Buy to Let Product Guide

31st May 2023

For limited company, individual, portfolio and non-portfolio landlords.

- **New** F1 2 year fixed products up to 80% LTV from 7.14%
- **New** F1 5 year product to 80% LTV at 7.24%

Foundation Home Loans

For intermediary use only.
BBR is set at 4.50% as of the 11th May 2023.

Products at a glance

Foundation Home Loans

Quick Overview

F1 Product Range – For clients with an almost clean credit history
F2 Product Range – For clients financing a more specialist property type and/or those with some historical blips on their credit rating
F3 Product Range – For clients with more recent blips on their credit rating

APPLICANT TYPE	F1 product	F2 product	F3 product
Individual	✔	✔	✔
Portfolio landlord	✔	✔	✔
First time landlord	✔	✔ (standard property only)	✘
PROPERTY TYPE			
Standard buy to let	✔	✔	✔
HMO	✘	✔ (HMO specific products only)	✘
MUB	✘	✔ (MUB specific products only)	✘
Short term let	✘	✔ (STL specific products only)	✘

CREDIT CRITERIA	F1	F2	F3
All defaults and CCJs/Court Decree must be satisfied irrespective of when they occured	No defaults or CCJs/Court Decree registered in the last 72 months, regardless of whether they have been satisfied.	No defaults or CCJs/Court Decree registered in the last 24 months, regardless of whether they have been satisfied.	A maximum of one satisfied CCJ/Court Decree or default up to the value of £2,000 registered within the last 24 months with 0 registered in the last 12 months.
Secured loans	A worst status of 0 in the last 72 months.	A worst status of 0 in the last 24 months.	A worst status of 1 in the last 24 months with 0 in the last 6 months.
Unsecured arrears	A worst status of 0 in the last 72 months.	A worst status of 2 in the last 24 months with a status of 0 in the last 12 months.	A worst status of 2 in the last 24 months. Must be up to date at the time of application.
Credit Cards, Mail Order, Comms and Utilities	A worst status of 2 in the last 24 months. Up to date on application.	A worst status of 3 in the last 24 months. Up to date on application.	A worst status of 4 in the last 24 months. Up to date on application.
Bankruptcy/Sequestration/ IVA/CVA/Admin Order	None registered.		

Buy to Let Product Range | For purchase and remortgage

Foundation Home Loans

F1 Products

For portfolio & non-portfolio landlords with an almost clean credit history

F1	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
2 Year Fixed	7.14% 7.44%	75% 80%	£1,995	£1.5m £750k	Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%. And both stress tested as per table below.	3%, 2%
2 Year Discounted Variable	7.04% (reversion -2.45%)	75%	1.50%	£1.5m	Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%. And both stress tested as per table below.	None
5 Year Fixed	6.79% 6.84% 7.24%	65% 75% 80%	£1,995	£2m £1.5m £750k	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%
5 Year Fixed Early Remortgage	6.84%	75%	1.75%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%
5 Year Fixed ERC3	6.89%	75%	1.75%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%

AFFORDABILITY ASSESSMENT	
Short term fixed rates and variable rates	Higher of pay rate+2% or 8%
5+ year fixed rates	Pay rate

All loans revert to BBR+4.99%.

F2 & F3 Buy to Let products | Purchase and re-mortgage for portfolio & non-portfolio landlords with some historic credit blips.

Foundation Home Loans

F2 Products

For portfolio & non-portfolio landlords with some historic credit blips.

F2	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
2 Year Discounted Variable	7.24% (reversion -2.25%)	75%	1.50%	£1.5m	Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%. And both stress tested as per table below.	None
5 Year Fixed	6.84% 6.89%	65% 75%	£1,995	£2m £1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

F3 Products

For portfolio and non-portfolio landlords with more recent credit blips.

F3	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
2 Year Fixed	7.54%	75%	1.00%	£1.5m	Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%. And both stress tested as per table below.	3%, 2%
2 Year Discounted Variable	7.64% (reversion -1.85%)	75%	1.50%	£1.5m	Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%. And both stress tested as per table below.	None
5 Year Fixed	7.59%	75%	1.50%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

AFFORDABILITY ASSESSMENT	
Short term fixed rates and variable rates	Higher of pay rate+2% or 8%
5+ year fixed rates	Pay rate

All loans revert to BBR+4.99%.

Specialist Property Types | For portfolio & non-portfolio landlords financing a more specialist property type

Foundation Home Loans

HMO Products (Up to 6 occupants) - Also see Green products on page 7 for both Green standard HMO and Large HMO/MUB products

F2 Standard HMO*	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
2 Year Discounted Variable	7.34% (reversion -2.15%)	75%	1.50%	£1.5m	Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%. And both stress tested as per table below.	None
5 Year Fixed	6.94% 6.99%	65% 75%	£1,995	£2m £1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

*Up to 6 occupants

Large HMO and all MUB products

F2 Large HMO/MUB**	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
2 Year Fixed	7.34%	75%	1.00%	£1.5m	Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%. And both stress tested as per table below.	3%, 2%
2 Year Discounted Variable	7.49% (reversion -2.00%)	75%	1.50%	£1.5m	Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%. And both stress tested as per table below.	None
5 Year Fixed	6.94% 6.99%	65% 75%	1.50%	£2m £1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%
5 Year Fixed	7.04% 7.09%	65% 75%	£1,995	£2m £1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

**Larger HMOs to a max 8 bedrooms; all Multi-Unit Blocks (MUB) to a max 10 units

AFFORDABILITY ASSESSMENT	
Short term fixed rates and variable rates	Higher of pay rate+2% or 8%
5+ year fixed rates	Pay rate

All loans revert to BBR+4.99%.

Specialist Property Types | For portfolio & non-portfolio landlords financing a more specialist property type

Foundation Home Loans

Short Term Let Products - Also see Green Products on page 7 for Green Short Term Let products

F2 Short Term Lets	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
2 Year Fixed	7.24%	75%	1.00%	£1.5m	Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%. And both stress tested as per table below.	3%, 2%
2 Year Discounted Variable	7.59% (reversion -1.90%)	75%	1.50%	£1.5m	Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%. And both stress tested as per table below.	None
5 Year Fixed	7.04% 7.09%	65% 75%	1.50%	£2m £1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%
5 Year Fixed	7.14% 7.19%	65% 75%	£1,995	£2m £1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

AFFORDABILITY ASSESSMENT	
Short term fixed rates and variable rates	Higher of pay rate+2% or 8%
5+ year fixed rates	Pay rate

All loans revert to BBR+4.99%.

Green Product Range | Helping landlords to improve energy efficiency

Foundation Home Loans

Green ABC+ for purchase and re-mortgage - with one free standard valuation and no application fee.
For portfolio & non-portfolio landlords improving the energy efficiency of their properties

F1 Green	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
5 Year Fixed EPCs A-C	6.69%	75%	1.25%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

F2 Green	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
5 Year Fixed EPCs A-C	6.84%	75%	1.25%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

F2 Green Standard HMO*	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
5 Year Fixed EPCs A-C	6.89%	75%	1.25%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

F2 Green Large HMO/MUB**	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
5 Year Fixed EPCs A-C	6.99%	75%	1.25%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

F2 Green Short Term Let	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
5 Year Fixed EPCs A-C	7.04%	75%	1.25%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

Green ABC+ Criteria
Property Energy Performance Certificate (EPC) must show the rating applicable to the product.

You can check the property EPC rating on the government EPC site here | You can check the EPC rating for properties in Scotland here

Re-mortgaging within 6 months allowed subject to our standard early re-mortgage criteria (see Criteria Guide for more details). We cannot accept applications for listed or exempt properties.

AFFORDABILITY ASSESSMENT	
Short term fixed rates and variable rates	Higher of pay rate+2% or 8%
5+ year fixed rates	Pay rate

All loans revert to BBR+4.99%. | *Up to 6 occupants | **Larger HMOs to a max 8 bedrooms; all Multi-Unit Blocks (MUB) to a max 10 units

Green Product Range Continued | Helping landlords to improve energy efficiency

Foundation Home Loans

Green ABC+ for purchase and re-mortgage - with one free standard valuation and no application fee.
For portfolio & non-portfolio landlords improving the energy efficiency of their properties

F1 Green 2 Year Discount	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
2 Year Discounted Variable EPCs A-C	7.04% (reversion -2.45%)	75%	1.25%	£1.5m	Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer 145% And both stress tested as per table below.	None

F2 Green 2 Year Discount	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
2 Year Discounted Variable EPCs A-C	7.14% (reversion -2.35%)	75%	1.25%	£1.5m	Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer 145% And both stress tested as per table below.	None

Green ABC+ Criteria
Property Energy Performance Certificate (EPC) must show the rating applicable to the product.

You can check the property EPC rating on the government EPC site here | You can check the EPC rating for properties in Scotland here

Re-mortgaging within 6 months allowed subject to our standard early re-mortgage criteria (see Criteria Guide for more details). We cannot accept applications for listed or exempt properties.

AFFORDABILITY ASSESSMENT	
Short term fixed rates and variable rates	Higher of pay rate+2% or 8%
5+ year fixed rates	Pay rate

All loans revert to BBR+4.99%.

Expat Product Range | For UK Expats applying either as individuals or through a Limited Company and looking to purchase or remortgage a BTL property in the UK

Foundation Home Loans

F1	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
5 Year Fixed	6.89%	75%	1.25%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

F2	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
5 Year Fixed	6.99%	75%	1.25%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

F2 Standard HMO**	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
5 Year Fixed	7.09%	75%	1.25%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

F2 Large HMO/MUB***	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
5 Year Fixed	7.24%	75%	1.25%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

F2 Short Term Let	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
5 Year Fixed	7.34%	75%	1.25%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

F1 Green Expat	Initial Rate %	Max LTV	Fee	Max Loan	ICR	ERCs
5 Year Fixed* EPCs A-C	6.84%	75%	1.25%	£1.5m	Ltd Co/Basic rate tax payer: 125% x pay rate Higher rate tax payer: 145% x pay rate	5%, 4%, 3%, 2%,1%

*Property's EPC certificate must show a current rating applicable to the product. Product offers one free standard valuation and no application fee.

**Up to 6 occupants | ***Larger HMOs to a max 8 bedrooms; all Multi-Unit Blocks (MUB) to a max 10 units

AFFORDABILITY ASSESSMENT	
Short term fixed rates and variable rates	Higher of pay rate+2% or 8%
5+ year fixed rates	Pay rate

All loans revert to BBR+4.99%.

General criteria

Foundation Home Loans

APPLICATION CRITERIA	INDIVIDUAL	LIMITED COMPANY
Application Fee (non-refundable)	£125.	
Overpayments	Yes, up to 10% in any one year.	
Maximum number of applicants	2.	4.
Age	21 years at inception to 85 years at term end.	At least 1 applicant must be aged over 21 years at application. Other applicants are acceptable provided aged 18 years or over. No maximum age for limited company applications.
First Time Buyers	At least one applicant must NOT be a first time buyer.	
Minimum valuation	£75,000. (£125k for 85% LTV products).	
Exposure	Maximum 3 properties in any one postcode.	
New build	Leasehold flats to a max of 65% LTV. Additional criteria applies. Houses accepted.	
Location	England, Wales and Scotland	

PORTFOLIO LANDLORD CRITERIA	
Portfolio Size	Unlimited properties in portfolio. Up to a max £5,000,000 exposure with Foundation Home Loans/ Paratus AMC.
Portfolio Landlords	For background portfolios we require a maximum aggregate LTV of 100%. Minimal rental coverage is calculated using an ICR of 100% at a stress rate of 5.5%. Calculations include unencumbered properties.

LOAN CRITERIA	
Purpose	Purchase/Remortgage.
Repayment type	Interest Only/Capital & Interest/Part & Part.
Term	5 - 30 Years.
Gross monthly rental cover	Rental income calculated on lower of current rent or valuer estimate.
Loan size	Minimum £50,000* Maximum £2,000,000* Minimum £200,000 on Large Loan products *may vary dependent on product
ICR	Basic rate tax payer 125% Higher rate tax payer 145% Limited Companies 125%
Product End Dates	All Foundation products have a rolling end date. This means upon completion customers will benefit from their fixed or discounted rate for the full period i.e a 2 year rate will run for 2 years from completion.

LIMITED COMPANY CRITERIA	
Limited Company Registration	Company to be registered in England and Wales or Scotland for the purposes of property rental.
Applications	Must be SPV for purpose of property rental. No trading companies.
Acceptable SIC codes	68100 - 68209 - 68320

Valuation fee scale, contact details

Foundation Home Loans

VALUATION FEE SCALE			
Property value up to	Standard Property	HMO (up to 6 occupants)	Large HMO (up to 8 beds and all MUBs*)
£100,000	£190	£660	£875
£150,000	£250	£660	£875
£200,000	£285	£700	£875
£250,000	£315	£700	£980
£300,000	£330	£700	£1,065
£350,000	£340	£785	£1,275
£400,000	£405	£785	£1,275
£450,000	£435	£900	£1,400
£500,000	£465	£900	£1,400
£600,000	£550	£955	£1,555
£700,000	£640	£1,035	£1,690
£800,000	£705	£1,130	£1,835
£900,000	£795	£1,230	£1,965
£1,000,000**	£905	£1,320	£2,130
£1,500,000	£1,480		
£2,000,000***	£2,050		

*Larger HMOs to a max 8 bedrooms; all Multi-Unit Blocks (MUB) to a max 10 units.
** Fees for HMO/MUB properties in excess of £1m are by agreement.
*** Fees for standard properties in excess of £2m are by agreement.
Please note that for lending in Scotland, we require a physical valuation on all cases - retypes of the home report cannot be accepted.

©Foundation Home Loans is a trading style of Paratus AMC Limited.
Registered office: No.5 Arlington Square, Downshire Way, Bracknell, Berkshire, RG12 1WA.

Registered in England with Company No. 03489004. Paratus AMC Limited is authorised and regulated by the Financial Conduct Authority, Our registration number is 301128, Buy to Let mortgages are not regulated by the Financial Conduct Authority. All applications are subject to our lending criteria Calls may be monitored and recorded.