

# Helping Landlords

SAVINGS  
**MORTGAGES**  
INSURANCE  
FINANCIAL PLANNING

The Mansfield's  
guide to Buy to Let  
mortgages




**MANSFIELD**  
BUILDING SOCIETY



“a personal approach to lending with  
a friendly and professional service”

# Helping Landlords - The Mansfield's guide to Buy to Let mortgages

If you're considering becoming a buy to let landlord or looking to expand or improve your existing property portfolio, there's a lot to consider.



In the current property market, we want new and existing landlords to be clear about the ways we can help. We offer a personal approach to lending with a friendly and professional service.


- ✓ We do not use automated credit scoring systems
- ✓ Each case is manually underwritten, judged on its own merits and by a real person
- ✓ Dedicated sales support team

## Types of Buy to Let available at The Mansfield

1. Business Buy to Let - i.e. professional landlords operating a buy to let portfolio for investment purposes. The mortgage will not be regulated by the Financial Conduct Authority (FCA).
2. FCA Regulated 'Family' Buy to Let - i.e. the property is let to a close relative (e.g. spouse, civil partner, children, parents, brothers and sisters), or where the borrower(s) intend to occupy the property at a future date.
3. Consumer Buy to Let - i.e. where the property was not initially acquired for investment purposes, for example where a borrower lets out a property that was previously their own residential home or where a borrower has inherited a property and choose to let it. Consumer Buy to Let agreements are regulated by HM Treasury under an adopted UK national framework.

We do not lend on new build city centre or converted flats, properties over retail outlets, a House in Multiple Occupation or to Limited Companies.

We do not accept tenants in the following categories: students, multiple tenancies, asylum seekers, persons who have or require diplomatic immunity, Rent Act protected tenants, or agents of any of these.





## Our key Buy to Let criteria

- Maximum mortgage term 40 years
- Minimum age 25
- Mortgage must be repaid before age 85
- Maximum portfolio: 5 mortgages with us (maximum overall £1m value) and up to 15 with other lenders
- Minimum loan size £50,000, Maximum loan size £500,000
- First time landlords accepted, but not first time buyers. Must be current home owners or an owner occupier within the last 12 months
- Minimum earned income of £20k (not from rental income)
- Capital raising to buy another property considered



## Can I afford a Buy to Let mortgage?

Affordability is assessed by using a calculation known as the Interest Rate Coverage mortgage repayment. For example, if the rental income is £700 per month and the ICR is 175%. The ICR helps to ensure that there is enough income to maintain the

### Business Buy to Let

Rental income must be at least 125% of the monthly mortgage payment calculated on an interest only basis at 5.5% or 2% above the mortgage interest rate, whichever is the higher.

Higher rate tax payers purchasing a property, or remortgaging to access additional borrowing, will need rental income to be at least 145% of the monthly mortgage payment calculated on an interest only basis at 5.5% or 2% above the mortgage interest rate, whichever is the higher.

### Consumer Buy to Let and Regulated 'Family' Buy to Let

Rental income must be at least 125% of the monthly mortgage payment calculated on an interest only basis at 5.5% or 2% above mortgage interest rate, whichever is the higher.

Non Portfolio Landlord = 3 properties or less



Portfolio Landlord = 4 or more properties

Portfolio landlords (i.e. 4 or more mortgaged properties) will be required to provide an assets and liabilities statement, together with a detailed schedule of all properties and loans outstanding.

Income Ratio (ICR), this considers the amount of rental income in relation to the monthly mortgage interest only mortgage repayment is £400 per month, this would mean that the rental income must cover the mortgage repayments and meet the costs of any maintenance or rental gaps.

### Using earned income or other personal wealth

Subject to product availability and criteria, landlords may use earned income or other personal wealth in addition to rental income (known as Top Slicing). In these circumstances, rental income alone must be at least 100% of the monthly mortgage payment with the borrower making up the shortfall from their uncommitted personal income.

If you need more help, call our sales team on  
**01623 900 047** or email  
**salesteam@mansfieldbs.co.uk.**

Written confirmation of the actual or anticipated rental income is required as part of the usual underwriting process.

## Buy to Let Mortgage Range

For further information about the different types of buy to let mortgages that we do, please see the inside cover of this leaflet.

- Standard Business Buy to Let available up to 75% loan to value (LTV)
- Earned income allowed to supplement rental income on Business Buy to Let and FCA Regulated 'Family' Buy to Let, subject to product availability
- Consumer Buy to Let available up to 75% LTV
- FCA Regulated 'Family' Buy to Let available up to 75% LTV
- Business Buy to Let product available to include the cost of repairs and/or property improvements up to 75% LTV
- Letting out your existing property to buy another residential property available up to 75% LTV on the property you let out and up to 95% LTV on the new residential property purchase, subject to status



Application Fees, Completion Fees and Early Repayment Charges apply on our Buy to Let mortgage products.

All information correct at the time of print. For our latest product availability, see our website [mansfieldbs.co.uk/buy-to-let-mortgages](https://mansfieldbs.co.uk/buy-to-let-mortgages)

**YOUR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT  
KEEP UP REPAYMENTS ON YOUR MORTGAGE**

The Mansfield Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Reference number 206049. Member of the Building Societies Association.

t: [01623 900 047](tel:01623900047)

e: [salesteam@mansfieldbs.co.uk](mailto:salesteam@mansfieldbs.co.uk)

w: [mansfieldbs.co.uk](https://mansfieldbs.co.uk)