

Buy-to-Let Mortgages Product Guide

Valid from 10 December 2018



In Focus

New and reduced remortgage rates with no product or valuation fees:

- Reduced rates on our 5 year fixed remortgage products for Individual and Company landlords
- New Limited Edition Multi Property 5 year fixed remortgage product for Company landlords

Aldermore

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Buy-to-Let Limited Editions

Multi Property Remortgage products for landlords with single residential investment properties

Available to:

- **New** customers submitting multiple applications at the same time
- **New** customers submitting multiple properties at the same time (on one account) via the Commercial Portal
- **New** customers submitting a second or subsequent application
- **Existing** customers with an active Aldermore Residential Owner Occupied, Buy-to-Let or Commercial mortgage account, submitting a new application

Loan size	£1m*	£600k	£400k	Affordability calculation
Maximum LTV	70%	75%	80%	Calculation rate
Purpose	Multi Property Limited Edition Remortgage for Individuals			Higher of pay rate, or reversion rate +0.75%
5 year fixed	Initial rate	3.48%	3.78%	
	Fees	No product, valuation or legal fees		
	Reversion rate-	3.48% AMR -1.75%		
Purpose	Multi Property Limited Edition Remortgage for Companies			
5 year fixed	Initial rate	3.78%	4.38%	
	Fees	No product or valuation fees (Applicants will be responsible for the total legal costs required to undertake the mortgage transaction)		
	Reversion rate	3.58% LIBOR+ 2.68%	3.98% LIBOR+ 3.08%	

Early repayment charges	Year 1	Year 2	Year 3	Year 4	Year 5
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.

Aldermore Managed Rate (AMR) [^]	5.23%
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LIBOR ^{**}	0.90%
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Procuration fee	Individual products	0.40%
	Company products	0.75%

[^]The AMR is a variable rate set by Aldermore.
^{*}Loan sizes over £1m will need to be submitted via the Commercial Portal, which will be linked to and revert to LIBOR rather than AMR.
 Portfolios with total borrowing over £1m are considered (refer to the key criteria page for more details).
⁻For individual landlord submission via the Commercial Portal, reversion rate will be LIBOR + 2.63%.
^{**}LIBOR will be re-set on 15th February, May, August and November.

Affordability calculation	
Applicant type	Minimum interest cover ratio
Individuals (higher or additional rate tax payer)	145% or 120% including use of surplus income
Companies or Individuals (basic rate tax payer)	125% or 110% including use of surplus income

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Buy-to-Let for Individuals

Purchase and remortgage on single residential investment properties

Loan size		£1m*	£600k	£400k	Affordability calculation	
Maximum LTV		70%	75%	80%	Calculation rate	Minimum interest cover ratio
Purpose		Purchase and Remortgage			Higher of the (initial pay rate + 2%) or 5.5%	145% for a higher or additional rate tax payer (120% including use of surplus income). 125% for a basic rate tax payer (110% including use of surplus income).
2 year fixed	Initial rate	3.38%		3.98%		
	Product fee	2.00%				
	Initial rate	3.88%		4.48%		
	Product fee	£1,999				
Term variable rate	Reversion rate	5.23% AMR+ 0.00%	5.73% AMR+ 0.50%	5.98% AMR+ 0.75%		
	Initial rate	3.53% AMR- 1.70%		4.13% AMR- 1.10%		
	Product fee	2.00%				
	Initial rate	3.73% AMR- 1.50%		4.33% AMR- 0.90%		
Product fee	£1,999					
Purpose		Purchase and Remortgage			Higher of pay rate, or reversion rate +0.75%	
5 year fixed	Initial rate	3.78%		4.38%		
	Product fee	2.00%				
	Reversion rate	3.48% AMR- 1.75%		3.88% AMR- 1.35%		
Purpose		Remortgage only fee free				
5 year fixed	Initial rate	3.98%		4.58%		
	Fees	No product, valuation, legal or funds transfer fees				
	Reversion rate	3.48% AMR- 1.75%		3.88% AMR- 1.35%		
Purpose		Multi Property - Purchase				
Available to:						
<ul style="list-style-type: none"> - New customers submitting multiple applications at the same time - New customers submitting a second or subsequent application - Existing customers with an active Aldermore Residential Owner Occupied, Buy-to-Let or Commercial mortgage account, submitting a new application 						
5 year fixed	Initial rate	3.98%		4.58%		
	Fees	No product fee, valuation fees will apply				
	Reversion rate	3.48% AMR- 1.75%		3.88% AMR- 1.35%		

Early repayment charges	Year 1	Year 2	Year 3	Year 4	Year 5
2 year fixed	2.50%	2.00%			
5 year fixed	4.50%	4.00%	3.50%	3.00%	2.50%
Term variable rate	2.00%	2.00%	2.00%		

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

Aldermore Managed Rate (AMR) [^]	5.23%
Procuration fee	0.40%

[^]The AMR is a variable rate set by Aldermore.

*Loan sizes over £1m will need to be submitted via the Commercial Portal, which will be linked to and revert to LIBOR rather than AMR.

Portfolios with total borrowing over £1m are considered (refer to the key criteria page for more details).

Free standard legal fees are available on all remortgages for individuals with single residential investment properties.

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Buy-to-Let for Companies

Purchase and remortgage on single residential investment properties

Loan size		£1m*	£600k	£400k	Affordability calculation	
Maximum LTV		70%	75%	80%	Calculation rate	Minimum interest cover ratio
Purpose		Purchase and Remortgage			Higher of the (initial pay rate + 2%) or 5.5%	125% or 110% including use of surplus income
2 year fixed	Initial rate	3.38%		3.98%		
	Product fee	2.00%				
	Initial rate	3.88%		4.48%		
	Product fee	£1,999				
	Reversion rate	5.85% LIBOR+ 4.95%				
Term variable rate	Initial rate	3.63% LIBOR+ 2.73%		4.23% LIBOR+ 3.33%		
	Product fee	2.00%				
	Initial rate	3.83% LIBOR+ 2.93%		4.43% LIBOR+ 3.53%		
	Product fee	£1,999				
Purpose		Purchase and Remortgage			Higher of pay rate, or reversion rate +0.75%	125% or 110% including use of surplus income
5 year fixed	Initial rate	3.78%		4.38%		
	Product fee	2.00%				
	Reversion rate	3.58% LIBOR+ 2.68%		3.98% LIBOR+ 3.08%		
Purpose		Remortgage only				
5 year fixed	Initial rate	3.98%		4.58%		
	Fees	No product, valuation or funds transfer fees				
	Reversion rate	3.58% LIBOR+ 2.68%		3.98% LIBOR+ 3.08%		
Purpose		Multi Property – Purchase				
Available to:						
<ul style="list-style-type: none"> - New customers submitting multiple properties at the same time (on one account) - New customers submitting a second or subsequent application - Existing customers with an active Aldermore Residential Owner Occupied, Buy-to-Let or Commercial mortgage account, submitting a new application 						
5 year fixed	Initial rate	3.98%		4.58%		
	Fees	No product fee, valuation fees will apply				
	Reversion rate	3.58% LIBOR+ 2.68%		3.98% LIBOR+ 3.08%		

Early repayment charges	Year 1	Year 2	Year 3	Year 4	Year 5
2 year fixed	2.50%	2.00%			
5 year fixed	4.50%	4.00%	3.50%	3.00%	2.50%
Term variable rate	2.00%	2.00%	2.00%		

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

*LIBOR will be re-set on 15th February, May, August and November.

*Loans and portfolios over £1m are considered (refer to the key criteria page for more details).

Applicants will be responsible for the total legal costs required to undertake the mortgage transaction.

LIBOR*	0.90%
Procuration fee	0.75%

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Buy-to-Let for Individuals and Companies

Purchase and remortgage on multi-unit freeholds and HMOs

Property type		Multi-unit freeholds (up to 4 units) HMOs (up to 6 bedrooms)	Multi-unit freeholds (5 units or more) HMOs (7 bedrooms or more)	Affordability calculation
Loan size		£1m*	£600k	Calculation rate
Maximum LTV		70%	70%	
Purpose		Purchase and Remortgage		Higher of the (initial pay rate + 2%) or 5.5%
2 year fixed	Initial rate	4.38%		
	Product fee	2.00%		
	Reversion rate	5.85% LIBOR+ 4.95%		
Term variable rate	Initial rate	4.63% LIBOR+ 3.73%		
	Product fee	2.00%		
Purpose		Purchase and Remortgage		Higher of pay rate, or reversion rate +0.75%
5 year fixed	Initial rate	4.78%		
	Product fee	2.00%		
	Reversion rate	4.38% LIBOR+ 3.48%		
Purpose		Multi Property – Purchase and Remortgage		
Available to: <ul style="list-style-type: none"> - New customers submitting multiple properties at the same time (on one account) - New customers submitting a second or subsequent application - Existing customers with an active Aldermore Residential Owner Occupied, Buy-to-Let or Commercial mortgage account, submitting a new application 				
5 year fixed	Initial rate	4.98%		
	Fees	No product fee, valuation fees will apply		
	Reversion rate	4.58% LIBOR+ 3.68%		

Early repayment charges	Year 1	Year 2	Year 3	Year 4	Year 5
2 year fixed	2.50%	2.00%			
5 year fixed	4.50%	4.00%	3.50%	3.00%	2.50%
Term variable rate	2.00%	2.00%	2.00%		

Overpayments up to 10% of the outstanding balance can be repaid in any 12 month period without incurring an early repayment charge.

*LIBOR will be re-set on 15th February, May, August and November.

*Loans and portfolios over £1m are considered (refer to the key criteria page for more details).

Applicants will be responsible for the total legal costs required to undertake the mortgage transaction.

LIBOR ^	0.90%
Procuration fee	0.75%

Minimum interest cover ratio		
Applicant type	HMO	Multi-unit freehold
Individuals (higher or additional rate tax payer)	185% or 160% including use of surplus income	145% or 120% including use of surplus income
Companies or Individuals (basic rate tax payer)	155% or 140% including use of surplus income	125% or 110% including use of surplus income

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Valuation fee scale

Property value	Buy-to-let	
	Single residential units	Multi-unit freeholds and HMOs*
Up to £100,000	£400.00	£800.00
£100,001 – £150,000	£445.00	
£150,001 – £200,000	£555.00	£850.00
£200,001 – £250,000		£900.00
£250,001 – £300,000	£655.00	£1,000.00
£300,001 – £350,000		£1,050.00
£350,001 – £400,000	£725.00	£1,170.00
£400,001 – £500,000	£770.00	£1,290.00
£500,001 – £600,000	£840.00	£1,410.00
£600,001 – £700,000	£920.00	£1,540.00
£700,001 – £800,000	£990.00	£1,670.00
£800,001 – £900,000	£1,035.00	£1,800.00
£900,001 – £1,000,000	Available on request	
£1,000,001 – plus	Available on request	
Additional fees		
Re-inspection	£90.00	Available on request
Single investment valuation	<p>Applicable to submissions of multiple properties on one account. Where Aldermore will be lending to the applicant(s) on 6 or more properties in a block, street or postcode (and the applicant(s) have over 40% exposure), it will be necessary to obtain a RICS Red Book Report which includes a single investment valuation.</p> <p>We will base our lending on the lower of the market valuation or the single investment valuation.</p> <p>The cost of the Red Book valuation will be available on request and will need to be paid by the applicant(s).</p>	

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.

*The fee scales (also quoted in the Heads of Terms) for multi-unit freehold and HMO property are for indicative purposes only. Fees will be confirmed prior to instruction.

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Key Lending Criteria

Submission route		Residential Portal	Commercial Portal	
Applicant type		Up to 2 Individuals	Up to 6 Individuals Sole Traders and General Partnerships* Private Limited Company (LTD) and Limited Liability Partnerships (LLP)* Public Limited Company (PLC)* <small>*Corporate entities registered and/or based in the United Kingdom, Northern Ireland, the Isle of Man and the Channel Islands</small>	
Property type		Single residential investment properties	Single residential investment properties	Multi-unit freeholds (up to 4 units) HMOs (up to 6 bedrooms) Multi-unit freeholds (5 units or more) HMOs (7 bedrooms or more)
Reversion rate		AMR linked	LIBOR linked	
Minimum term		6 years		
Maximum term		35 years	Up to £1m – 35 years Over £1m – 20 years	20 years
Minimum age		21 years (for existing landlords) and 25 years (for first time landlords)		
Maximum age		85 years (at end of mortgage term)	85 years (at end of mortgage term) Age restrictions do not apply for applications from Limited Companies, Limited Liability Partnerships and established professional partnerships, where there is clear evidence of appropriate experience for the principals, and they are capable of running the business.	
Capital repayment		Available to product maximum LTV and mortgage term		
Interest only		Available to product maximum LTV and mortgage term	Available to £1m Over £1m available for 10 year term	Available for 10 year term
Loans size over £1m		Loan sizes over £1m will need to be submitted via the Commercial Portal, which will be linked to and revert to LIBOR rather than AMR.	Our dedicated Buy to Let team can consider individual loans above £1m. We reserve the right to individually price for risk.	
Portfolio size (with Aldermore)		Portfolios with total borrowing over £1m are considered. Up to 10 properties with Aldermore will be subject to a standard assessment of: <ul style="list-style-type: none"> · Portfolio schedule · Business plan Portfolio sizes of 11 or more properties with Aldermore or will be subject to enhanced assessment of: <ul style="list-style-type: none"> · Portfolio schedule · Business Plan · Cash flow Statement (for 12 month period) · Statement of assets and liabilities 		
Portfolio size (with other lenders)		No background portfolio limits		
Multiple properties on one account		n/a	Up to 16 properties (of the same security type) can be processed on one account.	
Property	Minimum purchase price or valuation	£60k for single residential investment properties		£75k Multi-unit freehold and HMOs
	Location	England (including the Isle of Wight), Wales (including Anglesey) and mainland Scotland.		
Adding fees		<ul style="list-style-type: none"> · Product and funds transfer fees can be added to the loan · Where fees are added they will be excluded from the LTV calculation but will be included in the affordability assessment · Fees added to the loan will attract interest over the mortgage term 		

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Key Lending Criteria

Conveyancing	
Free legal fees on remortgages	<p>Individuals with single residential investment properties: Aldermore currently offers free legal fees for all remortgages on single residential investment properties, through its nominated Solicitor and will pay for the costs of the legal work necessary to move the mortgage to Aldermore (the property does not have to be currently mortgaged). Costs incurred for any additional work must be paid for by the applicant.</p> <p>Companies with single residential investment properties and Individuals and Companies with HMOs and Multi-unit freeholds Aldermore will instruct its own Solicitor and applicants will be responsible for the total legal costs required to undertake the mortgage transaction. Applicants can choose to use the same Solicitor (dual representation) at additional cost (subject to agreement with the acting Solicitor), instruct their own Solicitor, or remain unrepresented where the transaction is a remortgage (third parties may be required to have separate legal representation). Solicitors or Licenced Conveyancers acting on behalf of the applicant must have a minimum 2 approved managers (partners or principals in Scotland), or 3 on loans or aggregated borrowing above £2m.</p>
Aldermore panel	<p>To qualify for the Aldermore panel, firms must be regulated by either the Solicitors Regulation Authority or the Council for Licenced Conveyancers and have the following:</p> <p>England & Wales:</p> <ul style="list-style-type: none"> · A minimum of 4 SRA approved managers or 4 CLC authorised managers (details can be checked at: www.lawsociety.org.uk or www.clc-uk.org.uk) · Conveyancing Quality Scheme (CQS) accreditation (applicable to Solicitors only) · Minimum PI insurance cover of £2 million <p>Scotland:</p> <ul style="list-style-type: none"> · A minimum of 2 partners or principals (details can be checked at: www.lawscot.org.uk) · Minimum PI insurance cover of £2 million
Separate legal representation	<p>Aldermore will instruct its own Solicitor, with costs paid for by the applicant, on the following transaction types:</p> <ul style="list-style-type: none"> · Individuals with single residential investment properties, where applicants choose to nominate a solicitor that is not on the Aldermore panel · Individuals and Companies with HMOs and Multi-unit freeholds · Companies with single residential investment properties <p>Applicants can choose to use the same Solicitor (dual representation) at additional cost (subject to agreement with the acting Solicitor), instruct their own Solicitor, or remain unrepresented where the transaction is a remortgage (third parties may be required to have separate legal representation). Solicitors or Licenced Conveyancers acting on behalf of the applicant must have a minimum 2 approved managers (partners or principals in Scotland), or 3 on loans aggregated borrowing above £2m.</p>

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Key Lending Criteria

Credit status criteria	
Mortgage or secured loan arrears	<p>0 in last 3 months 1 in last 12 months No more than 2 months in last 24 months Arrears over 24 months ago considered</p>
Unsecured loan arrears	<p>0 in 3 months No more than 2 months in last 24 months Arrears over 24 months ago considered</p>
County Court Judgements (CCJ) / Sheriff Court Decrees	<p>None registered in last 36 months CCJs registered over 36 months ago considered Over 36 months, does not need to be satisfied if total combined value is up to £500 Over 36 months, needs to be satisfied for 36 months if total combined value over £500</p>
Defaults	<p>None registered in last 12 months 1 settled default in months 13 - 36 up a total value of £300 Defaults registered over 36 months ago considered</p>
Bankruptcy / Sequestration / Debt Relief Order (DRO)	<p>Discharged for 6 years</p>
Individual Voluntary Arrangement (IVA) / Trust Deed / Corporate Voluntary Arrangement (CVA)	<p>None in last 3 years Borrowing funds to satisfy an IVA, Trust Deed or CVA is not acceptable</p>
Forced or Voluntary Possessions	<p>Not accepted</p>
Business credit profile	<p>No history of Directorships with the following registered within the last 3 years:</p> <ul style="list-style-type: none"> · Creditors Voluntary Liquidation (CVL) or Compulsory Liquidation · Administration Orders · Winding up Orders <p>Business CCJ is treated the same as personal CCJ A Corporate Voluntary Arrangements (CVA) is treated the same as an IVA</p>

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Our service

We back you with...



Dedicated contacts

We employ experts to help you with new opportunities in your area. Use our **BDM Finder** to get the details of your regional representatives. You'll also be contacted by our processing and underwriting teams at key stages of your client's application, including a dedicated case owner following the initial underwrite.



Transparent service

To give you an idea of how long it'll take us to progress your client's case, we update our current underwriting and offer timescales every working day on our **Intermediary website**.



Teamwork

You're our valued intermediary partners and we're here to give you the right products and support to help keep your clients for the long-term. That's why we pay **retention procurement fees** on our loyalty mortgages.



Fairness

Your clients will get the same deals as direct customers. We aim to keep you up to date with product and policy changes as soon as we can.

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