

# Product guide

## Buy to Let Second Charge Loans - available direct through Precise Mortgages

- ▶ **NEW** No assessment fee (when submitting direct)

### Product News

- ▶ Earned income can now be used to demonstrate affordability. This means your customer may now be able to borrow more with a Buy to Let Second Charge Loan than with a remortgage
- ▶ 5 year Fixed rates start from only 4.49%. Affordability is based on pay rate to help landlords maximise their borrowing

If you want to find out more, please speak to your sales representative or contact us direct using the contact information below



0333 240 6159 9am to 6pm, Mon to Fri



enquiries@precisemortgages.co.uk



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Correct as of: 20.03.2020

INTERMEDIARIES ONLY.

# 5 year Fixed rate products

Key criteria		
Acceptable adverse	Term	Applicant and other criteria
Defaults: 0 in 72 months	<b>Minimum:</b> 3 years	<b>Minimum age:</b> 25 years
CCJs: 0 in 72 months	<b>Maximum:</b> 35 years	<b>Maximum age:</b> 80 years at the date of application (maximum term of 35 years)
Missed mortgage/secured loan payments: 0 in 36 months		<b>Maximum number of applicants:</b> 2
Unsecured arrears: 0 in 36 months		<b>Repayment method:</b> Interest only or capital and interest

LTV	Minimum loan amount	Maximum loan amount	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate*	Product code
60%	£50,000	£200,000	5 year Fixed	4.49%	£995	3% years 1 and 2 2% years 3 and 4 1% year 5	BBR + 4.75%	4.49%	BTLA036
65%				4.79%				4.79%	BTLA037
70%				4.99%				4.99%	BTLA038
75%				5.49%				5.49%	BTLA039

*Assessment rate	
5 year+ Fixed rates	Pay rate. Additional underwriting maybe required. Refer to the Buy to Let Second Charge Loans criteria guide for information.

Rental calculation
The applicant's income tax band will determine the Interest Coverage Ratio (ICR) applicable to the application. Where there are joint applicants with different income tax bands, the higher tax band will apply. The monthly rent should cover the existing first mortgage repayment and the proposed second charge loan repayment by the amount of the ICR at the applicable assessment rate which can be confirmed by the Underwriter.

# Core buy to let second charge loan products



Key criteria			
Acceptable adverse	Term	Applicant and other criteria	
Defaults: 0 in 72 months	<b>Minimum:</b> 3 years	<b>Minimum age:</b>	25 years
CCJs: 0 in 72 months	<b>Maximum:</b> 35 years	<b>Maximum age:</b>	80 years at the date of application (maximum term of 35 years)
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Unsecured arrears: 0 in 36 months		<b>Repayment method:</b>	Interest only or capital and interest

LTV	Minimum loan amount	Maximum loan amount	Product type	Rate	Product fee	ERC	Reversion rate	Assessment rate*	Product code
65%	£10,000	£200,000	2 year Tracker	BBR + 4.25%	£1,495	3% year 1 2% year 2	BBR + 4.25%	6.35%	BTLA025
			2 year Fixed	5.50%	£995		BBR + 4.25%	7.50%	BTLA026
			2 year Fixed	6.00%	£495		BBR + 4.25%	8.00%	BTLA027
			3 year Fixed	5.75%	£995	3% year 1 2% years 2 and 3	BBR + 4.25%	7.75%	BTLA028
			5 year Fixed	6.00%	£495	3% years 1 and 2 2% years 3 and 4 1% year 5	BBR + 4.75%	6.00%	BTLA029
70%	£10,000	£200,000	2 year Fixed	6.00%	£995	3% year 1 2% year 2	BBR + 4.25%	8.00%	BTLA030
			3 year Fixed	6.25%	£995	3% year 1 2% years 2 and 3	BBR + 4.25%	8.25%	BTLA031
			5 year Fixed	6.50%	£495	3% years 1 and 2 2% years 3 and 4 1% year 5	BBR + 4.75%	6.50%	BTLA032
75%	£10,000	£100,000	2 year Fixed	6.50%	£995	3% year 1 2% year 2	BBR + 4.25%	8.50%	BTLA033
			3 year Fixed	6.75%	£995	3% year 1 2% years 2 and 3	BBR + 4.25%	8.75%	BTLA034
			5 year Fixed	7.00%	£495	3% years 1 and 2 2% years 3 and 4 1% year 5	BBR + 4.75%	7.00%	BTLA035

*Assessment rate	
Tracker rates	Higher of pay rate +2%, or reversion rate, at a minimum of 5.5%
Short term Fixed rates	Higher of pay rate +2%, or reversion rate, at a minimum of 5.5%
5 year+ Fixed rates	Pay rate

Rental calculation
The applicant's income tax band will determine the Interest Coverage Ratio (ICR) applicable to the application. Where there are joint applicants with different income tax bands, the higher tax band will apply. The monthly rent should cover the existing first mortgage repayment and the proposed second charge loan repayment by the amount of the ICR at the applicable assessment rate which can be confirmed by the Underwriter.

Loan criteria	
<b>Minimum Loan:</b>	£5,000
<b>Maximum Loan:</b>	£200,000 (Larger loans considered upon referral)
<b>Minimum Term:</b>	3 years (36 months)
<b>Maximum Term:</b>	35 years (420 months)
<b>Service Levels:</b>	Buy to let second charge loan applications must be on an advised or non-advised basis

Applicants	
<ul style="list-style-type: none"> <li>▶ All parties to the first charge mortgage must be party to this second charge mortgage</li> <li>▶ Maximum number of applicants is 2</li> <li>▶ The applicants should be a maximum of age 80 on application</li> </ul>	
<b>Acceptable income</b>	
<ul style="list-style-type: none"> <li>▶ Applicants must normally have been employed in their current job on a permanent basis and for a minimum of 3 months with 12 months continuous employment</li> <li>▶ No minimum income</li> <li>▶ Applicant must be registered for UK tax and their source of income must be within the UK</li> <li>▶ A self employed landlord must have a minimum trading period of 3 years</li> </ul>	

Property	
<ul style="list-style-type: none"> <li>▶ Minimum property value £50,000 or £150,000 in Greater London</li> <li>▶ No maximum property value</li> <li>▶ Property must have been owned and rented out by the applicant for a minimum of 6 months</li> <li>▶ All properties must be registered at Land Registry and mortgaged to a first charge mortgage lender acceptable to us</li> <li>▶ Leasehold properties must have 70 years plus remaining at the start of the application</li> <li>▶ Properties must be located in mainland England and Wales</li> <li>▶ The applicant's income tax band will determine the Interest Coverage Ratio (ICR) applicable to the application. Where there are joint applicants with different income tax bands, the higher tax band will be applicable. The monthly rent will need to cover by the amount of the ICR the existing first mortgage repayment and the proposed second charge loan repayment at the assessment rates which can be confirmed by the Underwriter.</li> </ul>	

Repayment type	
Capital & Interest or Interest Only.	

If you have any additional questions regarding our criteria, please can you contact our support team on 0800 116 4385.

Get in touch with our intermediary support team

0800 116 4385 9am to 6pm, Mon to Fri

secondchargeloans@precisemortgages.co.uk

0800 131 3180

precisemortgages.co.uk

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We can provide literature in large print, Braille and audio. Please ask us for this leaflet in an alternative format if you need it.

Bank of England Base Rate (BBR)	
Our Lifetime Tracker products and the interest rate payable at the end of any fixed rate period track Bank of England Base Rate (BBR). Interest rates that track the BBR will rise and fall in line with changes to BBR. The interest rate the customer pays will change immediately following a change to BBR.	
All of our BBR tracker products have a floor. This means that if BBR were to fall to 0.00% or less the rate payable will be 0.00% plus the agreed set percentage above BBR. This means that the rate payable will never go below 0.00% plus the additional percentage rate of the tracker product.	

Valuation fee scale			
We will look to use a desktop valuation in all cases. If we are unable to use a desktop valuation we will need to do a physical valuation and the corresponding fee will be payable.			
Valuation up to	Valuation fee	Valuation up to	Valuation fee
£50,000	£220	£500,000	£350
£100,000		£600,000	£490
£150,000		£700,000	£600
£200,000	£250	£800,000	£700
£250,000		£900,000	£775
£300,000	£275	£1,000,000	£850
£350,000		£1,000,000 +	Please contact our support team.
£400,000	£280		

The valuation fee is refundable if the valuation is not carried out.

Procurations fee	
We pay procurations fees to you or your chosen Club within 10 days.	
<b>Procurations fee:</b>	1.25%

Other fees	
Telegraphic transfer fee	£25
Redemption administration fee	£114
<ul style="list-style-type: none"> <li>▶ Please refer to 'Tariff of mortgage charges' document for full details. A downloadable version is available on the Precise Mortgages website under 'Document downloads'</li> <li>▶ All fees include VAT (where applicable)</li> </ul>	