

Holiday Let Lending Criteria

- We consider non-regulated Holiday Let applications from intermediaries on an advised basis. The applicant must have no more than two mortgaged holiday lets, whether in sole or joint names (including current application).
- A minimum income of £20,000 is required for any applicant on the application up to a maximum loan size of £250,000. For loan sizes up to £250,000 if any single applicant does not earn at least £20,000 then the applicants must earn a minimum of £30,000 jointly. For loan sizes between £250,001 and £750,000 the minimum income rises to £80,000 either solely or jointly.
- All income will be verified. Income is assessed and calculated as per our standard residential lending policy.

Stress rate criteria

Product Term	Is the application a £4f remortgage on a property purchased prior to January 2017?	
	Yes	No
0-4 years or any discounted rate	125% @ 5.5% or Pay Rate + 2% (whichever the greater)	145% @ 5.5% or Pay Rate + 2% (whichever the greater)
5 years fixed rate or greater	125% @ 5%	145% @ 5%

- Applicants must have owned and resided in their own home within the last 12 months and be shown on the title deed and be aged 21 or over.
- We will allow applicants to reside in the property for up to 2 months per annum.
- In addition to our usual packaging requirements we also request a letter from a local holiday letting agency confirming the high, mid and low season rates. We will then take an average of these seasons over a 30 week period to calculate the annual rental income.

For example, if high season = £700, mid-season = £500 and low season = £300 we would use the average of £500 over 30 weeks to give an annual rental figure of £15,000 to be applied to the relevant rental coverage calculation above. If a 5 year fixed rate is chosen on a purchase application, the calculation is $£15,000 / 1.45 = / 5\%$ giving a maximum lend of £206,896.

- The maximum LTV for Holiday Lets is 75% with a minimum value of £50,000 and a minimum loan size of £25,000.

Loan-to-value	Maximum Loan Size
60%	£750,000
70-75%	£500,000



Please note that we do not provide AIPs for Holiday Lets, please proceed straight to full application. Please note that if the applicants do not meet our residential owner occupier requirements as they reside in a home provided by their employer (as part of their contractual obligations), please refer to our Intermediary Desk BDM Team on 0330 333 4021*