A guide to our system changes

Buy to Let Mortgages
Summary of changes

In order to better align our portal screens with our overall Buy to Let proposition we have made some changes. We believe that these changes are intuitive and self-explanatory, but for those of you who want to know what’s changed this booklet provides that information.

1 Top Slicing

Instead of asking you whether you want to use top slicing at the start of the application, we provide you with product options at the end which clearly show whether top slicing is or isn’t required and you make your choice then.

2 Main income earners

Now that top slicing can be used for limited companies, we ask you to make sure that you key the first 2 applicants as the main income earners. This could help you to access a wider range of products (including 2 year fixed) and help you to maximise the available loan size.

3 Residential Mortgage

As an improvement we now collect details of the repayment type of your customer’s Residential mortgage. This enables us to more accurately calculate affordability which could help your customer achieve a higher loan size on the Buy to Let property.

4 Portfolio Details

In order to help progress your case more quickly and to help you provide portfolio information more efficiently we have improved the collection of details of the customer’s existing portfolio.

5 Decision Results

The decision result page has been changed slightly to help clarify the options available for your customer. The product grid continues to clearly show which products and loan sizes are available using rental income from the subject property only and/or top slicing.

Reminder: Do not copy to new DIP

As with any change to our portal, we ask that you do not attempt to copy to new DIP using information that was input prior to the portal change (2 May 2019) as this will create an error message.
Top Slicing

Instead of asking you whether you want to use top slicing at the start of the application, we provide you with product options at the end which clearly show whether top slicing is or isn’t required and you make your choice then.

We have removed the question that asks if you want to use top slicing. This does not mean that you will have to use top slicing, or that you will now need to provide any additional information, it simply means that we will present you with product and loan amount options for both rental income and top slicing later in the process.

Of course, you will then have the choice of which option to choose.

Main income earners

Now that top slicing can be used for Limited Companies, we ask you to make sure that you key the first 2 applicants as the main income earners.

If you do choose to use top slicing, completing this section correctly could help you to access a wider range of products (including 2 year fixed) and help you to maximise the available loan size.
As an improvement we now collect more details about the customer’s current residential mortgage, including the repayment type. This enables us to more accurately calculate affordability which could help your customer achieve a higher loan size on the Buy to Let property.

If the customer’s current residential mortgage is Part & Part with different interest rates, only the Interest Only part should be added to the mortgage details. The rest of the loan should be entered in the ‘Mortgage & Secured Loan History’.
4 Portfolio

In order to help progress your case more quickly and to help you provide portfolio information more efficiently we have improved the collection of details of the customer’s existing portfolio.

The information that we request captures the share of the portfolio that each customer is responsible for.

To help with this we have created guidance within our portal to allow you to complete this section, click here to download a copy.

What hasn’t changed?

Our portfolio lending process hasn’t changed and we still only require two simple forms to complete the assessment. Remember we will add these details to the application for you, saving you valuable time.

Remember: top slicing is now available on portfolios. This allows portfolio landlords to use surplus rental income from their portfolio to demonstrate that the customer could meet any financial stresses on their new property application, rather than through the rental income of that property alone.
Our system changes will give your customer more options and wider access to our product range.

The decision engine will return a list of the ‘Available Products’ and identify the products and maximum loan size that can be achieved based on Rental Income Only or Top Slicing.

If our assessment means that the loan is achievable using the property rental income alone you will be presented with ‘Option 1’ and you simply need to select a product for your customer. The application will be underwritten using rental income only.

Our assessment may result in the loan amount being achieved on some products using top slicing and on others using rental income alone. Here you will be given a summary of the options and products available.

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Remember: if top slicing is being used we will initially look to use surplus income from the portfolio to demonstrate that the customer could meet any financial stresses on their new property application. Only if this is not sufficient would we look to validate a customer’s surplus earned income to support the loan.
If we are unable to offer the loan amount requested, the decision screen will display the maximum loan amount available using top slicing or using rental income only.

<table>
<thead>
<tr>
<th>Option 1 - Maximum loan available using top slicing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decision</strong></td>
</tr>
<tr>
<td>Option 1: Proceed with Top Slicing, ... enter max loan amount below</td>
</tr>
<tr>
<td>Maximum loan amount to: £134,300</td>
</tr>
</tbody>
</table>

We will calculate using BTL, portfolio and/or personal income to support the loan where there is a shortfall in rent.

<table>
<thead>
<tr>
<th>Option 2 - Maximum loan available using rental income only</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decision</strong></td>
</tr>
<tr>
<td>Option 2: Proceed with Rental Income, only – enter max loan amount below</td>
</tr>
<tr>
<td>Maximum loan amount to: £115,905</td>
</tr>
</tbody>
</table>

We carry out extra underwriting checks when assessing your full application. For details please visit here.

The loan amount requested can be changed here to match the best option for your customer and the available products will then be shown.