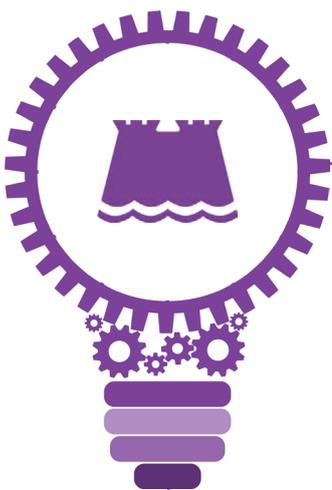




**SKIPTON
INTERNATIONAL**

Mortgages for UK Buy to Let Leaflet

Are you a British Expat or Non-UK citizen looking to purchase a buy to let property in the UK? This leaflet has been created to outline Skipton's criteria requirements for applicants, income and property.



Skipton International can help...

Skipton International is an award winning bank and subsidiary of Skipton Building Society. We are one of the Channel Islands leading lenders and serve mortgage customers resident in more than 100 countries globally.

- ✓ Fast processing times.
- ✓ Understanding needs of British Expats and Non-UK Citizens.
- ✓ Personal Service from our experienced mortgage team.
- ✓ Leading Channel Islands Bank.

Mortgage Requirements



Do you want to buy in England, Wales or the Scottish mainland*?

Are you looking to borrow between £100,000 and £3 million? The maximum lending amount for any individual, together with connected persons is £3 million.

Case Study

Graeme and Sally Clark are currently living in Germany where Graeme works for a large international car manufacturer.

At present they don't have a property in the UK and although Graeme has some pension plans in place, he's keen to purchase a house which will acquire rental income and hopefully appreciate in value providing a good investment for his retirement.

They want to purchase a house in Cardiff for £200,000 to rent out. To purchase this property with a Skipton International mortgage of £140,000 (70% LTV) will require an annual rental income of £10,500 per annum to cover mortgage payments. If the rental was lower a smaller mortgage would be available or a 5 year fixed rate mortgage might be suitable, as its interest rate may support a larger mortgage (please ask for details).

They will also need deposit of at least 30% or £60,000 (or more if the rent was insufficient to support a loan of 70% LTV).

Prior to purchase, the property value and rental yield will be confirmed by a Skipton International surveyor and a full application pack and supporting documentation will also be needed, translated into English if a foreign language document.

(A calculation rate of 6.0% and a rental cover of 125% was used, eg: $£140,000 \times 6.0\% \times 125\% = £10,500$. On the 5 year fixed, a calculation rate using the interest rate and rental cover of 125% will be used).

Applicant



Please ensure you can answer yes to all of the below questions, you meet Skipton International's applicant criteria.

Are you and the joint applicant (if applicable) resident outside of the UK and will continue to be so at the time of the mortgage completes?

If a purchase, can you provide 2 months of salary slips and a letter from your employer confirming main terms of employment or pension contract if one or more applicant(s) is a British Citizen or 3 months salary slips if the applicant(s) is not a British Citizen? All must be translated to English.

If a re-mortgage or further advance, can you provide 1 month salary slip and a letter from your employer confirming main terms of employment or pension contract if one or more applicant(s) is a British Citizen or 3 months salary slips if the applicant(s) is not a British Citizen? All must be translated to English.

If a purchase, can you provide 2 months bank statements for all accounts held including the account into which your salary / pension is paid if one or more applicant(s) is a British Citizen or 3 months bank statements if the applicant(s) is not a British Citizen?

If a re-mortgage or further advance, can you provide 1 month bank statement for all accounts held including the account into which your salary/pension is paid if one or more applicant(s) is a British Citizen or 3 months bank statements if the applicant(s) is not a British Citizen?

Do you have a UK bank or building society account from which direct debits can be arranged to pay your mortgage? This must be opened prior to the application. If you are not using a "Major UK Bank" or an easily recognisable Bank or Building Society, you will need to provide us with email confirmation from the Bank in question, that they can allow Direct Debits to be claimed from the account.

If you currently own other properties which are mortgaged, can you provide 12 months of mortgage statements for each property?

Can you provide five years of consecutive address history and your last UK address?

Have you never been declared bankrupt, insolvent, or equivalent or no such action is pending?

Can you confirm that you have never entered into any arrangement with creditors or are party to a voluntary arrangement?

Can you confirm that you have not had a Court Order (or equivalent) made against you for debt or that no such action is pending? If Court Order is satisfied, please contact us as we may be able to assist.

Can you confirm that you have not (voluntary or otherwise) had a property repossessed by a lender or entered into an arrangement for mortgage arrears?

Are you currently living, working or a national in a country which does not appear on our restricted list? (as detailed in the restricted countries section of this document) (Please note Skipton will lend to Australian Expats).

Can you confirm you are not a Chinese national residing in mainland China? This does not apply to residents of Hong Kong, Chinese nationals living outside mainland China or Expatriates working in mainland China.

Portfolio Landlords



Once an applicant owns, or will own as a result of their proposed purchase(s), four or more mortgaged buy to let properties, they are classified as a “Portfolio Landlord” in accordance with the Prudential Regulation Authority definition. At this point lenders are required to apply enhanced affordability checks.

If you are a Portfolio Landlord as defined above, Skipton requires any properties within your portfolio, that are mortgaged via other lenders, to meet Skipton International’s BTL affordability criteria. This means that rental income must provide a minimum of 125% interest cover, when interest is calculated on total borrowings at a rate of 6%. This calculation is applied to all BTL properties mortgaged outside Skipton International on a collective basis. In the event of a rental shortfall, the application will be declined.

In addition;



Skipton International can offer a maximum of 5 BTL properties to any one client.



On completion of any Skipton mortgage application, the total number of BTL properties held by all borrowers cannot exceed 5.



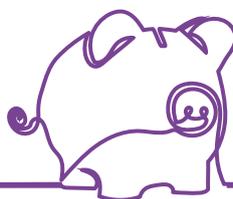
Skipton International will allow a maximum of 3 BTL properties, within the whole portfolio, to be held within any 1 post code district, eg. SW1, in the event of more being held the application will be declined.

If you require any further assistance please feel free to call us on...

0044 (0) 1481 734000

A member of our sales team will be able to help you with your enquiry.

Income Requirements



Employed

If in employment are you or your joint applicant employed by a clearly identifiable well established employer?

Is your earned income (not including commission, overtime or bonuses) or pension income over £40,000 or the equivalent of £50,000 p.a. if paid in local currency? Certain guaranteed allowances may contribute towards this figure. Any probationary period must be passed prior to applying. Any earned income cannot be subject to UK income tax.

Self Employed

If self employed, can you provide evidence that annual income is in excess of £60,000 p.a. sterling/ or equivalent of £75,000 p.a. if earned in local currency, any earned income cannot be subject to UK income tax.

Self employed applicants can appoint a local fully qualified accountant working in an accountancy firm with a minimum of two partners. The firm and accountant must be:



Clearly identifiable



Suitably qualified (local equivalent of ACA, FCA, ACCA, FCCA, IPFA or ICAS)

OR

Alternatively, self employed applicants can provide the last years final income tax assessment (where written in English).

Please [click here](#) for the accountancy certificate template to be completed by the nominated accountant.

Pension

Is your pension income over £40,000 or the equivalent of £50,000 per annum if paid in local currency?

Property



Is the property for buy-to-let purposes only and not for you or a family member to live in?

Can you confirm that you do **not** plan to live in the property in the future?

Will the property be let on a suitable Assured Shorthold Tenancy agreement (or a Private Residential Tenancy agreement if in Scotland) and not used as a holiday let or House in Multiple Occupancy? Please refer to our property letting requirements document for further information.

[Click here for
England and Wales](#)

[Click here for
Scotland](#)

Has the property been owned by the existing owner for a minimum of 6 months? (this applies to purchase/remortgages and further borrowing). This does not apply to inherited property.

Unacceptable properties

This list is not exhaustive. Please contact us directly on 0044 (0) 1481 734000 with any queries.

Properties which will not be completed (ready for tenant occupation) within 6 months of application.

Properties less than 10 years old without a building warranty certificate. A list of acceptable providers is available on request. Architects' certificates are only acceptable on developments with less than 15 units.

Licensed Houses of Multiple Occupancy

Properties with five or more bedrooms will be assessed on a case by case basis.

Cladded properties not meeting current fire regulations. Please contact us for further clarification and details of the evidence required to confirm compliance.

Grade I or II* Listed Buildings in England and Wales or Grade A Listed Buildings in Scotland. Other categories of Listed Building are acceptable subject to valuer comment and there being no onerous restrictions in the title deeds.

Any properties affected by invasive plant species e.g. Knotweed.

Flats over 5 floors with no access to a lift.

Leasehold properties with less than 85 years to run at the point of application.

Ex-local Authority flats exceeding 5 floors or exceeding 48 units in the block.

Studio flats under £250,000 / Deck Access flats / gallerised (mezzanine) flats / holiday lets / Air bnb.

Bespoke properties or properties in a rural location will be assessed on a case by case basis.

Thatched properties.

Non standard construction or conversions will be assessed on a case by case basis.

Properties that comprise more than one independent unit of accommodation (annexes, wings and duplex properties).

LPS (large panel systems) and PRC (precast reinforced concrete) properties. However, some modern building construction types will be acceptable.

Properties directly above a commercial premise need to be agreed prior to an application being submitted.

Flats with a leasehold and where the client owns the full freehold.

Freehold and flying freehold (or part thereof) flats in England or Wales.

If you own a house that is leasehold we will need to understand the terms of the leasehold interest prior to an application being received. Please call us to discuss.

Properties being purchased at auction.

If your property is not on the unacceptable properties list and you can answer “yes” to all of the other criteria, and you would like a mortgage on a property, with a maximum loan to value of 70%, the next step is to complete the mortgage application form and collate the supporting documentation.

*Please note Skipton International does not lend on properties located in Northern Ireland, Isle of Man or the islands of Scotland.

Loan to Value parameter



Our criteria on maximum loans for buy to let properties are as follows (subject to product conditions):

Loan Amount	Maximum LTV
Up to £1,000,000	70%
£1,000,001 - £1,250,000	65%
£1,250,001 - £3,000,000	60%

Energy Performance Certificate



England and Wales

From the 1st April 2018, all Landlords will have to ensure rental properties meet a minimum Energy Performance Rating of E in order to be able to create a tenancy (unless except under the current regulations). Properties that are graded F or G are classed as substandard under the legislation and cannot be let. As such, Skipton International will only be able to provide mortgages against rental properties with an energy performance rating of A to E inclusive.

Skipton International will require applicants to supply a copy of a current Energy Performance Certificate relating to the security property. Skipton International reserves the right to request provision of Energy Performance Certificates at any point during the life of your mortgage.

To check if your property meets the required standards, simply click on the following link, enter the postcode and download the [Energy Performance Certificate](#).

For further information and guidance, please visit the [UK Government web site](#).

Scotland

Skipton International will require all landlords of Scottish rental properties to have a minimum Energy Performance Rating of D.

Skipton International will require applicants to supply a copy of a current Energy Performance Certificate relating to the security property. Skipton International reserves the right to request provision of Energy Performance Certificates at any point during the life of your mortgage.

To check if your property meets the required standards, simply click on the following link, enter the postcode and download the [Energy Performance Certificate](#).

For further information and guidance, please visit the [UK Government web site](#).

Restricted Countries



Skipton will not accept applications from clients resident or citizens in the following countries.

Please note Skipton lends to Australian Expats. We do not lend to Chinese nationals residing in mainland China.

Afghanistan	Ecuador	Libya	Serbia
Albania	Egypt	Madagascar	Seychelles
Algeria	Equatorial Guinea	Malawi	Sierra Leone
Angola	Eritrea	Maldives	Solomon Islands
Argentina	Ethiopia	Mali	Somalia
Armenia	Gabon	Marshall Islands	South Sudan
Australia	Gambia	Mauritania	Sri Lanka
Azerbaijan	Gaza	Mauritius	Sudan
Bahamas	Georgia	Mexico	Swaziland
Bangladesh	Ghana	Moldova	Syria
Barbados	Guatemala	Mongolia	Tajikistan
Belarus	Guinea-Bissau	Morocco	Tanzania
Belize	Guinea (Republic of)	Mozambique	Timor-Leste
Benin	Guyana	Myanmar	Tobago
Bolivia	Haiti	Namibia	Togo
Borneo	Honduras	Nepal	Trinidad
Bosnia	Iceland	Nicaragua	Tunisia
Botswana	Iran	Niger	Turkmenistan
Burkina Faso	Iraq	Nigeria	Uganda
Burundi	Ivory Coast	North Korea	Ukraine
Cambodia	Jamaica	Pakistan	Uzbekistan
Cameroon	Kazakhstan	Palau	Vanuatu
Cape Verde Islands	Kenya	Palestine	Venezuela
Central Africa	Kiribati	Panama	Vietnam
Chad	Kosovo	Papua New Guinea	Yemen
Comoros	Kyrgystan	Paraguay	Zambia
Cuba	Lao PDR	Russia	Zimbabwe
Democratic Republic of Congo	Lebanon	Rwanda	
Djibouti	Lesotho	Sao Tome & Principe	
Dominican Republic	Liberia	Senegal	

Skipton reserves the right to adjust the restricted country list as necessary.



Call

+44 (0) 1481 734000



Email

mortgagesales@skiptoninternational.com



**SKIPTON
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This mortgage is for British expats or Non-UK citizens. Residents of the UK are not permitted to obtain a mortgage from Skipton International but should apply to Skipton Building Society (www.skipton.co.uk). Also, Skipton International cannot provide mortgages where the applicants are planning to occupy the property on a future return to the UK, even if it is held as a Buy to Let investment in the interim. Registered Office: Tudor House, The Bordage, St. Peter Port, Guernsey, GY1 6DS. Minimum age 18 years. All mortgages are subject to status and valuation where applicable. Skipton International Limited requires a first charge on the property. To help maintain service and quality, telephone calls may be recorded and monitored.