

# Aldermore

15 May 2024

## Buy to let mortgages guide for intermediaries

FOR INTERMEDIARY USE ONLY



# Buy to let for individuals and companies

Single residential investment properties

Purpose		Purchase and remortgage		
Maximum loan size		£1m		Affordability stress rate
Maximum LTV		75%		
2 year fixed	Initial rate	5.29%		7.29%
	Product fee	3.00%		
2 year fixed for properties that have an EPC rating of A, B or C	Initial rate	5.19%		7.19%
	Product fee	3.00%		
2 year discount off AMR <sup>^</sup> with switch to fix option*	Initial rate	6.48% (AMR- 3.25%)		8.48%
	Product fee	£1,999		
5 year fixed	Initial rate	6.19%		6.19%
	Product fee	£0		
	Initial rate	5.89%		5.89%
	Product fee	1.50%		
	Initial rate	5.19%		5.19%
	Product fee	5.00%		
Initial rate	4.79%		4.79%	
Product fee	7.00%			
Reversion rate		9.73% (AMR+ 0.00%)		

Incentives	Free valuation	Free legals fees (Individuals)	Assisted legal fees (companies)	Aldermore Managed Rate (AMR) <sup>^</sup>	9.73%
				Procuration fee	0.60%
Purchase products	✓	✗	✗	*The AMR is a variable rate set by Aldermore. *2 year discount product allows a post completion switch to a fixed rate available from our existing customer range without incurring an early repayment charge. A procuracy fee will not be paid for the subsequent early switch onto a fixed rate product, unless the request is made within the standard switch window, i.e. 17 weeks prior to maturity.	
Remortgage products	✓	✓	✓		
Submission route	Individuals	Residential portal login			
	Companies	Specialist buy to let portal login			

## Buy to let for HMO and multi unit freehold properties

Individuals and companies – up to 6 bedrooms for HMO and up to 6 units for multi unit freehold

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Purpose		Purchase and remortgage	
Maximum loan size		£1m	Affordability stress rate
Maximum LTV		75%	
2 year fixed	Initial rate	5.79%	7.79%
	Product fee	3.00%	
2 year discount off AMR <sup>^</sup> with switch to fix option*	Initial rate	6.98% (AMR- 2.75%)	8.98%
	Product fee	£1,999	
5 year fixed	Initial rate	6.69%	6.69%
	Product fee	£0	
	Initial rate	6.39%	6.39%
	Product fee	1.50%	
	Initial rate	5.69%	5.69%
	Product fee	5.00%	
Initial rate	5.29%	5.29%	
Product fee	7.00%		
Reversion rate		9.73% (AMR+ 0.00%)	

Incentives	Free legal fees (individuals) ~	Assisted legal fees (companies)	Aldermore Managed Rate (AMR) <sup>^</sup>	9.73%
			Procuration fee	0.60%
Purchase products	X	X	<sup>^</sup> The AMR is a variable rate set by Aldermore. *2 year discount product allows a post completion switch to a fixed rate available from our existing customer range without incurring an early repayment charge.	
Remortgage products	✓	✓		
Valuation fees (purchase and remortgage)	Valuation fees apply - refer to the valuation fee scale		A procuracy fee will not be paid for the subsequent early switch onto a fixed rate product, unless the request is made within the standard switch window, i.e. 17 weeks prior to maturity. ~Additional legal fees will apply for HMO licence checks	
Submission route	Specialist buy to let portal login			

## Buy to let multi property portfolio range

Available to new or existing customers submitting two or more properties at the same time on one application

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Submitting Multi Property buy to let portfolios on one application is ideal for landlords who want the convenience of managing their portfolio on one mortgage account:

- One application for up to 30 properties can be keyed online via the Specialist buy to let portal
- One review date on product rate maturity
- One affordability stress test across the portfolio
- One account number and annual statement
- One monthly payment and Direct Debit collection

### Application information

- All property completion dates need to be aligned for the same day
- Properties can be released from the portfolio subject to any applicable early repayment charges, although the portfolio will require re-weighting to ensure the original loan to value, interest cover ratio, and any loan covenants continue to be met (please note properties cannot be added or substituted following completion)
- Multi property applications cannot mix purchase and remortgage transactions on one account

# Buy to let multi property

Individuals and companies with residential investment property portfolios

Purpose		Purchase and remortgage		
Maximum portfolio size		£5m - £10m**	Up to £5m	Affordability stress rate
Maximum LTV		65%	75%	
2 year fixed	Initial rate	5.19%		7.19%
	Product fee	3.00%		
2 year discount off AMR^ with switch to fix option*	Initial rate	6.48% (AMR- 3.25%)		8.48%
	Product fee	£1,999		
5 year fixed	Initial rate	6.09%		6.09%
	Product fee	£0		
	Initial rate	5.79%		5.79%
	Product fee	1.50%		
	Initial rate	5.09%		5.09%
	Product fee	5.00%		
Initial rate	4.69%		4.69%	
Product fee	7.00%			
Reversion rate		9.73% (AMR+ 0.00%)		

Incentives (up to £5m portfolio size)~	Free valuation	Free legal fees (individuals)	Assisted legal fees (companies)	Aldermore Managed Rate (AMR)^	9.73%
				Procuration fee	0.60%
Purchase products	✓	X	X	^The AMR is a variable rate set by Aldermore.	
Remortgage products	✓	✓	✓	*2 year discount product allows a post completion switch to a fixed rate available from our existing customer range without incurring an early repayment charge.	
Submission route	Specialist buy to let portal login			A procuracy fee will not be paid for the subsequent early switch onto a fixed rate product, unless the request is made within the standard switch window, i.e. 17 weeks prior to maturity.	
				**Where the total Aldermore lending exceeds £5m, the maximum lending on any new borrowing will be considered on a case-by-case basis. Please get in touch with your Relationship Manager to discuss your borrowing requirements.	
				~For portfolios over £5m, legal fees will apply and conveyancing costs will need to be covered by the applicant.	

## Buy to let multi property

Individuals and companies – up to 6 bedrooms for HMO and up to 6 units for multi unit freehold (portfolios)

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Purpose		Purchase and remortgage	
Maximum portfolio size		£5m	Affordability stress rate
Maximum LTV		75%	
2 year fixed	Initial rate	5.69%	7.69%
	Product fee	3.00%	
2 year discount off AMR^ with switch to fix option*	Initial rate	6.98% (AMR- 2.75%)	8.98%
	Product fee	£1,999	
5 year fixed	Initial rate	6.59%	6.59%
	Product fee	£0	
	Initial rate	6.29%	6.29%
	Product fee	1.50%	
	Initial rate	5.59%	5.59%
	Product fee	5.00%	
Initial rate	5.19%	5.19%	
Product fee	7.00%		
Reversion rate		9.73% (AMR+ 0.00%)	

Incentives	Free legal fees (individuals) ~	Assisted legal fees (companies)	Aldermore Managed Rate (AMR)^	9.73%
			Procuration fee	0.60%
Purchase products	X	X	^The AMR is a variable rate set by Aldermore. *2 year discount product allows a post completion switch to a fixed rate available from our existing customer range without incurring an early repayment charge.	
Remortgage products	✓	✓		
Valuation fees (purchase and remortgage)	Valuation fees apply - refer to the valuation fee scale		A procuracy fee will not be paid for the subsequent early switch onto a fixed rate product, unless the request is made within the standard switch window, i.e. 17 weeks prior to maturity. ~Additional legal fees will apply for HMO licence checks	
Submission route	Specialist buy to let portal login			

# Valuation fees, early repayment charges and conveyancing

Property value	HMO up to 6 bedrooms and multi unit freeholds up to 6 units
Up to £100,000	£370
£100,001 - £200,000	£415
£200,001 - £300,000	£525
£300,001 - £400,000	£625
£400,001 - £500,000	£695
£500,001 - £600,000	£740
£600,001 - £700,000	£810
£700,001 - £800,000	£890
£800,001 - £900,000	£960
£900,001 - £1,00,000	£1,005
£1,000,001 - plus	Available on request

Re-inspection	Available on request
Valuation fees	Valuation fees cover the cost of a standard mortgage valuation and include VAT. Where a more detailed report is required (such as a Homebuyers Report or Structural Survey), the valuer will collect the additional fee direct from the applicant. The valuation fee is not refundable once the valuation has been carried out. The valuation report will be for the benefit of Aldermore, although a copy will be provided with the mortgage offer. Aldermore will enter into commercial agreements for the provision of valuation reports, where the fee payable by Aldermore to the valuer will be lower than the applicant fee quoted above.

Product early repayment charges	Year 1	Year 2	Year 3	Year 4	Year 5
2 year discount	2.50%	2.00%			
2 year fixed	2.50%	2.00%			
5 year fixed	4.50%	4.00%	3.50%	3.00%	2.50%

Overpayments of up to 10% of the outstanding mortgage balance can be made each year without incurring an early repayment charge.

Conveyancing options	For individual landlords applying through our residential portal, please refer to our <a href="#">residential legal fee scale document</a>
	For company landlords, multi property portfolios, HMO, multi unit freehold and individual landlords applying through the specialist buy to let portal refer to the <a href="#">conveyancing guide</a>

# Affordability criteria

Income and affordability									
<b>Personal income</b>	Evidence of personal income is not routinely requested if the rental income alone is sufficient to meet the higher income cover ratio (ICR) based on the high rate tax thresholds. (Excluding first time landlords).								
<b>Affordability</b>	Aldermore uses an affordability calculation to assess the maximum available loan using the income and expenditure for the applicant(s). <b>Please refer to our online affordability calculator</b>								
<b>General requirements</b>	Minimum Interest Cover Ratio (ICR) affordability is based on: (i) Gross rental income; or (ii) Gross rental income to the lower cover limits, plus surplus personal income to top up to the higher limits								
<b>Minimum income</b>	£25,000 for first time landlords None for experienced landlords, although they are required to demonstrate they have sufficient income to cover their existing expenditure								
<b>Single residential investment property –including multi unit freehold</b>	<b>Applicant type</b>	<b>Minimum ICR</b>	<b>Use of surplus personal income</b>		<b>Stress rates</b>				
					<b>Subject property(s)</b>	<b>Background portfolio</b>			
	<b>Individual</b> – higher or additional rate tax payer	145%	Minimum ICR using surplus personal income to meet shortfall is:	120%	Fixed rate products less than 5 years and discounted rate products – Higher of (i) pay rate + 2% or (ii) 5.5%	5+ year fixed rate products – Higher of (i) pay rate or (ii) 4.0%	5.8%		
	<b>Company or individual</b> – basic rate tax payer*	125%		110%					
<b>Houses in multiple occupation (HMO)</b>	<b>Applicant type</b>	<b>Minimum ICR</b>	<b>Use of surplus personal income</b>						
	<b>Individual</b> – higher or additional rate tax payer	160%	Minimum ICR using surplus personal income to meet shortfall is:	135%					
	<b>Company or individual</b> – basic rate tax payer*	140%		125%					
* To be accepted as a basic rate tax payer the applicant's total income (including all gross earned income, total gross monthly rental income, dividends and investment income) must not exceed £50,270 (£43,662 in Scotland)									
<b>Loans on capital repayment</b>	Must meet interest only ICR requirements as well as the rental income alone being at least 100% of the stressed mortgage payment								



## Useful links

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### Contact us

**Existing business submitted  
through our residential portal**

[mortgage.newbusiness@aldermore.co.uk](mailto:mortgage.newbusiness@aldermore.co.uk)

**Existing buy to let business submitted  
through our specialist buy to let portal**

[buytolet@aldermore.co.uk](mailto:buytolet@aldermore.co.uk)

**New business enquiry**

[mortgage.sales@aldermore.co.uk](mailto:mortgage.sales@aldermore.co.uk)

**Product switch**

[product.switch@aldermore.co.uk](mailto:product.switch@aldermore.co.uk)

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