

# Mortgages | Rent to Mortgage Calculations

Take a look at the buy to let rent to mortgage calculations for lenders on our mortgage panel.

Lender	Lending Areas	Rent to Mortgage Calculations	Is overall affordability also taken into account?
Accord Mortgages	ENG & WALES	<p><b>Freehold or leasehold</b>  <b>Remortgage with no additional borrowing</b>            125% @ 5.5%</p> <p><b>Freehold</b>  <b>Remortgage with capital raising/Purchase</b>            135% @ 5.5%</p> <p><b>Leasehold</b>  <b>Remortgage with capital raising/Purchase</b>            145% @ 5.5%</p> <p><b>5 year fixed rate</b>            135% @ 5%</p>	Underwriters will also assess the case overall on reasonability and indebtedness.
Al Rayan Bank	ENG, WALES, SCOT	145% IO @ 6.24%	
Aldermore Mortgages	ENG, WALES, SCOT	<p><b>Basic rate taxpayer -</b>            125% IO calculation</p> <p><b>Higher rate taxpayer -</b>            145% IO calculation            Payrate + 2% or 5.5% whichever is higher            OR            Payrate or reversion rate + 0.75% whichever is higher for            5 yr fixed rates            (Use a 120% calculation if surplus earned income is            being used)</p>	Yes background affordability will also be taken into account

# Mortgages | Rent to Mortgage Calculations

Take a look at the buy to let rent to mortgage calculations for lenders on our mortgage panel.

Lender	Lending Areas	Rent to Mortgage Calculations	Is overall affordability also taken into account?
Barclays	ENG, WALES ,SCOT, NI	The separate rental coverage has been removed as the below affordability test includes rental coverage @ 5.5%	Yes, the BTL Affordability calculator has to be completed for each application to assess personal affordability across all mortgages.
Bath Building Society	ENG, WALES	For a basic rate tax payer 125% @ pay rate +2% or 5.5% whichever is higher For a higher rate tax payer 145% @ pay rate +2 or 5.5% whichever is higher <b>A like for like remortgage where no additional borrowing is taking place use 125% of pay Rate regardless of taxable income.</b> <b>Holiday lets- 130@ payrate</b>	Apply income multiples to any outstanding residential mortgage and commitments in the background.
BM Solutions	ENG, WALES, SCOT, NI	<b>Starting at 125% IO @ pay rate or 5.5% whichever is higher for basic rate taxpayers.</b> <b>Starting at 125% IO @ 5.25% for 5 year fixed rates.</b> <i>For higher and additional rate tax payers, the calculation is based on 125% rental cover plus their additional tax liability will be taken into consideration - refer to the rental calculator on website.</i> <b>Look at received income pm against res'l mortgage &amp; unsecured commitments</b>	Underwriters will look at income received per month against residential mortgage and unsecured commitments.
Bluestone	ENG & WALES	100% affordability including 50% of gross rent added as income	

# Mortgages | Rent to Mortgage Calculations

Take a look at the buy to let rent to mortgage calculations for lenders on our mortgage panel.

Lender	Lending Areas	Rent to Mortgage Calculations	Is overall affordability also taken into account?
Buckinghamshire	ENG & WALES	Limited Company and individual BTL's  BRT 125% @ pay rate + 2% or 5.5% whichever is higher  HRT 134% @ pay rate +2% or 5.5% whichever is higher	Yes, for consumer BTLs - ie clients who are homeowners but FTLs & becoming owner of property that they or their family members have lived in.
Cambridge Building Society	Property and adviser must be in Cambs, Norfolk, Suffolk, Essex, Herts, Bucks, Beds or Northants areas	140% IO @ 5.50% For like for like remortgages where no additional funds are being requested the calculation is 125% IO @ 5.50%.	No
Coventry for Intermediaries	ENG, WALES, SCOT	125% @ 5.5% if income of all applicants is less than £42,500  145% @ 5.5% if any applicant is earning £42,500 or more  <b>4.5% for a 5 yr fixed product at any LTV</b> <b>Like for like remortgage use 5%</b>	The case will also be subject to a background affordability assessment.
Darlington	ENG & WALES	130% IO @ payrate + 1%	No

# Mortgages | Rent to Mortgage Calculations

Take a look at the buy to let rent to mortgage calculations for lenders on our mortgage panel.

Lender	Lending Areas	Rent to Mortgage Calculations	Is overall affordability also taken into account?
Family Building Society	ENG, WALES	<p><b><u>Applications with no capital raising -</u></b> Up to 65% LTV -130% IO @ 5.29% Between 65% to 70% LTV – 135% @ 5.29%</p> <p><b><u>Applications with capital raising</u></b></p> <p>145% @ 5.5%</p>	No
Foundation Home Loans	ENG, WALES	<p>Individuals 145% IO @ 5.5% or pay rate whichever is higher LTD Co 125%IO @ 5.5% or pay rate whichever is higher</p> <p>Use payrate for 5 year fixed</p> <p>Pay rates are exactly the same for individual and LTD co. Individuals</p>	
Furness Building Society	ENG, WALES, SCOT	<p>Overall affordability is used to assess each case using the online calculator. Rent must also be at least 125% IO @ payrate in the background.</p> <p>Holiday Lets - as above</p>	There is a full affordability assessment in addition to rental calculations.

# Mortgages | Rent to Mortgage Calculations

Take a look at the buy to let rent to mortgage calculations for lenders on our mortgage panel.

Lender	Lending Areas	Rent to Mortgage Calculations	Is overall affordability also taken into account?
Hanley Building Society	ENG, WALES	145% IO @ 5.5% or payrate plus 2% if higher	Yes
Hinckley and Rugby Building Society	ENG, WALES	145% @ 5.5% on repayment method chosen OR 145% @ payrate for 5 year fixed rates	Yes
Interbay	ENG, WALES	Min stress rate is 5.5% OR payrate + 1.55%, whichever is higher. Use payrate if 5 year fixed product. <b>For a RM with no additional borrowing</b> - use payrate + 1.05% <b>Standard property</b> <b>Non portfolio owner (owns less than 4 BTLs)</b> - 140% calc <b>Portfolio owner (owns 4 or more BTLs)</b> - 155% calc	
Kensington	ENG, WALES	145% IO @ 5.50%	No
Kent Reliance	ENG, WALES	Min stress rate is 5.5% OR pay rate + 1.55%, whichever is higher. Use pay rate if <b>5 year fixed product</b> . For a RM with no additional borrowing - use pay rate + 1.05% <b>Standard property</b> Non portfolio owner (owns less than 4 BTLs) - 140% calculation Portfolio owner (owns 4 or more BTLs) - 155% calculations <b>Limited company- Standard property</b> - use 125% rental calculations Property of 6 rooms or more - use 145% calculation <b>HMO - Ltd Co</b> - use 145% calculation <b>Non portfolio</b> - 165% calculation <b>Portfolio</b> - 180% calculation	

# Mortgages | Rent to Mortgage Calculations

Take a look at the buy to let rent to mortgage calculations for lenders on our mortgage panel.

Lender	Lending Areas	Rent to Mortgage Calculations	Is overall affordability also taken into account?
<b>Keystone</b>	ENG, WALES	<p>Individuals - 145% @ 5.5% or at payrate for 5 year products</p> <p>Basic rate tax payers 125% @ 5.5% but only on products less than 5 years</p> <p>Ltd Co. - 125% @ 5.5% or at payrate for 5 year products for any rate taxpayer</p>	
<b>Landbay</b>	ENG, WALES	<p>140% for individuals and 125% for Ltd Companies. Stress rate is 5.5% on 2 and 3 year products</p> <p>Use payrate if 5 year fixed product.</p>	
<b>Leeds Building Society</b>	ENG, WALES, SCOT, NI	<p>140% IO @ 5.50% for applications if they are capital raising</p> <p>Applications with no capital raising – 140% IO @ 5%</p> <p><b>Holiday Lets – 140% @ 5.5%</b></p>	Underwriters will look at overall indebtedness to ensure that the BTLs are affordable.
<b>Leek United</b>	ENG, WALES	<p>140% IO @ 5.5%</p> <p><b>Remortgages with no additional borrowing</b></p> <p><b>125% IO at 5.5%</b></p>	
<b>Magellan</b>	ENG, WALES	<p><b>BRT - use 125% calc.</b></p> <p><b>HRT - use - 140% calc</b>    <b>Ltd Co- use 125% HMO</b>, multi units and shared houses add 5% to above calculations</p> <p>Trackers &amp; fixed rates less than 5 years are stressed at the higher of payrate + 2%, reversion rate or 5.5% (<b>5 yr fixed rate use payrate for less than 60% LTV; 4% between 60 &amp; 70% LTV and 4.5% if over 70% LTV</b>)</p>	

# Mortgages | Rent to Mortgage Calculations

Take a look at the buy to let rent to mortgage calculations for lenders on our mortgage panel.

Lender	Lending Areas	Rent to Mortgage Calculations	Is overall affordability also taken into account?
Mansfield Building Society	ENG, WALES	125% @ 5.5% or payrate + 2% whichever is higher for BRT; 145% @ 5.5% or payrate + 2% whichever is higher for HRT; 135% @ 5% or payrate + 2% whichever is higher for 5 years or more products; <i>For Leasehold properties</i> - 145% calculation for HPs or a capital raising RM for products of less than 5yrs	No, as long as case looks feasible
Marsden Building Society	ENG & WALES	145% IO @ 6% or product rate + 2%, whichever is higher	No
Melton Building Society	ENG, WALES	145% IO @ 5.5%. <b>145% @ 4% for a 5yr fixed rate</b> Holiday Lets – 130% @ 5.5% <b>£ for £ remortgage use 130% @ 5.5% however this is a discounted product for the term of the mortgage</b>	No
Metro Bank	ENG, WALES	140% IO @ 5.5% or pay rate plus 2% if higher <b>140% @ 5% for a 5 year fixed rate</b>	Yes
NatWest	ENG, WALES, SCOT	135% @ 5.5% - Also need details of personal income, any other financial commitments or expenditure, plus current & expected rental income  Min 100% rental coverage ratio for customers whose total personal income is £75k+ for first applicant Basic Rate Tax relief will be applied for BTL property finance costs when assessing affordability.	Customers will also have to meet 4.99% x income affordability per individual property

# Mortgages | Rent to Mortgage Calculations

Take a look at the buy to let rent to mortgage calculations for lenders on our mortgage panel.

Lender	Lending Areas	Rent to Mortgage Calculations	Is overall affordability also taken into account?
Newbury Building Society	Specific Heartlands area only for BTLs	135% @ 5.75 % on repayment method chosen	Customers also need to meet overall affordability
Newcastle Building Society	ENG, WALES, SCOT	145% IO @ 5.50% on repayment method chosen <b>5yr+ fixed rates</b> 145% @ 4%	No
Nottingham	ENG, WALES	160% IO @ 4.25% If a new purchase or RM with capital raising - only a product with a 5 year term is available.  For RMs with no capital raising the same calculation applies but customers can have any product	No
Paragon	ENG, Wales & SCOT	<b>Basic rate tax payer</b> - single self-contained pptys 125% @ 5.5% or payrate + 2% if higher HMO/Multi unit 130% @ or payrate+ 2% if higher <b>Higher Rate tax Payer</b> – single self-contained pptys 140% @ 5.5% or payrate + 2% if higher HMO/Multi unit 145% @ or payrate + 2% if higher	No
Paragon ( non-portfolio)	ENG, Wales & SCOT	<b>Basic rate tax payer</b> - single self-contained properties 125% @ 5.5% or pay rate + 2% if higher <b>Higher Rate tax Payer – single self-contained</b> properties 140% @ 5.5% or pay rate + 2% if higher 5 year fixed rate – @ payrate or 4%, whichever is higher	
Pepper Home Loans	ENG, WALES	1 x 2yr fixed rate product - 140% @ 5.5%  5 yr fixed rates - 140% @ payrate.  All other products - 140% @ payrate + 2%  All on repayment method chosen.	No background affordability

# Mortgages | Rent to Mortgage Calculations

Take a look at the buy to let rent to mortgage calculations for lenders on our mortgage panel

Lender	Lending Areas	Rent to Mortgage Calculations	Is overall affordability also taken into account?
Platform Mortgages	ENG, WALES, SCOT	<p><b>Basic rate taxpayers</b> - use a 128% IO calc  <b>Higher rate taxpayers</b> - use a 145% IO calc                      @ 5.5% nominal rate</p> <p>If £ for £ remortgage <b>use 128% IO @ 5.5% for all clients</b></p>	An overall sense check is made, such as Debt to Income Ratio for unsecured debt and for the whole portfolio of properties
Precise Mortgages	ENG, WALES, SCOT	<p><b>Tax Bands</b>  <b>Basic rate</b> -125%  <b>Higher rate</b>- 145%  <b>Additional rate</b>- 160%  <b>Limited company</b>-125%  <b>Bespoke ICR*</b> -125% to 160%</p> <p><b>Tracker products</b>                      Pay rate + 2% or revert rate if higher (min 5.5%)</p> <p><b>Short term fixed rates</b>                      Pay rate +2% or revert rate if higher (min 5.5%)</p> <p><b>5yr+ fixed rates</b> - use payrate. Add'l u/writing checks may be required</p>	Each case is considered for affordability
Principality Building Society	ENG, WALES	<p>145% IO @ 5.5%                      Holiday Lets – same calculation as above and use an average of low, mid &amp; high season rent.</p>	No, but a sense check is made Eg if client is retired and has many background BTLs then they may not lend to them
Saffron for Intermediaries	ENG, WALES	<p>140% IO @ payrate + 2%</p> <p>125% IO @ payrate for RM with no capital raising</p> <p>Ex pat BTL &amp; Light Refurb BTL - will use 140% IO @ payrate for 5 yr fixed rates</p>	Each case is looked at on an individual basis

# Mortgages | Rent to Mortgage Calculations

Take a look at the buy to let rent to mortgage calculations for lenders on our mortgage panel.

Lender	Lending Areas	Rent to Mortgage Calculations	Is overall affordability also taken into account?
Santander for Intermediaries	ENG, WALES, SCOT, NI	<p>Basic rate taxpayers (20% or less) - use a 130% IO calc Higher rate taxpayers (40%-45%) - use a 145% IO calc</p> <p>@ 5.5 % &lt; 5 year fixed rates @ 4.5% for 5 year fixed rates*</p> <p><b>If £ for £ remortgage use 125% IO for all clients</b></p> <p>@ 5 % &lt; 5 year fixed rates @ 4.5% for 5 year fixed rates*</p> <p><b>*Porting applications don't qualify for the 4.50% affordability rate so 5.50% applies.</b> Rent also needs to cover the monthly running costs including items like voids, ground rent &amp; service charges</p>	Yes
Skipton Intermediaries	ENG, WALES, SCOT	<p><b>BRT</b> - use a 125% IO calc <b>HRT</b> - use a 145% IO calc @ 5.5%</p> <p><b>Or @ 5% for fixed rates of 5 yrs +</b> Collective rental income for all BTLs owned by customers must meet this calculation.</p>	Yes, max 10 x annual income across the BTL portfolio

# Mortgages | Rent to Mortgage Calculations

Take a look at the buy to let rent to mortgage calculations for lenders on our mortgage panel.

Lender	Lending Areas	Rent to Mortgage Calculations	Is overall affordability also taken into account?
The Mortgage works	ENG, WALES, SCOT	<p>125% calc for zero or basic rate taxpayers. + those with max 3 pptys in portfolio. 145% calculation for all others @ - 5.50% or pay rate + 2% if higher; 4.5% for 5 yrs+ fix rate up to 75%</p> <p><b>£ for £ remortgage</b> - use 4.99%</p> <p><b>10 yr fixed rate use 4% or pay rate plus 0.75% up to 65%</b> <b>5.99% if overall lending with lender is 1m +</b></p> <p><b>Nb if the rental income on the new application takes the client into the higher rate tax bracket then the HRT calculation is used.</b></p>	
The Mortgage Lender	ENG, WALES & SCOT	125% @ 5.5% or pay rate on 5 year fixed rate OR 140% @ 5.5% or pay rate on a 5 year fixed rate.	No
Tipton and Coseley Building Society	ENG & WALES	<p><b>FTL</b> <b>BRT</b>- 140% @ 5.5% on repayment method chosen. <b>HRT</b> -145% @ 5.5% on repayment method chosen <b>Experienced landlords</b> BRT - use 125% HRT- use 130%</p> <p><i>5 year fixed rate Use payrate</i></p>	No
TSB for Intermediaries	ENG, WALES, SCOT	145% @ 5.5%	Yes

# Mortgages | Rent to Mortgage Calculations

Take a look at the buy to let rent to mortgage calculations for lenders on our mortgage panel.

Lender	Lending Areas	Rent to Mortgage Calculations	Is overall affordability also taken into account?
Vernon	ENG, WALES	130% @ 6.2%	Yes
Vida Homeloans	ENG, WALES	<p><b>Basic rate tax payers &amp; Ltd Co's</b> - 125% @ pay rate or 5.5% whichever is higher.</p> <p><b>Higher rate tax payers</b> - 140% @ pay rate or 5.5% whichever is higher.</p> <p><b>5yr+ fixed rates</b> - use payrate.</p> <p><b>£ for £ remortgage</b> - use 5% notional rate.</p>	Yes for FTB
Virgin Money	ENG, WALES, SCOT, NI	<p>145% IO @ stress rate of 5.5%</p> <p>Fixed rate of 5yrs or more - 145% IO 5%</p> <p><b>If £ for £ remortgage use 125% IO @ 5.5%</b></p>	Will look at outstanding balances on credit cards & loans in the background for Debt to Income Ratio

Information correct as at 21/01/2019

The rent to mortgage calculations are listed for reference only. Please ensure that you check with the relevant lender prior to the submission of an application.  
Contact pms@ For more information on Buy to Let, contact your dedicated Mortgage Helpdesk at 0345 230 8000