

## Mortgage Lending Criteria as at April 2021

### COVID-19

Payment Holidays	We will consider applications for further advances or re-mortgages involving capital raising for applicants who have recently been on a payment holiday, subject to standard affordability assessment and on the condition that the applicant is no longer on a payment holiday. We will require evidence that the most recent mortgage payment has been made.
Furlough/Income Reductions	For lending at or below 80% LTV, we will assess based on the customers current income where they are on/or have recently been furloughed or had any COVID-19 related deductions from their salary/income. This will need to be supported by a letter from the employer to confirm the terms of their furlough or changes to pay, the date they return to work and confirmation of their pay at this point. For lending over 80% LTV, customers on/or have recently been furloughed or had any associated COVID-19 related deductions from their salary/income will not be accepted. For self-employed this includes any SEISS grants received in the last 6 months. To be considered for an LTV above 80%, employed applicants need to be back at work for 3 months without COVID-19 related reductions.
Valuations	Due to COVID-19, there are areas of the UK that are or may become subject to lockdowns at a localised level. There may also be scenarios where we are unable to access properties due to residents of the household 'shielding'. In these situations we may only be able to utilise Automated Valuation Models ("AVM") and procure Digital Valuations up to £3m. There is no cost for an AVM if a property meets our criteria, while the cost for a Digital Valuation is capped at £140 (including VAT) if Metro Bank are able to obtain one through our surveyors. Customers will still need to pay the full valuation fee as stated in the product guide at application, however the differential will be refunded back to the customer prior to the mortgage offer being issued. If we are unable to use an AVM or obtain a Digital Valuation, we will refund the full valuation fee to the customer.

### Personal Details

Min Age	Residential - 18 years old Buy to Let - 21 years old
Max Age	Residential - 80 years old at the end of term, standard affordability assessment. <ul style="list-style-type: none"> <li>Borrowers who are over 80 years old at the end of the term will be considered on an individual basis.</li> </ul> Buy to Let - 85 years old at the end of term, standard affordability assessment.
Married Applicants	Residential purchase applications where the spouse will be residing in the property, we require both to be on the application and deeds. Residential remortgage applications will be permitted on a sole applicant basis where the current ownership is in sole name.
Lending into retirement	If the applicant is already retired or retiring during the mortgage term, the following is required: <ul style="list-style-type: none"> <li>Detailed assessment of how the applicant will repay the mortgage in retirement e.g. from a company/private pension.</li> <li>Documentary evidence to demonstrate the retirement income.</li> </ul>
Address history	All applicants must have been in the UK for the last 3 years.
Ex-Pat	Not accepted.
First Time Buyer	Defined as an applicant who has never owned a residential property in the UK. On joint applications, this applies to all applicants.
Guarantor	Not accepted, can consider joint borrower/sole proprietor for both Residential and Buy to Let applications.

### We love to hear from you

For further questions please do not hesitate to contact your local BDM or the **Broker Help Desk** on **020 3427 1019**  
[www.metrobankonline.co.uk/intermediaries](http://www.metrobankonline.co.uk/intermediaries)

## Mortgage Lending Criteria (continued)

### Personal Details (continued)

Joint Borrower/Sole Proprietor	Accepted, only where the additional borrower(s) are close and immediate family members. The definition of close and immediate family includes spouses, parents, grandparents, children, grandchildren, siblings and mother/ father/ brother/ sister/ son/ daughter in law. Adopted, half, and step members are also included in the definition. Independent Legal Advice required for all parties. On a Residential mortgage the Joint Borrower cannot reside in the property. Joint Borrower/Sole Proprietor is not available for capital raising unless for the benefit of all parties. Maximum of 2 households only (including the security property household on completion).
Islamic Mortgages	Not accepted.
Number of Applicants	Maximum of four applicants. For Residential mortgages for more than 2 applicants, the additional applicants must meet the close and immediate family definition. The definition of close and immediate family includes spouses, parents, grandparents, children, grandchildren, siblings and mother/ father/ brother/ sister/ son/ daughter in law. Adopted, half, and step members are also included in the definition. For Buy to Let mortgages, a maximum of 4 applicants (unrelated applicants accepted).
Visa	All applicants must have permanent rights to reside in the UK. Tier 2 Visas considered (Maximum LTV 75%), minimum income £75,000, Capital and Interest loans only. Proof of Sponsorship required.
2nd Mortgage - Aggregated Debt Affordability	Affordability calculation needs to cover both mortgage balances.

### Credit History

Category		Accepted?	Accept Criteria
CCJs	Satisfied	Y	Up to £1000 are accepted. If registered in the last 24 months, subject to up to 2 missed payments leading to default.
	Unsatisfied	Y	Up to £500 are accepted. If registered in the last 24 months, subject to up to 2 missed payments leading to default.
Arrears	Secured	Y	Up to 2 months arrears in last 24 months
	Unsecured	Y	Up to 2 months arrears in last 24 months
	Mortgages	Y	Up to 2 months arrears in last 24 months
	Other	Y	Up to 2 months arrears in last 24 months
Bankruptcy		Y	Must be discharged and >3 years must have passed since bankruptcy order.
Defaults	Satisfied	Y	Up to £1000 are accepted. If registered in the last 24 months, subject to up to 2 missed payments leading to default.
	Unsatisfied	Y	Up to £500 are accepted. If registered in the last 24 months, subject to up to 2 missed payments leading to default.
		Y - (Near Prime Range Only)	Up to £1000 are accepted. If registered in the last 24 months, subject to up to 2 missed payments leading to default.
IVAs	Satisfied	Y	Any satisfied IVA
	Unsatisfied	N	Not Accepted
Protected Trust Deed (Scotland)	Satisfied	Y	Any satisfied Protected Trust Deed
	Unsatisfied	N	Not Accepted
Debt Management Plan/Debt Relief Order	Current	N	Not Accepted
Debt Management Plan/Debt Relief Order	Completed	Y	Accepted if Debt Management Plan/Debt Relief Order completed
Repossessions		Y	6 years must have passed since repossession

#### Notes

Acceptance is subject to passing the Scorecards and no evidence of the following:

- Payday Lending
- Reliance on Cash Advances from unsecured facilities
- Declined payments

Customers with impaired credit history, as per the PRA definition, are not accepted over 85% LTV

### Employment/Income Details

Time in Employment/Probation Period	3 months in current employment required, 12 months in continuous employment. Probationary period acceptable subject to conditions, dependent on career history.
Bonus/Commission/Overtime	We use 50% of cash bonus/commission/overtime from the last year. As evidence, we will require last year's P60's.

## Mortgage Lending Criteria *(continued)*

### Employment/Income Details *(continued)*

Shift Allowance	Accepted.
Car Allowance	Accepted.
Rental Allowance	Not accepted.
Large Town Allowance	Accepted.
Second Job	Accepted - 100% if 12 month track record and sustainable.
Bursary Income	Not accepted.
Foster Income	Not accepted.
Private Pension	Accepted.
Investment Income	Accepted - subject to a minimum portfolio value of £250,000.
Rental Income	Accepted, amount calculated as amount received as profit from land and property after removing any dis-allowable expenses - such as mortgage interest. To be evidenced via most recent SA100 paired with the Tax year Overview (submitted tax return with Inland Revenue Mark). Lodgers income not accepted.
Maintenance Income Court Order	Accepted, if guaranteed for the life of mortgage.
Maintenance Income No Court Order	Not accepted.
Trust Income	Accepted, must be guaranteed for term of mortgage, refer for additional requirements.
Benefits Child Tax Credit	Not accepted.
Benefits Work Tax Credit	Not accepted.
Benefits Child Benefit	Not accepted.
Benefits DLA/PIP For Self	Accepted if granted for life.
Benefits DLA/PIP for dependant	Not accepted.
State Pension	Accepted.
Self-Employed	Classed as self-employed if own more than 25% of business this includes PAYE Directors that hold more than 25%.
Partnerships	Accepted. Treated as self-employed.
Sole trader	Accepted. Minimum of 3 years Self-Assessment returns supported by Tax Year Overviews downloaded from the HMRC website. Where the return is submitted by an accountant, the calculation or computation and tax year overview, will need to be supported by a covering letter on headed paper from the accountant (see accountant qualification section) confirming the attached figures have been submitted to HMRC
Directors of Ltd Company	2 years full company accounts submitted and registered with Companies House. In the first instance, directors remuneration plus average dividend for last 2 years for a growing business is used for affordability. We can consider a <b>proportion of profit after tax</b> to supplement salary and dividends for well established businesses (if owned 100% by the applicants) where the ongoing sustainability of drawings, can be evidenced. Minimum of 3 years Self-Assessment returns supported by Tax Year Overviews downloaded from the HMRC website. Where the return is submitted by an accountant, the calculation or computation and tax year overview, will need to be supported by a covering letter on headed paper from the accountant (see accountant qualification section) confirming the attached figures have been submitted to HMRC
Accountant Qualifications	Main accountants' qualifications accepted. - Institute of Chartered Accountants England & Wales - Institute of Chartered Accountants Scotland - Chartered Institute of Management Accountants - Association of Chartered Certified Accountants - Chartered Institute of Public Finance and Accountancy - Institute of Financial Accountants

## Mortgage Lending Criteria *(continued)*

### Employment/Income Details *(continued)*

Contractors	<p>Accepted. Minimum 3 month current contract and history of contracts of at least 12 months required with no more than 6 weeks of gaps in contracts. Contracts must have a start and end date. If current contract is nearing its end we may require evidence that it has been renewed. Income calculated as a daily rate over a maximum of 46 weeks based on 5 day working week (unless the contract restricts the applicant to less than this). We require evidence of the current contract, 12 months contract history and 6 months Bank statements showing receipt of contract income at level keyed. A 12 month history is not required for applicants who can evidence 24 months continuous history working within the same industry as evidenced by P60's.</p> <p>Temporary and fixed contract accepted where income can be evidenced over a 24 month period in the same industry. Income will be assessed as guaranteed income (hourly/ daily rate multiplied by guaranteed hours/ days). We require evidence of current contract, 12 months contract history and 6 months Bank statements showing receipt of contract income at level keyed. Where applicant does not have a 12 month contract history please provide last 2 P60s showing continuous employment in the same industry.</p>
Umbrella companies	Accepted - classed as contractors. Refer for assessment.
Professionals	<p>This product is for fully qualified, registered and practicing Solicitors, Barristers, Medical Doctors, Accountants, Actuaries, Vets and Dentists who want to buy their first home or move property to upsize</p> <ul style="list-style-type: none"> <li>• We can offer enhanced income multiples (normally we offer 4.49 times the customer's income but for the professional mortgage we can offer 5.5 times their income - subject to affordability)</li> <li>• The customer must be over 21 years of age</li> <li>• Applicants must have qualified in the last ten years and be registered with the appropriate UK professional body. They must also work in the field related to their profession</li> <li>• We will consider professional applications for up to two applicants only, at least one applicant must meet our professional criteria. Applications may be considered where a 'non-professional' has the highest income and subject to full case review</li> </ul> <p>Registered bodies</p> <p>We can only accept applications for the Professional Mortgage if the customer is registered with the following:</p> <p><b>Barristers</b></p> <ul style="list-style-type: none"> <li>- The Bar Council</li> </ul> <p><b>Actuaries</b></p> <ul style="list-style-type: none"> <li>- The Institute and Faculty of Actuaries (IFoA)</li> </ul> <p><b>Accountants</b></p> <ul style="list-style-type: none"> <li>- Institute of Chartered Accountants England &amp; Wales</li> <li>- Institute of Chartered Accountants Scotland</li> <li>- Chartered Institute of Management Accountants</li> <li>- Association of Chartered Certified Accountants</li> <li>- Chartered Institute of Public Finance and Accountancy</li> <li>- Institute of Financial Accountants</li> </ul> <p><b>Medical Doctors</b></p> <ul style="list-style-type: none"> <li>- General Medical Council</li> </ul> <p><b>Solicitors</b></p> <ul style="list-style-type: none"> <li>- Law Society of Northern Ireland</li> <li>- Law Society of England &amp; Wales</li> <li>- Law Society of Scotland</li> </ul> <p><b>Dentists</b></p> <ul style="list-style-type: none"> <li>- General Dental Council (GDC)</li> </ul> <p><b>Vets</b></p> <ul style="list-style-type: none"> <li>- Royal College of Veterinary Surgeons (RCVS)</li> </ul> <p>Note: Professionals employed in a role without their qualification as their job title will be considered on an individual basis. E.g. a fully qualified accountant working as a senior finance manager would be considered for a Professional Mortgage.</p>
Supply Teachers	Only if long term track record - average of last three years' earnings.
Zero Hour Contracts	Not accepted.
Armed Forces Help to Buy	Accepted.
Parental Leave (including Adoption Leave)	<p>We will use the applicant's most recent 3 months' bank statements and their last 3 months' payslips prior to going on parental leave. We will use the applicant's basic salary earned prior to going on parental leave for affordability purposes. In order to mitigate any risk of reduced paid income during leave, other income sources should be evidenced alongside savings that may supplement any income loss during this leave. Additionally, we reserve the right to request additional information if required. Manual underwriting will be required on all cases where parental leave is evident.</p>
Foreign Currency	Income or Assets generated or held in a currency other than (£) sterling are not accepted for the purpose of Affordability or Repayment Strategy.

## Mortgage Lending Criteria *(continued)*

### Existing Mortgage/Debts Details

Buy to Lets in Background	Need to demonstrate that any Buy to Lets are self-financing (the rental exceeds the mortgage payment), 3 months bank statements required to show rental and mortgage payments.
Let To Buy (Buy to Let Mortgage)	Accepted, completion will need to be simultaneous with onward residential purchase.
Let To Buy (Existing Resi Mortgage)	Where a client applies for a residential purchase mortgage but will be letting their old residence out (rather than selling), the old main residence mortgage will be ignored if an ARLA letter shows rent will cover the mortgage repayments once the client moves out. If a new mortgage is being taken out on the property, a Mortgage Illustration will need to be provided and the rental need to cover the new mortgage payment. Evidence of consent to let maybe requested when existing mortgage is being retained on residential terms.
Consent to Let	Evidence of consent to let maybe requested when existing mortgage is being retained on residential.
Porting	Accepted, refer for details.
Non Simultaneous Sale & Completion	Treated as running 2 houses and affordability calculation will take into account both mortgages (if applicable).
Other Debts	Any debts remaining on completion are included in expenditure as part of the affordability calculation, including credit card balances at 3% are included in the affordability calculation. Any debts with less than 3 months to run can be ignored, this will need to be evidenced.
Childcare and School Fees	Taken as commitment.

### Property Details/Purpose

Location of Lending	<p>Mainland England, Wales and Scotland.</p> <p>For Scotland we will not lend in the following postcodes:  Aberdeenshire (AB)  Western Isles (HS)  Highlands (IV, KW &amp; ZE)</p> <p>A Standard Mortgage Valuation will be required in all cases.</p> <p>Due to COVID-19, there are areas of the UK that are or may become subject to lockdowns at a localised level. There may also be scenarios where we are unable to access properties due to residents of the household 'shielding'. In these situations we may only be able to utilise Automated Valuation Models ("AVM") and procure Digital Valuations up to £3m.</p>
Minimum property value/ purchase price	£75,000 for both Residential and Buy to Let properties.
Agricultural Ties	Not accepted.
Annexe/Granny Flat	Accepted, if used by own family/dependant relative.
Bed & Breakfast	Not accepted.
Commercial property close by	Accepted - subject to surveyor's comments that the property and location does not adversely affect saleability.
Construction Timber Framed	Accepted, with durable outer leaf.
Construction All Timber	Not accepted.
Construction Thatched	Not accepted.
Construction Steel Framed	Accepted, subject to a satisfactory structural engineer's report.
Construction PRC	Not accepted.
Construction Single Skin	Not accepted.
Japanese Knotweed	<p><b>Category 1</b> - Acceptable. Japanese Knotweed was not seen on this property, but it can be seen on a neighbouring property or land where it was more than 7 metres away from the boundary.</p> <p><b>Category 2</b> - Acceptable. Japanese Knotweed was not seen within the boundaries of this property, but it was seen on a neighbouring property or land. It was within 7 metres of the boundary, but more than 7 metres away from habitable spaces, conservatory and/or garage of the subject property.</p> <p><b>Category 3 and Category 4</b> - Unacceptable unless appropriate treatment plan provided by a company affiliated to either the Property Care Association Invasive Weed Group or the Invasive Non-Native Species Association (INNSA) in place. The treatment plan must be paid for in full prior to Metro Bank releasing funds and benefit from a 5 year warranty/ insurance backed guarantee</p>

## Mortgage Lending Criteria *(continued)*

### Property Details/Purpose *(continued)*

Non Habitable Condition	Not accepted - property has to be secure; structurally sound; insurable; have a working kitchen with running water, storage and ability to heat food; have a working bathroom with working lavatory, sink and ability to shower or bath.
Ex Local Authority	Houses accepted, flats not accepted.
Flat Max Floors	No Maximum. Above 4 Stories requires a lift.
Holiday Lets	Not accepted.
Airbnb	Accepted on Residential mortgages for up to 90 days per annum.
2 kitchens	Accepted, if in Granny annex (see above), otherwise not accepted.
Leasehold	Minimum 50 years unexpired term on lease at end of mortgage term, subject to valuers comments. Escalating Ground rents <ul style="list-style-type: none"> <li>• New builds/conversions must have an initial minimum lease term of 125 years;</li> <li>• The maximum initial ground rent should initially be no more than 0.25% of market value;</li> <li>• The ground rent must not be reviewed less than every 10 years;</li> <li>• The ground rent must only be reviewed in line with the RPI or equivalent;</li> <li>• Event fees can only be based on the reasonable administration costs incurred.</li> </ul>
Listed Buildings	Grade I, II* and II (A, B and C in Scotland) accepted - subject to full valuation and surveyor's comments.
Live/Work Units	Not accepted.
Modern Methods of Construction	Accepted - subject to: <ul style="list-style-type: none"> <li>• Planning and building regulation compliance.</li> <li>• An acceptable building standards warranty scheme being available.</li> <li>• Buildings insurance being obtainable under normal terms.</li> <li>• A minimum design life of 60 years as confirmed by a British accredited body (i.e. BRE, BOPAS).</li> <li>• Saleability confirmed by the surveyor</li> <li>• Being situated in a suitable location as defined by the surveyor</li> </ul>
New Build definition	Property built/converted in last 12 months (based on completion certificate).
New Build warranties/guarantees	Properties that have been built or converted in the last 10 years require suitable warranties/guarantees to be in place. A list of which is available on the UK Finance website <a href="http://www.ukfinance.org.uk">www.ukfinance.org.uk</a> .
New Build house	85% LTV for Residential, 75% max for Buy to Let.
New Build flat	85% LTV for Residential, 75% max for Buy to Let.
New Build Incentives	Builder Incentives accepted up to 5% of the purchase price. Builder incentive can include builders gifted deposit, white goods, carpets and curtains, cashback, legal fees and a contribution towards stamp duty.
Recently purchased property	Remortgages of recently purchased properties will only be accepted if 6 months has elapsed since completion of purchase.
Restrictive Covenants	Not accepted.
Self Build	Not accepted, unless completed and covered by a suitable structural new build warranty
Solar Panels	Accepted, providing no lease agreement exists.
Studio	Accepted for Residential, not accepted for Buy to Let.
Floor Area	Minimum Gross External Area (GEA) of 35m <sup>2</sup>
Valuation fee scale	See product guide.
Right To Buy	Not accepted.
HomeBuy Direct/ Shared Equity	Not accepted.
Shared Ownership	Not accepted.
Help to Buy	Not accepted.
Key Worker scheme	Not accepted.
Property owned in Trust	Not accepted.

## Mortgage Lending Criteria *(continued)*

### Property Details/Purpose *(continued)*

2nd Property for Personal Use	Accepted if for own use (max 85% LTV). We will accept up to 75% LTV on Interest Only (with sale of property as a repayment strategy) with an additional 10% on capital repayment. Affordability calculation needs to cover both mortgage balances. For interest only applications where the sale of the security is the repayment strategy the minimum property value requirement does not apply (see Acceptable Repayment Strategy section). If for a Dependent Relative please refer to the specific section).
2nd Property for Dependent Relative	Accepted if for dependant relatives use (max 85% LTV). We will accept up to 75% LTV on Interest Only (sale of property is not suitable as a repayment strategy) with an additional 10% on capital repayment (see Acceptable Repayment Strategy section). Affordability calculation needs to cover both mortgage balances.

### Loan details

Min Term	5 years.	
Max Term	35 years.	
Min Loan	£50,000. Additional borrowing applications have a £500 minimum loan amount.	
Max Loan	Loans considered up to any level (max interest only 75% on both Residential mortgages and Buy to Let mortgages).	
Lending over 80% LTV	<ul style="list-style-type: none"> <li>Applications are accepted for house purchase and pound for pound remortgage only. No capital raising allowed.</li> <li>Customers with impaired credit history, as per the PRA definition, are not accepted over 85% LTV.</li> </ul>	
Max Loan by LTV <b>Residential</b> These limits may be restricted by product	Maximum 95%.	Up to £570,000 loan amount.
	Maximum 90%.	Up to £675,000 loan amount.
	Maximum 85%.	Up to £850,000 loan amount.
	Maximum 80%.	Up to £1,500,000 loan amount.
	Maximum 75%.	Up to £2,000,000 loan amount.
	Maximum 70%.	Up to £2,500,000 loan amount.
	Maximum 65%.	Up to £3,000,000 loan amount.
	Maximum 60%.	Up to £10,000,000 loan amount.
Max Loan by LTV <b>Buy to Let</b> These limits may be restricted by product	Maximum 50%.	Over £10,000,000 loan amount.
	Maximum 75%.	Up to £750,000 loan amount.
	Maximum 70%.	Up to £2,500,000 loan amount.
	Maximum 65%.	Up to £3,000,000 loan amount.
	Maximum 60%.	Up to £10,000,000 loan amount.
	Maximum 50%.	Over £10,000,000 loan amount.

## Mortgage Lending Criteria *(continued)*

Deposit	Deposit must be from own resources unless gifted by a close family relative for both Residential and Buy to Let applications. The definition of close and immediate family includes spouses, parents, grandparents, children, grandchildren, siblings and mother/ father/ brother/ sister/ son/ daughter in law. Where deposit is gifted, the donor must complete the Gifted Mortgage Deposit Form to confirm a sum of money is being gifted towards a deposit on a property.
Part & Part	Accepted, subject to interest only policy. Maximum LTV 85%.
<b>Loan details <i>(continued)</i></b>	
Interest Only for Residential Applications	<ul style="list-style-type: none"> <li>• Minimum usable income of £50,000 required.</li> <li>• There must be a clear and believable means of capital repayment.</li> <li>• We require suitable evidence of the repayment strategy.</li> <li>• Maximum LTV is 75% on interest only, with an additional 10% on capital and interest available if sale of subject property is not being used as a repayment strategy. The following will not be accepted as suitable repayment strategies: <ul style="list-style-type: none"> <li>• Sale of property (unless meets criteria below, see acceptable repayment strategies).</li> <li>• Previous record of reducing debt.</li> <li>• Future potential income.</li> <li>• New investments (including those that have been in place for less than 12 months).</li> <li>• Inheritance.</li> <li>• Bonuses.</li> <li>• Future conversion to a Capital and Interest mortgage.</li> <li>• Any strategy that relies on increasing house prices.</li> <li>• Sale of business.</li> </ul> </li> </ul>
Debt Consolidation	<p>Maximum LTV - 80%</p> <p>Interest only - Accepted</p> <p>Part &amp; Part - Accepted</p>
Acceptable repayment strategies  (Please note that all repayment strategies must be held in GBP)	<ul style="list-style-type: none"> <li>• Endowment (evidence of current value to be provided)</li> <li>• Stocks &amp; Shares ISA (evidence of current value to be provided)</li> <li>• Unit Trusts / OEICs (evidence of current value to be provided)</li> <li>• UK Stocks &amp; Shares (evidence of current value to be provided)</li> <li>• Savings (evidence of current value to be provided)</li> <li>• Premium Bonds (evidence of current value to be provided)</li> <li>• Sale of investment property(ies) – equity must be equal to 120% of the interest only amount.</li> <li>• Sale of existing liquid investments (evidence of current value to be provided).</li> <li>• 25% of current pension value (evidence to be provided). Refer SIPPS.</li> <li>• Downsizing up to 50% LTV and up to a further 25% LTV through a credible repayment strategy (see above) or capital &amp; interest repayment.</li> <li>• Total allowable on Interest Only 75%.</li> <li>• Part Interest Only and Part Capital Repayment is permitted.</li> <li>• Minimum property value £600,000</li> </ul>
Capital raising	<ul style="list-style-type: none"> <li>• Limited to 80% LTV for Residential and 75% LTV for Buy to Let.</li> <li>• Purpose of capital raising required; evidence may be requested.</li> <li>• Funds will be held on retention for a maximum of 6 months (until required and satisfactory evidence provided).</li> <li>• Not available for speculative investment or business/commercial use.</li> <li>• Unencumbered properties are treated as remortgages. Refer to product guide for pricing.</li> <li>• Capital raising must be for the benefit of all parties to the mortgage.</li> </ul>
Offers valid for	Offers are valid for 5 months, new build offers are valid for 6 months.



## Mortgage Lending Criteria *(continued)*

<b>Buy to Let</b>	
Rental calculation	For new lending, the rental cover required for the property is 140% of the mortgage interest amount calculated at a stress rate of 5.5% on products other than 5 year fixed rates - for 5 year fixed rates the stress rate is 4%. The assessment of earned income and existing lending to Portfolio Landlords will be stressed at 5.5%. Conditions apply.
Top Slicing	Earned income from up to 2 applicants can be considered to support buy to let applications where the rental income is equal to, or greater than, 100% cover of the mortgage interest amount calculated at Metro Bank's 5.5% stress rate and the customer(s) have a minimum income of £50,000 for a single application, or £75,000 for a joint application. (Income from rent is not permitted to support top slicing). You are required to complete a budget planner and upload it at AIP stage, we then use this to ensure the disposable income exceeds the rental shortfall of the property or portfolio.
Non property owner	Minimum of one applicant must be an owner-occupier. First Time Landlords accepted (exceptions considered if in work related accommodation).
Income	No minimum income required, (unless using top slicing, see section above), one applicant must be earning an income other than rental. An assessment of funding living expenses and rental voids will be made.
Properties	Max 75% LTV for both houses and flats, no ex-local authority flats or studio flats.
Portfolio size	Maximum of 10 Buy to Let properties in total of which no more than 5 Buy to Let properties are mortgaged with Metro Bank, or £5m of Metro Bank exposure, whichever binds first. These limits also apply for existing customers seeking a further advance.
Tenancy	Single AST (or Short Assured Tenancy/Private Residential Tenancy in Scotland) required of no more than 36 months, but must contain an annual break clause. Single household only - Multiple tenancies not accepted.
Tenants	Maximum of 5 individuals forming a single household. Family member, corporate, housing associations, HMOs, student lets, holiday lets and individuals with diplomatic immunity are not accepted
Rental income	Proof required via 3 months bank statements. Rent received in cash is not accepted. Income from rent is not permitted to support top slicing
Consent to Let	Considered upon request. Mortgage must have been with Metro Bank for a minimum of 12 months.
Consumer Buy to Let	We class a Consumer Buy to Let mortgage as an application where all applicants do not own other Buy to Let properties and since becoming the owner of the proposed security property the customer or their family members have lived in the property (e.g. the customer is completing a Let to Buy transaction or has inherited a property and resided in it prior to letting it out).
Portfolio Buy to Let	This is classed as any Buy to Let application where the applicants will own either in sole name or jointly, the sum of 4 or more Buy to Let properties with mortgages on completion, this includes any Buy to Let properties owned in Limited Companies where the applicant(s) holds a personal guarantee. For new lending, the rental cover required for the property is 140% of the mortgage interest amount calculated at a stress rate of 5.5% on products other than 5 year fixed rates - for 5 year fixed rates the stress rate is 4%. The assessment of earned income and existing lending to Portfolio Landlords will be stressed at 5.5%. Conditions apply. In these cases, further documentation will be required and sustainability of the portfolio reviewed. For the additional document requirements please refer to the useful documents section of the intermediary website, where you will find both the Buy to Let Business Plan and the Buy to Let Requirements documents.
Energy Performance Certificate	Required confirming that an energy performance indicator of no less than E is in place (applicable to properties located in England & Wales only).