Let Product Guide

November 11th 2021

Limited edition

For **Individuals, Company, Portfolio** and **HMO** customers

Free valuations available across **all** products, **including** HMO

New 7 year fixed rates **from 3.04%**

5 year fixed rates **from 2.94%**



Certainty made simple.

For Individuals, Company and Portfolio

All of our fixed rates are fixed for the full 2, 5 or 7 year period from completion.

2 Year Fixed

Available for purchase and remortgage

2 Year Fixed 1.5% fee

Rate	Max LTV	Arrangement fee	Affordability calculated at	ERCs	Reversionary rate
2.84	50%	1.5%	Based on the Pay rate +2% or 5.5% whichever is the higher	3/2%	BBR+4.99%
2.89	60%				
2.99	70%				
3.04	75%				

5 Year Fixed

Available for purchase and remortgage

5 Year Fixed 1.5% fee

Rate	Max LTV	Arrangement fee	Affordability calculated at	ERCs	Reversionary rate
2.94	50%	1.5%	Pay rate	5/4/3/2/1%	BBR+4.99%
2.99	60%				
3.07	70%				
3.09	75%				
4.04	80%				

7 Year Fixed

Available for purchase and remortgage

7 Year Fixed 1.5% fee

Rate	Max LTV	Arrangement fee	Affordability calculated at	ERCs	Reversionary rate
3.04	50%	1.5%	Pay rate	6/5/5/3/3/2/1%	BBR+4.99%
3.09	60%				
3.17	70%				
3.25	75%				

For Individuals, Company and Portfolio

All of our fixed rates are fixed for the full 2 or 5 year period from completion.

HMO

Available for purchase and remortgage

2 Year HMO

Rate	Max LTV	Arrangement fee	Affordability calculated at	ERCs	Reversionary rate
3.19	50%	1.5%	Based on the Pay rate +2% or 5.5% whichever is the higher	3/2%	BBR+4.99%
3.24	60%				
3.29	70%				
3.34	75%				

5 Year HMO

Rate	Max LTV	Arrangement fee	Affordability calculated at	ERCs	Reversionary rate
3.33	50%	1.5%	Pay rate	5/4/3/2/1%	BBR+4.99%
3.38	60%				
3.48	70%				
3.54	75%				

Additional requirements for HMO

At least one of the applicants must be an existing BTL landlord for a minimum of 1 year. Available for properties with up to and including 6 lettable rooms. MPowered reserves the right to decline applications in areas where it believes there is poor or insufficient demand.

Interest Coverage Ratio (ICR)

	Basic rate tax	Higher rate tax
Individual	125%	145%
Company	125%	125%
	Individuals (all tax payers)	Company
HMO	150%	125%

All applicants will automatically be assessed on the higher rate tax banding. Applicants will need to prove income in all cases to qualify for the lower rate tax banding.

Description of Terms

Term	Description
Company BTL	<p>There must be a maximum of no more than 4 directors whose shareholding must total 100% of the shares issued. The company SIC code must be:</p> <ul style="list-style-type: none"> 68100 – Buying and selling of own real estate. 68209 – Other letting and operating of own or leased real estate. 68320 – Management of real estate on a fee or contract basis. <p>All directors must be natural persons, resident in the UK, and no limited company or trusts may be a director. The company should not form part of a group structure (parent or subsidiary) and must also not have any shareholding or interest in another company. A director's guarantor, on a joint and several basis, will be required on all limited company buy-to-let applications from all directors. A director's guarantee on a joint and several basis, will be required in all cases with a requirement to seek independent legal advice prior to completion.</p>
Credit rules	<p>We will access bureau data to assess the applicant(s). Communication defaults ignored. Max 1 CCJ satisfied in last 3 years up to £250, none in last 12 months. Unsecured credit arrears are acceptable if all accounts have been up to date for the last 6 months and have had a maximum status of no more than 1 month in arrears in the last 12 months. Defaults more than 24 months ago ignored. CCJ's and defaults must be satisfied prior to application.</p> <p>For mortgages or secured loans, there can be no more than 2 months' arrears in the last 24 months, with none in the last 3 months with the accounts up to date at the date of the application. Any bankruptcy, IVA, or repossession in the last 6 years is not permissible. Debt Management plans are acceptable providing that where they have been in place and maintained satisfactorily for at least 24 months prior to the date of the application. Applications with Payday loans taken out in the last 2 years prior are not acceptable.</p>
Deposit Source	<p>The deposit should come from the applicant's own resources, and will be subject to compliance with money laundering regulations. We will consider deposit from family gifts, family transactions, inheritance provided there is no retained or continued interest in the property from the provider of the deposit.</p>
Employment/self-employment	<p>Applicants to be in permanent employment that is not under notice of termination or redundancy or subject to furlough. Self-employed, minimum 1 year.</p>
Exclusions	<p>Portability, further advances, product transfers.</p>
Leasehold - Tenure Requirements	<p>Minimum unexpired leasehold term of 85 years at outset of the loan, subject to 70 years remaining at the end of the mortgage term.</p>
Lending region	<p>England and Wales only.</p>
Maximum Age at Application	<p>No maximum - applicants cannot be older than 95 at end of mortgage term.</p>
Min age	<p>21 years, except first time landlords where it is 25 (note at least one applicant must be an existing homeowner).</p>

Description of Terms continued

Term	Description
Minimum Income Requirements	Minimum income £15,000 per annum whereby at least one applicant is an existing landlord. Where all applicants are First Time Landlords a minimum income of £25,000 per annum is required.
Minimum Property Value	London £150,000, South East £100,000, All other areas £75,000, HMO/MUB London £250,000, HMO/MUB South East £150,000, HMO/MUB all other areas £100,000. Ex-local authority flats £100,000.
Mortgage term	Minimum 5 years Capital and Interest, 10 years for Interest-Only mortgages. Refer to individual product criteria for further guidance. Maximum 35 years.
Offer Validity	3 months (90 days).
Partial Loan/Capital Repayment	Up to 10% of the original loan balance may be repaid in any one calendar year.
Portfolio	MPowered will accept portfolios up a maximum size of 15 properties (including the new property being mortgaged to MPowered) with no restriction on value. For portfolios up 10 properties, including the property being mortgaged, we will require a completed Business Plan, and Portfolio spreadsheet together with the last three months bank statements showing the rental receipts and mortgage payments. For portfolios in excess of this we will additionally require a Cash flow forecast completing.
Product fees	Can be added to the loan beyond LTV maxima. Where they are added, interest at the product rate will be charged.
Rental coverage	The lower of the AST or the figure given by the valuer.
Reversionary rate	The reversionary rate is based on Bank of England base rate plus a margin that will be set out in your mortgage offer. Please note that the Bank of England Base Rate is floored at 0.10% and cannot fall any lower.
Unacceptable Construction Types	PRC, prefabricated, large panel system, mundic, steel frame, in-situ poured concrete mowlem, Cross Wall construction, Laing Easiform 1, Grade 1 and Grade 2* listed buildings in England & Wales.
Unacceptable Property Types	Ex-local Authority flats above 70% LTV, Live/work, Commercial property, Park homes, time restricted properties, holiday lets, shared ownership, properties with use restrictions, properties with more than 6 bedrooms, properties with more than 1 kitchen, flats +4 storeys without a lift, studio flats under 30sqM inside M25, under 35sqM outside the M25. Please see A-Z or full lending criteria for full details.

Additional requirements for 80% LTV

No New Build Properties. Min property value £100,000. No properties above or adjacent to commercial.

No Ex-Local Authority/MOD properties. No First Time Landlords or First Time Buyers.

Documents required

- Employed requires last 3 consecutive months payslips or P60.
- Self-employed require last years SA302's or 1 years audited accounts or a qualified accountants certificate.
- Contractors to provide a copy of their current contract.
- For all applications, we require the latest months bank statements (primary applicant only) showing the latest salary credit.
- For self-employed applicants, the bank statements must show income and expenditure for the business. If this is via a separate business account, we will also require the last 3 months business bank accounts.
- If we are unable to find evidence of your mortgage payments via the Credit Reference Agencies, separate proof of payment over the last 12 months in the form of lender statements and bank statements may be requested.
- Proof of deposit will be required with evidence of build up of funds.

Additional documents for portfolios required

In all cases applicants must submit a Portfolio spreadsheet, Business plan and the last three months bank statements showing rental receipts and mortgage payments.

Additionally for portfolios where there are 10 or more properties (including the property being mortgaged), a Cash flow forecast is required. We will check a sample of the portfolio for performance. If we are unable to verify a sufficient sample using the Credit Reference Agencies, we may ask for separate proof of payment in the form of lender statements and bank statements.

Legal representation

MPowered Mortgages operates a panel of law firms managed by ULS to undertake the conveyancing work for us. Firms on our panel are able to undertake dual representation for the applicant(s) and MPowered Mortgages. Alternatively the applicant may wish to use their own legal representation in addition to the above, although this is likely to increase costs and time to completion. In all cases the applicant(s) will be liable for all legal and conveyancing costs. Please see the below link for solicitor/panel details.

Additionally to the panel we also work with Movus law, www.movuslaw.com

Valuation fee scale (where applicable)

The valuation fee covers the costs of a standard valuation and includes VAT. The valuation report is for the sole benefit of MPowered Mortgages and any valuation report provided to the applicant is at the discretion of MPowered Mortgages. MPowered Mortgages enters into commercial arrangements with the suppliers of valuation services the costs of which may not directly correspond to the fees shown below.

Valuation	Std BTL	HMO	Valuation	Std BTL	HMO
£100,001 - £150,000	£275	£600	£800,001 - £900,000	£850	£1,225
£150,001 - £200,000	£300	£625	£900,001 - £1,000,000	£975	£1,375
£200,001 - £250,000	£325	£675	£1,000,001 - £1,500,000	£1,375	£1,610
£250,001 - £300,000	£375	£675	£1,500,001 - £2,000,000	£1,775	£2,010
£300,001 - £350,000	£400	£775	£2,000,001 - £2,500,000	£2,075	£2,675
£350,001 - £400,000	£425	£800	£2,500,001 - £3,000,000	£2,375	£3,175
£400,001 - £450,000	£475	£850	£3,000,001 - £3,500,000	£2,875	£3,675
£450,001 - £500,000	£500	£875	£3,500,001 - £4,000,000	£3,275	£4,175
£500,001 - £600,000	£600	£925	£4,000,001 - £4,500,000	£3,575	£4,675
£600,001 - £700,000	£700	£1,025	£4,500,001 - £5,000,000	£3,875	£5,175
£700,001 - £800,000	£775	£1,125	Property Re-Inspection Fee	£150	£150

Should any other type of Valuation Report be required please contact us on the details below.

Contact MPowered

Telephone 0800 260 5949
 Email mortgages@mpowered.co.uk
 Website mpowered.co.uk



Certainty made simple.



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