

Mandatory documents guide

Residential and Buy To Let



Residential mandatory documents

Income

Residential cases will require proof of income to be supplied before submitting the application. Any missing documents or where the document dates are not what is required will delay our ability to fully assess the application.

In all instances, our Underwriters reserve the right to request further documentation, as they deem appropriate, to fully understand and assess applicant income.

Employed applicants:

- Latest 3 months payslips (we will also require this for any second jobs being used as part of the application)
- If on maternity/paternity leave, we require confirmation from the Applicant and Employer of their planned return date, salary and hours. We will use full maternity leave return to work pay for affordability calculation.
- Where the client is employed by a family business in addition to the payslips we will also need the latest p60 and an accountant's reference independently confirming the employment details (role, length of time, salary etc.) We can also accept a print out of the confirmation from HMRC personal tax account.

Self-employed applicants/CIS Workers:

- Sole Trader, LLP or Partnership: We will require one of the following: Latest 2 years SA302 and supporting Tax Year Overview (TYO) or Accountant's reference covering last 2 years income from a suitably qualified accountant or 2 years accounts certified by a suitably qualified accountant.
- Limited Company Director: We will require one of the following: Accountant's Reference covering last 2 years income, or 2 years accounts certified by a suitable qualified accountant. If the customer is not 100% shareholder and only accounts are provided, we will also require the last 2 years SA302s to verify the customer's income. Please note SA302's alone are not an acceptable proof of income for a Limited Company Director.
- CIS Workers: We will require the latest 1 year SA302 and Tax Year Overview and Last 3 months payslips or invoices.
- Self Employed Income Support Scheme (SEISS) – to assess income where SEISS has been used, SA302's for tax years 2019/2020 and 2020/2021 along with the latest 3 month bank statements must be provided. The lower of the two amounts showing on the SA302's will be used for affordability.
- A suitably qualified accountant must have one of the following accreditations ACA, FCA, ACCA, FCCA, ACMA, FCMA, AAPA, FAPA, MAAT, FMAAT, CTA, CIMA or AIA.

Contractors:

- Contractors via a limited company will need to supply their latest contract which is required to have at least 3 months remaining. Where there is less than 3 months remaining confirmation of a new contract will also be required and the lower of current or future contract will be used for affordability.
- Contractors via an umbrella company, which pays tax and NI for the customer will be assessed using last three months payslips or invoices and most recent P60 where applicable in line with PAYE applicants.
- Fixed term contractors where the employer pays both tax and National Insurance, income is verified via payslips and most recent P60 where applicable (as per employed customers).
- For all Contractors we will assess weekly rate x 48.

Residential mandatory documents

Deposit

Source of deposit:

We will require suitable documentation to evidence the source of funds to Vida's satisfaction.

Savings:

- We will be looking to see that the funds available cover the deposit required as well as the build up of those funds through 3 months bank statements
- Where the deposit is coming from savings, the latest savings statement will usually be acceptable. We may ask for further evidence around the build-up of funds or evidence to support individual transactions.
- Underwriters may, depending on the build up of the deposit, require statements that are more historical and/or cover more of the clients' accounts

Gifted Deposits:

- Acceptable from parent, child, grandparent, brother, sister, uncle/aunt, cousin, foster parent or legal guardian, including step relatives.
- We will need a fully completed and signed gifted deposit letter at time of the application being submitted to us. If it is not fully completed and signed by the relatives providing the gift this may delay the application being assessed by an Underwriter.
- We may carry out additional checks where we deem it appropriate to do so. Should we require sight of bank statements or other evidence from the Donor, we will require confirmation from yourselves that:

a) the Donor has given consent for us to process this information

b) you have issued the 'Use of Information Statement'.

Release of equity:

We would need sight of the mortgage offer of the property to be remortgaged or a Memorandum of Sale if the property is to be sold to fund the deposit.

Inheritance

Can be evidenced via a statement showing funds paid into the applicant(s) account and corresponding evidence from a solicitor's letter confirming the source.

Builder/Vendor deposit:

Written confirmation required confirming the amount and the source. Max 5% of the Purchase Price.

Gifted equity:

Please supply a fully completed and signed gifted deposit letter. Acceptable from a close relative or landlord (where the applicant is a sitting tenant).

Help to Buy ISA:

We will require the latest ISA statement which shows a build-up of funds.

Director's Loan:

Where the deposit is a director's loan or dividends from a company the Applicant owns, we will require an Accountants Letter confirming this will not impact trading and earnings will be in line with the most recent year.

Residential mandatory documents

Proof of ID/Residency

Where a client fails the electronic ID check at application and/or the background checks lead to the underwriter requiring to validate the applicant(s) address history, we may need to request satisfactory proof of ID and/or residency. The same document cannot be used to evidence both ID and Residency.

Proof of ID:

- Valid UK Passport
- Valid UK Driving Licence – Photocard (Full or Provisional)
- Valid non-UK passport or National ID card
- HM Forces/Police Warrant Card
- Current firearms licence or shotgun certificate

Proof of Residency:

- Valid UK Driving Licence – Photocard (Full or Provisional)
- Utility bill (must be dated within the last 3 months)
- Latest Council Tax Bill
- Latest HM Revenue & Customs correspondence or Benefit Letter
- Latest Mortgage/Council Rent Statement

General

New Build:

Disclosure of Incentives form: provide full details of any incentives being offered by the builder for the new build property.

Permanent Right to Reside:

Where we need to verify that an applicant has Permanent Right to Reside, we can accept:

- Copy of customer's Non-UK passport with Residency Permit; or, a Biometric residence permit issued by the Immigration and Nationality Directorate (IND) part of the Home Office.
- EEA/Swiss Citizens can provide their 'Share Code' as to prove their settled/pre-settled status in the UK.

Business Bank statements:

In some circumstances we may require Business Bank Statements to assess income and outgoings and will look to verify this against the information keyed in the application.

EWS1 Form:

If the subject property is a flat and above 4 storeys, we will need to see a fully completed and signed EWS1 form.

Debt Consolidation Declaration

New mortgages and Remortgage applications for debt consolidation must include a fully completed, signed and dated debt consolidation form.

Buy To Let **mandatory documents**

Income

Rental calculation

- Basic rate taxpayer – 125% (130% if HMO or MUB)
- Higher rate taxpayer – 140% (140% if HMO or MUB)
- SPV – 125% (130% if HMO or MUB)

On a BTL application in individual names we will need to verify the tax status of the applicants when the case does not fit on the Higher Rate Taxpayer ICR (rent cover) of 140% AND all of the applicants are Basic Rate Tax Payers. This can be verified by one of the following:

- Verification of Self-Employment Form completed by a suitably qualified accountant holding one of the following qualifications (ACA, FCA, CA, ACCA, FCCA, MAAT, FMAAT, ACMA, AAPA, FAPA, ICAS, CTA and AIA)
- Latest SA302 & Tax Year Overview
- Confirmation from HMRC Personal Tax Account of the total income & tax paid for the latest year (Only if sole income is from PAYE)

Deposit

Source of deposit

We will require suitable documentation to evidence the source of funds to Vida's satisfaction.

Savings:

- We will be looking to see that the funds available cover the deposit required as well as the build up of those funds through 3 months bank statements
- Where the deposit is coming from savings, the latest savings statement will usually be acceptable. We may ask for further evidence around the build-up of funds or evidence to support individual transactions.
- Underwriters may, depending on the build up of the deposit, require statements that are more historical and/or cover more of the clients' accounts.

Gifted Deposits:

- Acceptable from wife/husband, parent, child, grandparent, brother, sister, uncle/aunt, cousin, foster parent or legal guardian, including step relatives.
- We will need a fully completed and signed gifted deposit letter at time of the application being submitted to us. If it is not fully completed and signed by the relatives providing the gift this may delay the application being assessed by an underwriter.
- We may carry out additional checks where we deem it appropriate to do so. Should we require sight of bank statements or other evidence from the Donor, we will require confirmation from yourselves that:

- a) the Donor has given consent for us to process this information
- b) you have issued the 'Use of Information Statement'.

- We are unable to accept gifted deposits from Individuals directly to an SPV or from inter-company loans.

Buy To Let **mandatory documents**

Deposit continued...

Release of equity:

We would need sight of the mortgage offer of the property to be remortgaged or a Memorandum of Sale if the property is to be sold to fund the deposit.

Inheritance:

Can be evidenced via a statement showing funds paid into the applicant(s) account and corresponding evidence from a solicitor's letter confirming the source.

Builder/Vendor deposit:

Written confirmation required confirming the amount and the source. Max 5% of the Purchase Price.

Gifted Equity:

Please supply a fully completed and signed gifted deposit letter. Acceptable from a close relative or landlord (where the applicant is a sitting tenant).

Director's Loan:

Where the deposit is a director's loan from a company that the applicant owns, we will require the name and registered number of the company and confirmation that the director's loan will be paid to the applicant personally.

Proof of ID/Residency

Where a client fails the electronic ID check at application and/or the background checks lead to the underwriter requiring to validate the applicant(s) address history, we may need to request satisfactory proof of ID and/or residency. The same document cannot be used to evidence both ID and Residency.

Proof of ID:

- Valid UK Passport
- Valid UK Driving Licence - Photocard (Full or Provisional)
- Valid non-UK passport or National ID card
- HM Forces/Police Warrant Card
- Current firearms licence or shotgun certificate

Proof of Residency:

- Valid UK Driving Licence - Photocard (Full or Provisional)
- Utility bill (must be dated within the last 3 months)
- Latest Council Tax Bill
- Latest HM Revenue & Customs correspondence or Benefit Letter
- Latest Mortgage/Council Rent Statement

Expat BTL - Additional proof of address

We will accept proof of ID (UK Passport) and Address certified by an International Law Firm, UK Embassy Official, a Public Body or Notary.

- Utility Bill (dated within the last 3 months)
- Credit Card/Bank Statements dated within the last 3 months (internet statements acceptable)
- Residency Card (dated within the last 3 months)

Buy To Let **mandatory documents**

Proof of ID/Residency continued...

If the overseas address is a PO Box number, the following is needed:

- If employed, employer's letter (on letter-headed paper) confirming the customer address, together with the last 3 months payslips and bank statements to show salary credits
- If self-employed, proof of residency from the customer's accountant in writing
- If retired, satisfactory evidence by way of pension statement confirming the overseas address.

General

BTL Portfolio:

Where the applicant holds 4 or more existing mortgaged properties, we will need to be supplied with relevant details. This can be provided in one of two ways:

Option 1:

Submit the property portfolio using the BTL Hub (<https://btllhub.net>). Once submitted through the BTL HUB please export the properties and upload this PDF against the shopping list item (Note: Page 24 of the BTL Hub User Guide provides further information on how to do this).

Option 2:

Complete the Vida Property Portfolio Schedule and upload the EXCEL spreadsheet against the shopping list item (Note: we are now only able to accept the Vida Homeloans version of this schedule, which can be found on our website).

Note: you must include all BTL properties that the applicant(s) hold in both personal name and via Limited Company ownership.

Business Plan:

Where the applicant is a professional landlord (4 or more mortgaged BTLs) please supply a fully completed, signed and dated Business Plan, found on our website under the 'Documents' section.

New Build:

Disclosure of Incentives form

Permanent Right to Reside:

Where we need verify that an applicant has Permanent Right to Reside, we can accept: Copy of customers passport with Residency Permit; or, a Biometric residence permit issued by the Immigration and Nationality Directorate (IND) part of the Home Office. EEA/Swiss Citizens can provide their 'Share Code' as to prove their settled/pre-settled status in the UK.

EWS1 Form:

If the subject property is a flat and above 4 storeys, we will need to see a fully completed and signed EWS1 form.

Debt Consolidation Declaration

Remortgage applications for debt consolidation must include a fully completed, signed and dated debt consolidation form.

Contact us

03300 246 246

Or get in touch with our helpful team
at enquiries@vidahomeloans.co.uk



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