

Find out how our bespoke ICRs could give your customer the loan size they want



Try our new online calculator at [precisemortgages.co.uk](https://www.precisemortgages.co.uk)

We've created some examples to show how our bespoke Interest Coverage Ratios (ICR) could help your customer get the loan size they want compared to a generic 145% ICR which is being adopted by some lenders. All figures quoted in this document are net (exclusive of any fees). The figures show the loan size you can achieve with a rental income of £850 per month. We have assumed a stress rate of 5.50%, with fees of 2% (Product fee) and £35 (Telegraphic Transfer fee). All figures are for indicative purposes only.

1 Individual's income falls across tax bands

SCENARIO

- ▶ Customer earns £40,000 (basic rate tax band).
- ▶ Rental income on house purchased is £850pcm which moves them into higher rate tax band.

Loan size available

Generic 145% ICR **£125,357**

Our bespoke ICR **£137,052**

CUSTOMER COULD BORROW £11,695 MORE WITH A PRECISE MORTGAGES BESPOKE ICR

2 Different tax bands - Joint applicants (Joint Tenants)

SCENARIO

- ▶ Customer 1 earns £50,000 (higher rate tax band) and Customer 2 earns £30,000 (basic rate tax band).
- ▶ Rental income of property jointly purchased is £850pcm.
- ▶ Rental income is attributed 50:50 through a Joint Tenants agreement.

Loan size available

Generic 145% ICR **£125,357**

Our bespoke ICR **£143,344**

CUSTOMER COULD BORROW £17,987 MORE WITH A PRECISE MORTGAGES BESPOKE ICR

3 Different tax bands - Joint applicants (Tenants in Common)

SCENARIO

- ▶ Customer 1 earns £150,000 (additional rate tax band) and Customer 2 earns £10,000 (basic rate tax band).
- ▶ Rental income on property jointly purchased is £850pcm.
- ▶ Rental income is attributed 60:40 in favour of Customer 2 through a Tenants in Common agreement.

Loan size available

Generic 145% ICR **£125,357**

Our bespoke ICR **£145,420**

CUSTOMER COULD BORROW £20,063 MORE WITH A PRECISE MORTGAGES BESPOKE ICR

The above examples are indicative illustrations of how a bespoke ICR could give your customer the loan size they want. The amount that can be borrowed will be subject to LTV limits and will vary depending on the product applied for. Any application will be subject to a full assessment being undertaken by our underwriters and the conveyancers acting for us will be asked to confirm if joint applicants ownership of the property is other than 50:50.

Please note that unless a bespoke ICR is created, calculations will be based on the higher of the tax bands for joint applicants. The above information is based on our current understanding of information released by HM Treasury. The way interest is taxed depends on an individual's circumstances and may change in the future. Your customer will need to obtain specialist tax advice.

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