



Lending Criteria Overview

VERSION 4.0

Keystone Property Finance Limited

42 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4AJ

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CRITERIA OVERVIEW

CRITERIA OVERVIEW		FIRST-TIME LANDLORDS	EXPERIENCED LANDLORDS	
THE APPLICANT	Trading Ltd Cos, LLPs, SPVs.	Yes	Yes	
	Portfolio lending.	Yes	Yes	
	Minimum income.	Yes - £25k min income for the main applicant.	No Minimum	
	Minimum period of employment / self-employment.	None	None	
	Homeowner.	Yes	No	
	Ex-pat applications.	No	Yes	
THE PROPERTY	Vanilla	£50K-£750k Up to 80% LTV	Yes	Yes
		Over £750k- £1m Up to 75% LTV	No	Yes
		Over £1m- £1.5m Up to 70% LTV	No	Yes
		Over £1.5m-£2m Up to 65% LTV	No	Yes
	HMOs.	£50k - £1m Up to 75% LTV	Yes, maximum loan size £750K	Yes
		£1m-£1.5m Up to 70% LTV	No	Yes
		£1.5m-£2m Up to 65% LTV	No	Yes

	Holiday Let	£50k - £1m Up to 75% LTV	No	Yes
		£1m-£1.5m Up to 70% LTV	No	Yes
		£1.5m-£2m Up to 65% LTV	No	Yes
	Multi-unit properties.	£50k - £1m Up to 75% LTV	Yes – Up to 6 flats in a block. Maximum loan size £750K	Yes – Up to 15 flats in a block.
		£1m-£1.5m Up to 70% LTV	No	Yes – Up to 15 flats in a block.
		£1.5m-£2m Up to 65% LTV	No	Yes – Up to 15 flats in a block.
	Flats above commercial property.	65% LTV if flat located less than 3 storeys above or adjacent to the commercial premises.	No.	Yes - Maximum loan £2m. Maximum £1m for new builds
		Up to 75% LTV if flat located 3 storeys or more above or adjacent to commercial premises.		Yes – Maximum loan <= £1m LTV 75%
				Yes – Maximum loan >£1m-£1.5m LTV 70%
	New build flats.	75% LTV	Please refer to your BDM / Intermediary support team.	Please refer to your BDM / Intermediary support team.
New build houses.	75% LTV			
Ex-local/Housing Assoc Flats	75% LTV deck access 75% LTV No deck access	Yes Must have a minimum of 40% private ownership to be	Yes Must have a minimum of 40% private ownership to be	

	Ex-local/Housing Assoc Houses	75% LTV	acceptable and subject to satisfactory valuer comments	acceptable and subject to satisfactory valuer comments.
THE LOAN	Minimum loan.		£50,000	£50,000
	Maximum loan.		£750K	£2m
	Term.		Minimum: 5 years Maximum: 30 years	
	Capital and Repayment		Yes – available at all LTVs.	
	Interest only.		Yes – available at all LTVs.	Yes – available at all LTVs.

LOAN CRITERIA

MAXIMUM NUMBER OF BTL IN THE BACKGROUND	Unlimited
MAXIMUM LENDING WITH KEYSTONE	£10M
MINIMUM TERM	5 Years
MAXIMUM TERM	30 Years

LOAN PURPOSE

PURCHASE	Acceptable - subject to unacceptable loan purposes below.
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REMORTGAGES	<p>Remortgage of the original purchase within 6 months of the date of purchase, is acceptable where:</p> <ul style="list-style-type: none"> • Bridging finance was used for the initial purchase. • Cash was used for the original purchase and the borrower can demonstrate source of funds and wealth in the original purchase. <p>Remortgage within 6 months of the purchase date and post refurbishment of a property will be considered up to a maximum of 100% of the purchase price and refurbishment costs of the project provided that the LTV remains within the normal product maximums.</p> <p>Breakdown of the works undertaken must be provided to the valuer on instruction for consideration.</p>
UNACCEPTABLE LOAN PURPOSES	<ul style="list-style-type: none"> • Back-to-back sales within 6 months of the original purchase • Sale and lease back. • Purchase via a property club. • Mortgages deemed to be Consumer Buy to Let. • Properties to be used as a developer's "Show Home" may be considered, subject to the strength of the developer and an appropriate Corporate Let being in place.
MONTHLY REPAYMENTS	By direct debit from a UK bank account which must be in the same name as the applicant.
OFFER VALIDITY	Up to 3 months.
VALUATION VALIDITY	6 Months from the date of inspection.

PRODUCT TRANSFER

PRODUCT TRANSFER LTV	<p>Loan must fit LTV requirements.</p> <p>Only current available product offered.</p> <p>Arrangement fee maybe added to loan.</p>
COMPANY APPLICATIONS	<p>A change in Directors is not permitted.</p> <p>A new application will be required if there has been a change in Directors (adding or replacement).</p> <p>Change in percentage shareholding is permitted if the Directors remain unchanged.</p>

<p>CREDIT HISTORY</p>	<p>Mortgage subject to Product Transfer must be up to date with no arrears.</p> <p>No historic arrears greater than 1 month permitted on the mortgage subject to Product Transfer.</p> <p>At least one borrower must have an active credit footprint in the UK.</p> <p>No CCJ registered within the last 6 years.</p> <p>All CCJs must be satisfied to be considered.</p> <p>No default registered within the last 24 months.</p> <p>All defaults must be satisfied to be considered.</p> <p>Individual Bankruptcy, IVAs or Administration Order- Applications are acceptable if the item was registered 6 or more years ago and discharged at least 3 years ago subject to 60% LTV. Applicants with a financial associate that has been declared bankrupt or subject to an IVA or administration order are acceptable.</p> <p>Company CVA or Administration Order - For Limited Companies or Limited Liability Partnerships there should be no history of liquidated/wound up companies or receiverships / CVA's within the last 6 years unless a satisfactory explanation can be provided. Applicants with a financial associate that has been subject to either an CVA or administration order are acceptable.</p> <p>Mortgage Arrears - 0 arrears in the last 24 months.</p> <p>Secured Loan Arrears - Maximum of 2 arrears in the last 24 months with none in the last 12.</p> <p>Credit Card Arrears - Maximum of 2 in the last 24 months with only 1 in the last 12.</p> <p>Unsecured Loan Arrears - Maximum of 2 in the last 24 months with only 1 in the last 12.</p> <p>Other Unsecured Arrears (Mail Order, Mobile Phone, Utility) - Maximum of 4 in the last 24 months across accounts.</p> <p>Repossession and Voluntary Surrender - No repossession or Voluntary Surrender registered against any borrower.</p> <p>Payday Loans - Applicants who have entered a pay day loan in the last 24 months or are still repaying a pay day loan are not acceptable.</p> <p>Debt Management Plan (Including partial settlements and transfer to Debt Collector) - Applicants who have entered, or are still repaying, a debt management plan in the last 24 months are not acceptable.</p>
<p>VALUATIONS</p>	<p>Standard: remote valuations acceptable.</p> <p>Specialist: physical valuation required.</p> <p>Validity period of valuation: 6 months.</p>
<p>OFFER</p>	<p>A new offer will be produced.</p> <p>Offer validity - up to 3 months.</p>

ADVERSE CREDIT

ACTIVE CREDIT RECORDS	At least one borrower must have an active credit footprint in the UK
CCJS	No CCJ registered within the last 6 years. All CCJs must be satisfied to be considered.
DEFAULTS	No default registered within the last 24 months. All defaults must be satisfied to be considered.
INDIVIDUAL BANKRUPTCY, IVAS OR ADMINISTRATION ORDER	Applications are acceptable if the item was registered 6 or more years ago and discharged at least 3 years ago subject to 60% LTV. Applicants with a financial associate that has been declared bankrupt or subject to an IVA or administration order are acceptable.
COMPANY CVA OR ADMINISTRATION ORDER	For Limited Companies or Limited Liability Partnerships there should be no history of liquidated/wound up companies or receiverships / CVA's within the last 6 years unless a satisfactory explanation can be provided. Applicants with a financial associate that has been subject to either an CVA or administration order are acceptable.
MORTGAGE ARREARS	0 arrears in the last 24 months.
SECURED LOAN ARREARS	Maximum of 2 arrears in the last 24 months with none in the last 12.
CREDIT CARD ARREARS	Maximum of 2 in the last 24 months with only 1 in the last 12.
UNSECURED LOAN ARREARS	Maximum of 2 in the last 24 months with only 1 in the last 12.
OTHER UNSECURED ARREARS (MAIL ORDER, MOBILE PHONE, UTILITY)	Maximum of 4 in the last 24 months across accounts.
REPOSSESSION AND VOLUNTARY SURRENDER	No repossession or Voluntary Surrender registered against any borrower.
PAYDAY LOANS	Applicants who have entered a pay day loan in the last 24 months or are still repaying a pay day loan are not acceptable.
DEBT MANAGEMENT PLAN (INCLUDING PARTIAL SETTLEMENTS AND TRANSFER TO DEBT COLLECTOR)	Applicants who have entered, or are still repaying, a debt management plan in the last 24 months are not acceptable.

APPLICANT PROFILE

MINIMUM AGE	<p>Minimum age of the first applicant is 21 years old.</p> <p>Additional applicants must be at least 18 years old.</p>
MAXIMUM AGE	<p>Individuals - the mortgage term must expire before the youngest applicant becomes 89 years old.</p> <p>Limited Companies or Limited Liability Partnerships – No maximum age.</p>
NUMBER OF APPLICANTS	<p>Individual applications – 4.</p> <p>Limited company applications - up to 4 directors.</p> <p>Limited Liability Partnerships – up to 4 designated members</p>
GUARANTORS	<p>Individuals - Guarantors are not considered</p> <p>Limited Company - All directors will be required to sign a personal guarantee for 100% of the loan amount.</p> <p>LLP – All Designated Members for a Limited Liability Partnership are required to sign a full personal guarantee for 100% of the loan amount.</p>

FIRST-TIME LANDLORDS	<p>Applicants who have not owned and let a buy-to-let property in the last 6 months will be considered a first-time landlord (FTL) Max LTV 80%</p> <ul style="list-style-type: none"> • Minimum income £25,000 for at least one applicant. • Minimum age of 21 years old (all applicants) • At least one applicant must own their current home, with 6 months satisfactory conduct where mortgaged. <p>Acceptable properties:</p> <ul style="list-style-type: none"> • Standard flats or houses • Multi-unit property (MUP) with up to 6 self-contained flats are acceptable, subject to rental income below: • A House in Multiple Occupation (“HMO”) of less than or equal to 6 units are acceptable, subject to rental income below: <p>170% income cover for individuals at either pay rate for 5-year and 7- year fixed rate products or the current notional rate 5.5% for products fixed for less than 5 years, whichever is greater.</p> <p>150% income cover for limited companies or LLP’s at either pay rate for 5-year and 7- year fixed rate products or the current notional Rate 5.5% for products fixed for less than 5 years, whichever is greater.</p> <p>Property exclusions:</p> <ul style="list-style-type: none"> • A House in Multiple Occupation (“HMO”) of 7 units and above • MUP’s with seven or more flats. • Flats above commercial property • No element of commercial • Holiday Let – First-time landlord unacceptable. Must have at least one other buy-to-let property in addition to the relevant Property.
FIRST-TIME BUYERS	Not accepted.
RESIDENTIAL STATUS	3 years residential history in the UK.
DIPLOMATIC IMMUNITY	Not acceptable.

EX-PAT LENDING

DEFINITION	Expatriate applicants, British Citizens who are now working abroad, can be considered either for an individual(s), an SPV Limited Company or via an LLP.
MAXIMUM LTV	80% Subject to property LTV maximums.
ACCEPTABLE COUNTRIES	<p>Members of the European Economic Area: Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lichtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and Switzerland.</p> <p>Any country within the FATF (Financial Action Task Force). Please refer other countries.</p>

KEY REQUIREMENTS	<ul style="list-style-type: none"> • Must have an active credit footprint in the UK. • Must have paid UK tax or declared income for UK tax purposes. • Must have at least one BTL property in the UK. • Minimum employed income of £25,000 per annum • If retired, must have income from pension of a minimum of £25,000 per annum from a recognised pension fund. • Must be employed by multi-national employer or acceptable Sovereign entities. • Must have confirmation in writing from the employers of the applicant's residential address in the foreign country and period of residency. • Must have a UK bank account. • Must have a UK correspondence address. • Where applicable, must provide the latest two years SA100 (Full Tax Returns) and Tax Calculations.
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FOREIGN NATIONALS

FOREIGN NATIONALS	<p><u>EEA Foreign Nationals are acceptable.</u></p> <p>Applicants from the following countries must have indefinite leave to remain or if they were in the UK before 31 December 2020, must have successfully applied to the EU Settlement Scheme:</p> <p>Austria, Belgium, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lichtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and Switzerland.</p> <p>Note, a 'Permanent Residency Document' is no longer acceptable.</p> <p>If the applicant has successfully applied to the EU Settlement Scheme, they are given a Share Code, which must be supplied to check whether they have 'Settled or 'Pre-Settled' status.</p> <ul style="list-style-type: none"> • applicants with 'Settled Status' can be accepted with a valid passport. • applicants with 'Pre-Settled Status': <ul style="list-style-type: none"> ○ need to prove they have been a legal resident in the UK during the last 3 years. ○ provide a valid passport. ○ Provide a minimum of a 25% deposit, which must be from the applicant's own resources. Gifts and builder's deposits incentives are not acceptable; unless they are in addition to the 25% deposit provided from the applicant's own resources. <p>For those issued with a biometric residence card (this will usually only apply to those from outside the EU, EEA or Switzerland applying as a family member) then this will need to be checked to confirm which status is held.</p> <p>Irish citizens (including those with British or Irish citizenship) are exempt from the requirement to apply under the EU Settlement scheme and continue to be able to live and work in the UK</p>
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	<p>without obtaining leave to enter or to remain in the UK. Applicants need to provide a valid passport.</p> <p>Individuals from the EU, EEA and Switzerland who do not hold indefinite leave to remain or are not eligible for Settled/Pre-Settled status will be subject to Immigration control.</p> <p>If someone has indefinite leave to enter or remain, there is no longer any time limit on their ability to stay in the UK. These applicants will need to produce one of the following which evidences they are allowed to stay indefinitely:</p> <ul style="list-style-type: none"> • a stamp or vignette in their current passport; or • a letter from the Home Office (noting that these are no longer issued); or • a current biometric residence permit. • Applicants must have been legally resident in the UK for at least the last 3 years <p><u>Non-EEA Foreign Nationals can be considered subject to:</u></p> <ul style="list-style-type: none"> • Indefinite leave to remain must be evidenced by a stamp in a current valid passport or written confirmation from the Home Office. • If the applicant does not have indefinite leave to remain, please refer to our Intermediary Support Team or your local BDM.
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LIMITED COMPANY LENDING

APPLICANT PROFILE	Personal Guarantees will be required from the Directors for 100% of the loan amount.
SPV LIMITED COMPANIES	Special Purpose Vehicle (SPV) companies, set up for the purpose of letting property, can be considered. These companies should have a Standard Industry Classification (SIC) code 68100, 68209 or 68320.
TRADING LIMITED COMPANIES	Trading companies with a minimum 2-year trading history can be considered, providing the company can demonstrate positive trading figures via 2 full year trading accounts.
LLPs	Acceptable – Please refer to your BDM/Intermediary Support Team
JURISDICTION	Limited company applications are acceptable so long as the company is registered in England, Scotland or Wales.
CONTRACTOR LIMITED COMPANIES	<p>Consideration can also be given to companies, incorporated for the purpose of recording director's income from consultancy or contracting, such as IT. These companies would not be considered a trading business and do not require a minimum trading period.</p> <p>Evidence of income will be required in the form of up to two years accounts, or if incorporated for a shorter period a copy of a current contract and /or up to 3 months bank statements showing income received.</p>

MAXIMUM NUMBER OF DIRECTORS	Up to 4 directors.
SHAREHOLDERS	Should a company have a shareholder, with 20% or larger, holding in the company, that is not a director; the shareholder will be subject to credit, fraud and public record checks.
LAYERED LIMITED COMPANIES	Should a company have a shareholder, that is another company, consideration can be given providing both companies have common directors and shareholders.

INCOME

MINIMUM INCOME	<p>None unless the applicant is a First-time Landlord (min £25k for one applicant - see above). We always want to see a provable source of income. Please check our brochure on our website.</p> <p>For Holiday Lets - The primary applicant has a minimum income of £40,000 per annum (excluding the potential rental income of the relevant Property).</p>
EMPLOYED	There is no minimum term of employment.
SELF EMPLOYED	There is no minimum term of self-employment. Where a company director owns 20% or more of the company shares, they will be treated as self-employed.
TRADING LIMITED COMPANIES	We require 2 full years trading accounts.

DEPOSIT CRITERIA

GIFTED DEPOSITS	<p>Gifted deposit accepted from immediate family members:</p> <ul style="list-style-type: none"> • Parents (including step-parents and in-laws) • Grandparents • Grandchildren • Siblings • Children • Spouses • Civil partners • Aunts & Uncles <p>Gifted deposits outside of the UK can be considered – Please refer to your BDM/Intermediary Support Team.</p>
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BUILDER OR GIFTED DEPOSIT SCHEMES	<p>Builders' or vendor's deposits are acceptable subject to a maximum contribution of 5% of the purchase price, providing the valuer has been made aware of any incentives when conducting the valuation.</p> <p>Developer deposits/incentives secured by way of second charge and rental guarantees are not acceptable.</p>
DIRECTORS LOANS	Acceptable – Subject to underwriting. Please refer to your BDM/Intermediary Support Team if you wish to discuss prior to submission.

PORTFOLIO LENDING

DEFINITION	Borrowers with, or looking to acquire, 4 or more mortgaged buy to let properties, will be classed as a portfolio landlord.
ASSESSMENT	<p>Buy to let property portfolio schedule will be required, this will be subject to further analysis, including The Buy to Let Hub or validation checks using Land Registry.</p> <p>Portfolio landlords are acceptable where the mortgage being applied for fits Keystone Property Finance lending policy and:</p> <ul style="list-style-type: none"> • The LTV of the borrower's portfolio (including any unencumbered properties) is no more than 80%. • The stressed rental coverage (on an interest only basis, stressed at the notional rate, currently 5.5%) of the portfolio, including unencumbered properties, is at least 125%. <p>Loans within the portfolio carrying a stressed rental coverage of less than 100% will be subject to further underwriting.</p>

AFFORDABILITY

Applicant type	Tax Payer	RTI	RTI @ Product Pay Rate	RTI @ Notional Rate 5.5% or product payrate whichever is the higher
Individual	Basic Rate	125%	5 Year & 7 Year Products	All products less than 5 year fixed.
Individual	Higher Rate	145%	5 Year & 7 Year Products	All products less than 5 year fixed.

Limited Company or LLP	Limited Company or LLP	125%	5 Year & 7 Year Products	All products less than 5 year fixed.
FTL – MUP	Individual	170%	5 Year & 7 Year Products	All products less than 5 year fixed.
FTL – MUP	Limited Company Or LLP	150%	5 Year & 7 Year Products	All products less than 5 year fixed.

PROPERTY CRITERIA

PROPERTY LOCATIONS	<ul style="list-style-type: none"> Property must be located in England or Wales. (excluding Isle of Man and Isles of Scilly). Landlords of property in Wales must be registered with Rent Smart Wales. Scotland & Northern Ireland are not acceptable.
MINIMUM PROPERTY VALUE	£75,000
HOLIDAY LET	The subject property is fully furnished and is, or is expected to be, let on a short-term basis for at least 210 days per 365-day period.
ADJACENT LAND OR PROPERTY	<p>Properties where a customer separately owns adjacent land or access road, terraced or semi-detached properties can be considered, providing there are clear boundaries and no adverse valuer's comments.</p> <p>Applications where the borrower's main residence adjoins the property or shares access (where the borrower owns both properties) will be considered on a case-by-case basis where both properties are on separate registered titles.</p>
EPC RATING	<p>Minimum rating E.</p> <p>For Green Products rating must be between A-C.</p>
EXPOSURE	Where there are four or less units in a block / close-proximity, lending can be considered against all four units. Further restrictions apply, please refer to your local BDM or Internal Sales Team if you wish to discuss prior to submission.

TENANCY TYPES	<p>A single assured shorthold tenancy ("an AST") for a fixed term of between 6 and 36 months is acceptable.</p> <p>Corporate lets not exceeding 5 years are acceptable subject to 75% LTV where the tenant is a major corporation. These will be subject to additional checks on the corporation to ensure its continued sustainability.</p> <p>Local Authority and Housing Association lets not exceeding 5 years are acceptable, subject to 75% LTV and confirmation of the letting arrangements.</p> <p>For Corporate, Local Authority and Housing Association Lets, sight of a signed agreement or copy of the proposed agreement will be required on all cases of this nature for consideration.</p>
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PROPERTY TENURE

COMMONHOLD	Not acceptable.
FREEHOLD FLATS & MAISONETTES	Not acceptable.
FREEHOLD HOUSES & BUNGALOWS	Accepted when of standard construction.
ASSOCIATED LEASEHOLD/FREEHOLD RELATIONSHIP	Where the leasehold and freehold titles are known to be owned by associated parties, these applications can be considered.
LEASEHOLD HOUSES/FLATS	Leasehold houses and flats must have an unexpired term of at least 50 years at the end of the mortgage term.
TITLE SPLITS	Transactions involving title splits, will be considered on their individual merits. Any changes to title required to achieve this must be in place prior to completion.

GENERAL PROPERTY TYPES

Subject to the Valuer confirming that the individual property forms suitable security, the following property types are normally acceptable:

BASEMENT FLATS	Acceptable where the property is located in London, over 30 square metres and benefits from natural light.
EX LOCAL AUTHORITY FLATS/MOD	<p>Applications where the property is ex-local authority, housing association or ex-MOD flat, can be considered, subject to good marketability, construction type, location and confirmation of a minimum of 40% private ownership within the block. Maximum – 7 storeys without a lift.</p> <p>Flats and maisonettes with deck access will be considered subject to 75% LTV, subject to underwriter's approval and valuer's comments regarding rentability and resaleability.</p>
FLATS OR MAISONETTES ABOVE COMMERCIAL PREMISES	<p>Flats or maisonettes above/adjacent to commercial premises can be considered, subject to the commercial property being unrelated to the applicant.</p> <ul style="list-style-type: none"> • Properties including new build flats (which include properties to be occupied for the first time) where the subject property is situated less than 3 storeys above or adjacent to the commercial premise where the commercial premises is a food outlet / dry cleaner / public house / mini cab office – 65% LTV. • Where the above is situated 3 storeys or more above or adjacent to the above mentioned or above non-food outlet / dry cleaners / Public House / mini cab office – 75% LTV.
FLYING FREEHOLD	Elements of flying freehold can be considered, providing the valuer confirms that the element constitutes less than 15% of the total property.
NUMBER OF STOREYS	We have no maximum number of storeys but properties with more than 7 storeys must have a lift.
LAING EASIFORM	Accepted if constructed after 1966 and property is not a bungalow or a flat.
WIMPEY NO FINES	Accepted if constructed after 1946 and the property is not bungalow or flat.
LOCAL AUTHORITY BUILT HOUSES	Accepted where the valuation indicates good marketability. Please check construction type.
MODERN TIMBER FRAMED CONSTRUCTION	<p>Modern timber framed construction, and properties incorporating modern methods of construction components, can be considered subject valuers' comments on rentability and re-saleability.</p> <p>Appropriate warranties must also be in place.</p>
STUDIO FLATS	<p>Acceptable subject to:</p> <ul style="list-style-type: none"> • Being self-contained, with a separate bathroom. • Having natural light. • Minimum size of 30 square metres.

TWO KITCHENS	Considered on a case-by-case basis, subject to a satisfactory explanation.
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HMO CRITERIA

APPLICANT PROFILE	<p>The applicant must have owned and let a minimum of one buy to let property for 6 months, otherwise they are considered a First Time Landlord and maximum of 6 units are acceptable, subject to rental income below: -</p> <ul style="list-style-type: none"> • 170% income cover for individuals at either pay rate or Notional Rate. • 150% income cover for limited companies or Limited Liability Partnerships at either pay rate or Notional Rate. <p>Available for Limited Company, LLP's and Individual applications.</p>
MINIMUM VALUE	£75,000
MAXIMUM LTV	See criteria overview section.
LICENSING	<p>A mandatory HMO licence will be required for any property that is or will be rented to five or more people who form more than one household; and the tenants share a toilet, bathroom or kitchen facilities.</p> <p>Local authorities may impose additional or selective licensing requirements dependent on the property. It will be the responsibility of the applicant that the property meets these requirements and holds the appropriate licence.</p> <p>If the property is a purchase and/or the first usage as an HMO, an undertaking will be required from the applicant(s) that the applicable licence will be applied for within 30 days of completion of the loan.</p> <p>If the property is a remortgage and is currently an HMO, we require a copy of the HMO licence.</p> <p>In all cases, solicitors must ensure that all necessary Local Authority building and planning consents have been obtained for any completed alterations to the property. If results of such enquiries reveal that consent has not been obtained, then this must be reported to us in writing prior to completion.</p>
MAXIMUM NUMBER OF BEDROOMS	15
PROPERTY	Where the HMO contains bedsits or individual flats within the property these will be considered subject to valuers' comments and acceptable HMO licence.
MULTI-LET PROPERTIES (non-licensable HMOs)	<p>Multi-let properties are properties that are let to three or more individuals, but are not subject to HMO, Mandatory, Selective or Additional licencing.</p> <p>Where the property is let with shared tenant facilities, they will be considered as Vanilla properties on standard products.</p>

MULTI-UNIT CRITERIA

DEFINITION	A single freehold or leasehold property split into self-contained flats.
MAXIMUM LTV	See criteria overview section.
MINIMUM VALUATION	£75,000
APPLICANT PROFILE	<p>The applicant must have owned and let a minimum of one buy to let property for 6 months, otherwise they are considered a First Time Landlord and maximum of 6 self-contained flats are acceptable, subject to rental income below: -</p> <ul style="list-style-type: none"> • 170% income cover for individuals at either pay rate or Notional Rate. • 150% income cover for limited companies or Limited Liability Partnerships at either pay rate or Notional Rate. <p>First-time landlords may only apply for MUP's with up to 6 flats at the maximum of £750k.</p>
PROPERTY	<ul style="list-style-type: none"> • The maximum number of self-contained units in one property should not exceed 15. • Each flat should be over 30 SqM. • Leasehold properties must have an unexpired term of at least 100 years at application. • Properties will not be considered where more than 50% of the units are on long leases. • Valuations will be undertaken on the Residential Investment Property Report form.

NEW BUILD CRITERIA

Houses and Flats	All new build houses or flats must be referred to your BDM/ Intermediary support team.
MAX LTV	<ul style="list-style-type: none"> • 65% LTV - New build flats where the subject property is situated less than 3 storeys above or adjacent to the commercial premise where the commercial premises is a food-outlet / dry cleaners / Public House/mini cab office. • 75% LTV, Maximum £1m- New build flats. • 75% LTV, Maximum £1m - New build houses.
STOREYS	Any property over 7 storeys must have a lift.
WARRANTIES	<p>Residential property built within the last ten years must hold: -</p> <ul style="list-style-type: none"> • An acceptable guarantee / certificate from a reputable company. These Include: NHBC certificate, Zurich Municipal Policy, Premier Guarantee, Build Life plans, Build Zone, Castle 10 (Checkmate), Local Authority Building Control, Build Assure, Aedis, One Guarantee ICW (International Construction Warranty Assure Build Ltd, International Construction Warranties, Advantage

	<p>Home Construction Insurance, ABC+ 10 Year structural warranty, Ark Residential Latent Defects Insurance, Global Home Warranties, Protek, Q Assurance Build Ltd – Q Policy and ICW.</p> <ul style="list-style-type: none"> • Any other new home warranty schemes will be considered on their merits. • An Architects Certificate or Professional Consultant's Certificate (PCC) on a very small development, which states the property was built under the supervision of a person belonging to one of the following: - • Fellow or member of the Royal Institution of Chartered Surveyors (FRICS or MRICS) • Fellow or member of the Institution of Structural Engineers (F.I. Struct.E or M.I.Struct.E) • Fellow or member of the Chartered Institute of Building (FCIOB or MCIQB) • Fellow or member of the Architecture and Surveying Institute (FASI or MASI) • Fellow or member of the Chartered Association of Building Engineers (C. Build E MCABE and C.Build E FCABE) • Member of the Chartered Institute of Architectural Technologists (formally British Institute of Architectural Technologists) (MCIAT) • An architect registered with the Architects Registration Board (ARB). An architect must be registered with the Architects Registration Board, even if they are also a member of another institution, for example the Royal Institute of British Architects (RIBA) • Fellow or member of the Institution of Civil Engineers (FICE or MICE). The professional will need to sign a Professional Consultant's Certificate, in the form set out on the UK Finance/CML website. <p>In addition to the above qualifications, at the time the certificate of practical completion is issued, the consultant must have professional indemnity insurance in force for each claim for the greater of:</p> <ul style="list-style-type: none"> ○ The value of the property once completed, or ○ £250,000 if employed directly by the borrower ○ In any other case, £500,000
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SPECIALIST REPORTS

CAVITY WALL TIE	Report to be obtained from a Structural Engineer, qualified Building Surveyor or a reputable specialist company experienced in wall tie replacement.
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ELECTRICAL INSTALLATION	Report to be obtained by a National Inspection Council for Electrical Installation Contractors or a NAPIT approved contractor.
GAS INSTALLATION	Must be produced by a Gas Safe registered contractor.
JAPANESE KNOTWEED	<p>If Japanese Knotweed is present within the boundary of the property or neighbouring properties, the valuation report will confirm which of the 4 categories (as defined in Japanese Knotweed and Residential Property - RICS Guidance Note, UK 1st Edition January 2022) applies:</p> <p>If Category A</p> <p>An inspection by a remediation specialist who is a member of a recognised trade body and the completion of any recommended works under a Japanese Knotweed Management Plan, with the benefit of an insurance-backed guarantee.</p> <p>If Category B</p> <p>An inspection by a remediation specialist who is a member of a recognised trade body and the completion of any recommended works under a Japanese Knotweed Management Plan, with the benefit of an insurance-backed guarantee.</p> <p>If Category C</p> <p>No report or action is required unless recommended by the valuer.</p> <p>If Category D</p> <p>No report or action is required unless recommended by the valuer.</p> <p>Where infestation is assessed at A or B and treatment is required, it must be carried out by a member of the Property Care Association (PCA), or the Invasive Non-Native Specialist Association (INNSA) backed by a 5-year insurance guarantee programme, and KPF will not allow completion until the first part of the treatment programme has been undertaken.</p> <p>The guarantee must be property specific and transferable to subsequent owners and mortgagee in possession.</p> <p>If the valuer believes the presence of Japanese Knotweed on the property or neighbouring land (e.g., very close to the boundary) may present such a threat, then the subject property should be declined as a suitable mortgage security.</p>
STRUCTURAL ENGINEER REPORTS	<p>Properties evidenced by the valuation report as having actual or potential structural movement will be declined, unless a borrower-funded Structural Engineer's or Structural Surveyor's report confirms the movement is non- progressive or unlikely to preclude saleability.</p> <p>Alternatively, if the valuer advises within their report, that the movement is long standing and non-progressive, no further action will be required.</p>

DAMP & TIMBER	<p>Timber and Damp: Dry rot, wet rot, infestation by wood-boring insects. Report to be obtained from one of the following:</p> <ul style="list-style-type: none"> • Property Care Association (PCA) or the Invasive Non-Native Specialist Association (INNSA) • Wood Protection Association (formerly BWPDA) • Safeguard (Europe) Ltd • Sovereign • Wykamol
TREES	<p>Report to be obtained from a consultant/contractor approved by the Arboricultural Association, NCH ARB, Dip ArB.</p>
ASBESTOS	<p>Asbestos report to be provided where advised within the valuation reports. Such properties will only be acceptable where the report confirms there is no risk or where any remedial/removal works recommended in the report have been carried out.</p>

UNACCEPTABLE PROPERTIES

The following types are considered unacceptable security:

- Properties with a valuation below £75,000
- Properties with unexpired lease term of less than 50 years at end of the mortgage term
- Freehold flats and Maisonettes
- Shared Ownership properties
- Properties with more than 7 storeys with no lift
- Commercial properties
- Properties subject to restrictions e.g. Agricultural, retirement flats etc
- Properties with more than five hectares/12 acres
- Self-Build
- Unimproved/uninhabitable properties (no kitchen or bathroom)
- Prefabricated or large panel concrete construction (LPS)
- Pre-fabricated reinforced concrete construction (PRC)
- Concrete block construction designated Mundic.
- Properties of High Alumina Cement
- Mundic block materials
- BISF, Metal and Steel framed properties
- Any property designated defective under the Housing Act.
- Properties with ongoing structural movement or movement that requires monitoring.
- Underpinned properties where no guarantees are available.
- Uninsurable properties or properties subject to an ongoing insurance claim
- Properties on an unremedied contaminated site or where the Valuer advises a possible contamination issue.
- Properties where future saleability may be adversely affected by the presence of electricity pylons, mobile masts or other forms of transmitter.
- Properties with solar panels that have not been purchased outright.
- Properties likely to be adversely affected by local planning, e.g., road widening
- Grade I listed buildings.
- Second homes
- Mobile homes and houseboats
- The interior/exterior condition of the property is poor, and demand is poor.
- The saleability of the property is affected by local factors and demand is poor.

- Determined as unacceptable security by the appointed valuer.
- Less than 10 years old without NHBC guarantees or equivalent Certificate.
- Other non-traditional built property including:
- Wimpey No-Fines (if constructed prior to 1946 or property is a bungalow or flat)
- Laing Easiform construction (if constructed prior to 1966 or property is a bungalow or flat)
- Tyneside Flats

Disclaimer

We reserve the absolute discretion to determine whether to make an offer and the terms on which the offer is produced. All of our cases are manually underwritten and we reserve the right to decline cases, should internal concentration limits be at risk of over exposure.