

Definition of a portfolio landlord

An applicant who has 4 or more qualifying Buy to Let **mortgaged** properties, including:

- properties owned in the name of a limited company where the applicant holds more than 25% of the shares
- properties held on a consent to let basis
- holiday lets

For joint applications, if the combined number of qualifying properties exceeds 3 then the application will be classed as portfolio lending.

Portfolio landlord specific criteria

The easiest way to check if your client's portfolio is likely to be acceptable for lending purposes is to use our [quick-check calculator](#). This calculator considers the Interest Coverage Ratio (ICR) of the subject property individually and of the portfolio as a whole, the number of properties in the portfolio, the LTV of the portfolio, the level of experience of the applicant(s) and the rate at which the portfolio has grown. Our criteria for this is:

The ICR of the subject property and the portfolio as a whole must be at least 145% when calculating the monthly payment at a reference rate of 5.5%

At least one applicant must have a minimum of 24 months' experience as a landlord

The maximum number of qualifying properties to be held in a portfolio is 10

The maximum LTV of the portfolio of qualifying properties, including the subject property and any unencumbered properties, is 70%

No applicants must have acquired more than 3 BTL properties in the last 12 months

The applicant's age must not usually exceed 80 at the end of the mortgage term

Please note that in addition to the general and portfolio landlord-specific criteria, each case will be assessed individually by our portfolio underwriting team whose checks will include consideration as to whether there is any over reliance on background properties with energy performance ratings below the minimum regulatory requirements, to deliver overall affordability. Whilst we accept a combination of rental income and personal income for non-portfolio landlords (commonly known as *top-slicing*), this is not true for portfolio landlords.

Product selection

All of our standard products are also available to portfolio landlords.

Standard BTL criteria

The criteria outlined above is in addition to our standard BTL criteria and is not validated by the quick-check portfolio lending calculator. You should therefore familiarise yourself with the standard criteria prior to applying. We can often be flexible on criteria for robust applications and so any unusual cases should be referred to us in the first instance using your preferred [contact method](#).

The key points of the standard criteria are:

- The applicant must usually be an existing residential homeowner in England or Wales
- The maximum the Society will lend depends on the interest coverage ratio (ICR) using the rental income expected to be derived from an AST on an unfurnished basis
- The maximum loan is dependent upon the scheme, the price or current value of the property and the loan to value ratio as described in the mortgage product description. Please refer to the details of our current [Buy to Let products](#)
- Up to 3 Buy to Let mortgages may be held with the Society by any borrower, subject to an aggregate loan limit of £1,000,000. In addition to specific product terms, the following general limits will apply to Buy to Let mortgage applications

LTV LIMIT	ADVANCE LIMIT
75%	£300,000
70%	£350,000
65%	£400,000
60%	£500,000

- The Society will only accept property that is, or will be let on an Assured Shorthold Tenancy with a term not exceeding 24 months, to a sole occupier or single-family unit unrelated to the applicant
- The following types of property are not normally considered for mortgage purposes: Single Houses converted into two flats, flats above commercial premises, flats in high rise blocks, freehold flats, some inner city new build developments, properties with more than one kitchen, properties designed or converted for multiple occupation
- If remortgaging, the applicant must usually have owned the property for a minimum of 6 months
- The applicant must be able to prove taxable earned income of at least £25,000 per annum
- Please refer any Consumer BTL applications, ie from applicants intending to convert their existing residential property to a let property (Let To Buy application), or applicants who have inherited the property to be let or who have ever occupied the subject property on a residential basis
- Remortgage applications where any element of the required advance is for debt consolidation or for capital raising unrelated to residential property purchase or improvement should be referred to the Society for consideration prior to submission
- The property should, at the point that the mortgage advance is released, meet the current regulatory requirements in respect of the EPC rating of the property

Submitting an application

The application process and supporting documentation requirements for portfolio landlords are the same as for non-portfolio applications. Details of the background properties are requested on the application form – please ensure that you capture in readiness for both mortgaged and unencumbered properties the names of the account holders, property address, rental income and monthly mortgage payment (if any), current lender and account number, balance outstanding (if any), mortgage repayment basis, current property value and EPC rating.