



The Buy to Let mortgage has changed

Lenders have adopted the following changes based on recommendations by the Prudential Regulation Authority:



- Ensure income is checked properly and thoroughly
- Stress testing should take into account interest rate rises
- Request a full spreadsheet detailing entire property portfolio

When assessing the full portfolio and minimum Rental Cover threshold, consideration should be given to the following costs:



Lenders are expected to assess the borrower's experience in the market including their full portfolio of properties and any outstanding mortgages the assets and liabilities of the borrower and the merits of any new lending in the context of the investor's existing portfolio.

What does this mean for landlords applying for a mortgage?

- Potentially more paperwork!
- More work involved before an Agreement in Principle
- Lenders may ask for a cash flow forecast and a business plan with commentary
- Must supply tax returns for all properties
- Talk to an adviser to get a helping hand through the process and avoid any pitfalls

What should landlords do now?



Speak to an adviser

Coreco have advisers with over 20 years' experience in this market and we can put together a Portfolio Landlord Pack to ensure you can move forward with confidence



Take professional, independent Tax Advice

Speak to a qualified accountant to ensure your accounts are all up to date and consider if setting up a limited company would be suitable



Consider refinancing your properties

Whilst rates are low, look at whether you should refinance any of your properties



Release equity

This will enable you to have the cash to move quickly when looking at building up your portfolio

What interest rates can landlords achieve today?



- Buy to Let product rates have never been so low, and we mean really low
- Remortgage products are available with lower rental income calculations and free valuation and legals
- Lenders now have a wide range of retention rates we have special access to

Looking to do more? We have an award-winning Commercial Team who can assist with:

- Property Development Finance
- Commercial Mortgages
- Short-Term lending and Bridging Loans
- Refurbishment Finance



Contact us now on 020 7220 5110 for a free, no-obligation initial portfolio review

Your home may be repossessed if you do not keep up repayments on a mortgage or any debt secured upon it.

A fee of up to 1% of the mortgage amount may be charged depending on individual circumstances.

A typical fee is £495.

There is no guarantee that it will be possible to arrange continuous letting of the property, nor that rental income will be sufficient to meet the cost of the mortgage.

