

Important notice

We are unable to accept any new applications from any customer residing in the European Economic Area (EEA) which includes the European Union (EU) countries listed below along with Iceland, Liechtenstein and Norway.

Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

We will update this information if there is any change to our policy due to the ongoing financial service sector agreement discussions.



Applicant Details

Minimum Age	25
Maximum Age	85 (at the end of the mortgage term) – please refer to our Maximum Mortgage Term Guidelines.
Maximum Number of Applicants	2
Minimum Income	£37,500 per application.
Unacceptable Applicants	Lending to companies or portfolio landlords is not accepted. For sole applications – applicant must be a UK citizen.
Applicant Nationality	For joint applications – one of the applicants must be a UK citizen with the other applicant having settled status or permanent right to reside in the UK. The salaried applicant must be the UK citizen and contributing at least 50% of the total earnings in respect of the minimum income requirements.

Maximum Mortgage Term Guidelines

If earned income is being used to support mortgage payments, the mortgage must be repaid by the clients retirement date unless pension or savings income can be evidenced.

Credit Criteria

CCJ's & Defaults	CCJ's/Defaults within the last 3 years are not acceptable. CCJ's/Defaults => 3 years prior to application are acceptable up to a maximum £2,500, subject to an explanation and being cleared/satisfied 12 months prior to application. No other adverse entries must show on credit file.
Missed/Late Payments	Mortgage, Loan and HP arrears & missed payments => 3 years prior to application, status 1's and 2's are accepted – status 3 or above not accepted. Mortgage, Loan, HP arrears and missed payments within the last 3 years are not acceptable. Credit Card, Mail Order, Utility commitments => 3 years prior to application – Up to and including status 2's are acceptable. Credit Card, Mail Order, Utility <3 years prior to application – Status 2 – ok to proceed subject to the commitment being up to date for a minimum of 12 months prior to application. =< Status 3 are ok subject to commitments totalling less than £500 and being up to date for a minimum of 12 months prior to application.

Employment Status

Employed	Minimum of 6 months in current job and not in probation. Evidence of employment history is requirement to cover the last 12 months.
Fixed-Term Contracts	The applicant must have been contracting for a minimum of 1 year with a further 2 years experience in the same field.

Deposit Details

Deposit	Applicants' own deposit or gift from an immediate family member (spouse, parent, grandparent, sibling, child or grandchild) is acceptable. Evidence of the source of deposit is required.
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Income

Interest Coverage Ratio	<p>Interest Coverage Ratio (ICR) - 125% minimum rental cover based on reference rate of 5.5% or chosen product rate + 2% (whichever is the higher of the two) for UK Basic Rate Tax Payer. Or for Higher Rate Tax Payers 145% at 5.5%.</p> <p>If there is a rental shortfall and your applicant is paid in a currency which is on our approved currency list, we will take a limited amount of earned income into our affordability assessment. The rental income must be 115% at 5.5% as an absolute minimum, with the shortfall made up from earned income.</p>
Employed	<p>If earned is being taken into account to support the loan, the mortgage term can only extend beyond the applicant's retirement age if pension income can be evidenced. Please see our maximum term guidelines on the following page for more information.</p> <p>There are <u>no</u> currency restrictions on Expat BTL applications if the rental income passed the 125% at 5.5% or chosen product rate + 2% (whichever is the higher of the two) for UK Basic Rate Tax Payer. Or for Higher Rate Tax Payers 145% at 5.5%.</p>
Fixed-Term Contracts	<p>For applicants on fixed term contracts of less than 6 months, the minimum period of employment with the same employer is 6 months. For those on contracts of 6 - 12 months or more the contract must have been renewed at least once. If the contract is for more than 12 months, the applicant must be more than 6 months into the contract.</p>
Acceptable Currencies	<p>When calculating income, we use the worst case from the following 2 scenario's:</p> <ul style="list-style-type: none"> • The lowest exchange rate over the last 5 years. • Exchange rate on the date of application less 20%. <p>Acceptable Currencies:</p> <ul style="list-style-type: none"> • US Dollar • Euro • Canadian Dollar • Norwegian Krone • Swiss Franc • Danish Krone • Swedish Krona • Chinese Yuan Renminbi • Emirati Dirham (United Arab Emirates) • Saudi Arabian Riyal • Hong Kong Dollar • Kuwaiti Dinar • Singapore Dollar • Bermudian Dollar (if pegged to US Dollar) • Qatari Riyal • Japanese Yen

Acceptable Countries

Acceptable Countries	<ul style="list-style-type: none"> • Canada • Hong Kong • Japan • Korea (South) • New Zealand • Singapore • Switzerland 	<ul style="list-style-type: none"> • UK • USA • UAE • Qatar • Saudi Arabia • Kuwait
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Mortgage Details

Mortgage Size	<p>Minimum £100,000 Maximum £750,000</p>
Mortgage Term	<p>Minimum 5 years. Maximum 35 years.</p>
Remortgage Applicants	<p>We will consider remortgage applications where the applicant has been the registered owner for the past 6 months.</p>
Repayment	<p>Your client can apply for a mortgage on a repayment basis, or an interest only basis. Part and part is not accepted.</p> <p>BTL's will be stressed on I/O even if the application is on a repayment basis, providing the applicant appears to have the means to support the higher monthly payment (monthly surplus and a good credit file/evidence maintained a repayment mortgage with their current lender).</p>

Mortgage Details continued on next page...

Mortgage Details (continued)

Let to Buy	<p>A new residential mortgage can be considered where the applicant wishes to retain their current property on a BTL basis.</p> <p>We need to be satisfied that the existing mortgage will be converted to a permanent letting arrangement and we require:</p> <p>Rental coverage of 125% of the mortgage commitment based on 5.5% or chosen product rate + 2% (whichever is the higher of the two) for UK Basic Rate Tax Payer. Or for Higher Rate Tax Payers 145% at 5.5%.</p> <p>Anticipated rental income must be confirmed and may be required to be evidenced by a letting agent.</p>
Maximum Number of Properties	A maximum of 3 mortgaged BTL's can be held across any number of lenders, maximum exposure £1,500,000. We do not accept portfolio landlords, which applies if an applicant holds 4 mortgaged BTL's.
Unacceptable Tenants	No family members, multiple tenancies, holiday lets, House with Multiple Occupancies, company lets or student lets.
Tenancy Agreement	All subject to assured shorthold tenancy agreements. AST requirements; 6 months minimum. Can accept up to 24 months with standard break clause included.
Sale and Leaseback	Not acceptable.

Property Criteria

Minimum Property Value	£167,000
Locations	England and Wales.
Acceptable Property	<p>Properties must be of traditional construction.</p> <p>Timber framed properties may be considered if brick clad.</p> <p>New build houses subject to NHBC/Local Authority Building Control Scheme/Premier/Checkmate (Castle 10)/Buildzone/Zurich/ICW (International Construction Warranties)/AHCI Ltd or Professional Consultants Certificates – maximum 65% LTV.</p> <p>Purpose built flats/maisonettes are acceptable (new builds not acceptable). Must be up to 60% LTV and leasehold.</p> <p>Flats/apartments more than 4 storeys – if above 4 storeys, they must be serviced by at least 1 lift. Flats above 6 storeys are not acceptable.</p>
Unacceptable Property	<p>HMOs, self-builds, properties held in Trust, present or former hotels/guest houses/B&B's, commercial properties (even if applicants intend to convert back to residential).</p> <p>Holiday homes.</p> <p>Prefabricated properties.</p> <p>Studio flats and ex-local authority flats/maisonettes.</p> <p>New build flats.</p> <p>Flats above commercial property.</p> <p>Any construction covered by Housing Defect Legislation such as high alumina cement, prefabricate reinforced concrete, large panel system, BISF.</p> <p>Any property where an EWS1 form for wall cladding is required.</p>

Tenure

Freehold	<p>Both freehold and leasehold are acceptable for houses.</p> <p>Freehold flats/maisonettes are not acceptable - leasehold only.</p> <p>Flying freeholds – refer.</p>
Leasehold	For leasehold, there must be a minimum of 85 years unexpired lease at the start of the mortgage and 55 years remaining at the end.

Service Agent Agreement

Service Agent Agreement	A Service Agent Agreement will need to be completed by your client before the expat mortgage is completed. This will confirm the name and address of somebody in the UK who will act as the Service Agent and who the Society can serve papers to should the borrower fall into arrears and possession proceedings need to commence.
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Reasons for Additional Borrowing

Acceptable Reasons

- Home improvements
- Debt consolidation (maximum £30,000)
- Purchase of an investment or second home

Please note evidence would need to be submitted to satisfy the above.

Case outside criteria? We'll always take a look...

Call 01282 440583* to talk to a member of our dedicated Intermediary Support Team

FOR INTERMEDIARY PROFESSIONALS ONLY

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*Calls will be recorded and may be monitored. Lines open 9:00- 5:00 Monday to Friday. FP192201-004