

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.
- 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.
- Rental income will be calculated using an average of the projected Low, Mid and High season weekly rental yields, typically multiplied by an assumed occupancy level of 30 weeks and divided by 12 months. This averages at £650 a week, multiplied by 30 weeks a gross annual rental yield of £19,500 is divided by 12x months at £1,625pcm. Applied to our stress rate, the maximum loan is calculated at £244,514. This figure must meet our normal stress rate of 145% at an interest rate of 5.5% on an interest only basis. For pound for pound remortgages where the property was purchased before Jan 2017 a lower stress rate of 125% at 5.5% can be applied.
- In addition to our usual packaging requirements we also request a local Holiday Letting agency letter confirming the weekly letting rates for the property for the low, mid and high seasons.
- We will allow applicants to reside in the property for up to 2 months per annum.
- The maximum LTV for HL's 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*